



# ANNUAL STATEMENT

## **For the Year Ended December 31, 2020**

## of the Condition and Affairs of the

# MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY

NAIC Group Code..... (Current Period)	291, 291 (Prior Period)	NAIC Company Code..... 13331	Employer's ID Number..... 41-0299900
Organized under the Laws of OH		State of Domicile or Port of Entry OH	
Incorporated/Organized..... May 25, 1899		Commenced Business..... January 4, 1900	
Statutory Home Office	471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215 (Street and Number) (City or Town, State, Country and Zip Code)		
Main Administrative Office	471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215 (Street and Number) (City or Town, State, Country and Zip Code)		
Mail Address	471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	471 EAST BROAD STREET .. COLUMBUS .. OH .. US .. 43215 (Street and Number) (City or Town, State, Country and Zip Code)		
Internet Web Site Address	ENCOVA.COM		
Statutory Statement Contact	AMY E KUHLMAN (Name)		
	ACCOUNTING@ENCOVA.COM (E-Mail Address)		
	614-225-8285 (Area Code) (Telephone Number) (Extension)		
	614-225-8330 (Fax Number)		

## OFFICERS

Name	Title	Name	Title
1. THOMAS JOSEPH OBROKTA JR.	PRESIDENT & CHIEF EXECUTIVE OFFICER	2. MARCHELLE ELAINE MOORE	SECRETARY
3. JAMES CHRISTOPHER HOWAT	TREASURER	4.	
<b>OTHER</b>			
GREGORY ARTHUR BURTON	EXECUTIVE CHAIR		

## OTHER

## **DIRECTORS OR TRUSTEES**

JEFFREY LEIGH BENINTENDI #      GRADY BRENDAN CAMPBELL #      JAMES CHRISTOPHER HOWAT #      THOMAS JOSEPH OBROKTA JR.  
MATTHEW CARL WILCOX #

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

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

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(Signature)  
THOMAS JOSEPH OBROKTA JR.  
1. (Printed Name)  
PRESIDENT & CHIEF EXECUTIVE OFFICER  
(Title)

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(Signature)  
MARCHELLE ELAINE MOORE  
2. (Printed Name)  
SECRETARY  
(Title)

---

---

(Signature)  
JAMES CHRISTOPHER HOWAT

---

3. (Printed Name)  
TREASURER

---

(Title)

Subscribed and sworn to before me  
This 15th day of February 2021

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

Yes [X] No [ ]

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

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	265,131,604		265,131,604	259,763,830
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	90,440,078	377,615	90,062,463	86,881,667
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....	7,394,518	1,070,006	6,324,512	6,325,000
5. Cash (\$....1,849,223, Schedule E-Part 1), cash equivalents (\$....20,840,258, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	22,689,481		22,689,481	13,171,634
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	27,540,629		27,540,629	27,088,575
9. Receivables for securities.....	5,000		5,000	2
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	413,201,310	1,447,621	411,753,689	393,230,708
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	1,932,834		1,932,834	1,885,283
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	23,131,406	557,722	22,573,684	11,947,807
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	139,404,179		139,404,179	99,693,358
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	7,479,992		7,479,992	8,496,112
16.2 Funds held by or deposited with reinsured companies.....	44,599,185		44,599,185	33,994,305
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	1,706,525		1,706,525	2,508,668
18.2 Net deferred tax asset.....			0	1,797,538
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....	8,985	8,985	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	227,304		227,304	10,835,956
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	1,679,606	8,419	1,671,187	5,539,274
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	633,371,325	2,022,748	631,348,578	569,929,009
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	633,371,325	2,022,748	631,348,578	569,929,009

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Surcharges Receivable.....	1,186,991		1,186,991	
2502. Miscellaneous receivables.....	297,980		297,980	
2503. Equities and deposits in pools and associations.....	184,415		184,415	184,904
2598. Summary of remaining write-ins for Line 25 from overflow page.....	10,219	8,419	1,800	5,354,370
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	1,679,606	8,419	1,671,187	5,539,274

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

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	.162,658,785	162,501,651
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	1,206,525	5,460,544
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	28,848,153	28,343,079
4. Commissions payable, contingent commissions and other similar charges.....	4,397,480	4,193,184
5. Other expenses (excluding taxes, licenses and fees).....	10,675,114	7,871,756
6. Taxes, licenses and fees (excluding federal and foreign income tax es).....	1,168,090	1,211,163
7.1 Current federal and foreign income tax es (including \$.....0 on realized capital gains (losses)).....	.....	.....
7.2 Net deferred tax liability.....	728,381	.....
8. Borrowed money \$.....0 and interest thereon \$.....0.....	.....	.....
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....192,124,511 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	51,318,980	51,300,634
10. Advance premium.....	.....	.....
11. Dividends declared and unpaid:		
11.1 Stockholders.....	.....	.....
11.2 Policyholders.....	(1,513)	180,296
12. Ceded reinsurance premiums payable (net of ceding commissions).....	9,589,813	16,525,151
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20).....	165,179,288	102,954,626
14. Amounts withheld or retained by company for account of others.....	5,024	5,287
15. Remittances and items not allocated.....	8,248,344	8,293,172
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 3, Column 78).....	812,497	402,845
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	.....	.....
18. Drafts outstanding.....	.....	.....
19. Payable to parent, subsidiaries and affiliates.....	5,910,128	7,677,881
20. Derivatives.....	.....	.....
21. Payable for securities.....	.....	1,995,000
22. Payable for securities lending.....	.....	.....
23. Liability for amounts held under uninsured plans.....	.....	.....
24. Capital notes \$.....0 and interest thereon \$.....0.....	.....	.....
25. Aggregate write-ins for liabilities.....	1,294,118	2,224,301
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	452,039,205	401,140,570
27. Protected cell liabilities.....	.....	.....
28. Total liabilities (Lines 26 and 27).....	452,039,205	401,140,570
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	.....	.....
31. Preferred capital stock.....	.....	.....
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....	.....	.....
34. Gross paid in and contributed surplus.....	.....	.....
35. Unassigned funds (surplus).....	179,309,374	168,788,439
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	.....	.....
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	.....	.....
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	179,309,374	168,788,439
38. TOTAL (Page 2, Line 28, Col. 3).....	631,348,578	569,929,009

**DETAILS OF WRITE-INS**

2501. State surcharges payable.....	1,245,265	193,336
2502. Reinsurance assumed overhead payable.....	48,853	327,688
2503. Pooled general expenses payable.....	.....	1,651,698
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	51,579
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	1,294,118	2,224,301
2901. ....	.....	.....
2902. ....	.....	.....
2903. ....	.....	.....
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0
3201. ....	.....	.....
3202. ....	.....	.....
3203. ....	.....	.....
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

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

	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4).....	110,555,238	110,850,335
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	58,127,681	59,847,577
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	16,609,862	16,683,221
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	35,377,448	36,583,727
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	110,114,991	113,114,526
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	440,247	(2,264,191)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	9,798,806	11,545,920
10. Net realized capital gains (losses) less capital gains tax of \$....(795,886) (Exhibit of Capital Gains (Losses)).....	(3,120,813)	338,882
11. Net investment gain (loss) (Lines 9 + 10).....	6,677,994	11,884,802
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$....385,629).....	(385,629)	(206,071)
13. Finance and service charges not included in premiums.....	1,207,169	387,529
14. Aggregate write-ins for miscellaneous income.....	62,181	5,754
15. Total other income (Lines 12 through 14).....	883,721	187,211
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	8,001,961	9,807,823
17. Dividends to policyholders.....	126,503	288,742
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).....	7,875,458	9,519,081
19. Federal and foreign income taxes incurred.....	2,148,028	1,187,280
20. Net income (Line 18 minus Line 19) (to Line 22).....	5,727,430	8,331,801
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	168,788,448	150,615,166
22. Net income (from Line 20).....	5,727,430	8,331,801
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(559,404).....	13,446,261	11,109,642
25. Change in net unrealized foreign exchange capital gain (loss).....	10,130	17,553
26. Change in net deferred income tax.....	(3,085,323)	(789,720)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	337,526	(488,521)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(409,651)	(7,473)
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from Protected Cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	(5,505,447)	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	10,520,926	18,173,282
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	179,309,374	168,788,448

**DETAILS OF WRITE-INS**

0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0
1401. Miscellaneous income or expense.....	62,181	5,854
1402. Penalties and assessments.....		(100)
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).....	62,181	5,754
3701. Miscellaneous gains / losses.....	(5,505,447)	
3702. ....		
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	(5,505,447)	0

**MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY**  
**CASH FLOW**

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	112,413,106	117,378,462
2. Net investment income.....	9,947,928	13,016,837
3. Miscellaneous income.....	883,721	187,211
4. Total (Lines 1 through 3).....	123,244,755	130,582,511
5. Benefit and loss related payments.....	71,813,324	59,738,239
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	47,449,969	56,964,868
8. Dividends paid to policyholders.....	308,313	584,188
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	549,999	(162,133)
10. Total (Lines 5 through 9).....	120,121,605	117,125,161
11. Net cash from operations (Line 4 minus Line 10).....	3,123,150	13,457,349
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	40,620,106	55,347,845
12.2 Stocks.....	6,326,825	3,123,375
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	1,925,417	1,940,594
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(0)	260
12.7 Miscellaneous proceeds.....		148
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	48,872,348	60,412,221
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	46,791,287	66,424,384
13.2 Stocks.....	2,656,374	4,109,706
13.3 Mortgage loans.....		
13.4 Real estate.....	9,750	
13.5 Other invested assets.....	861,840	1,613,754
13.6 Miscellaneous applications.....	1,999,998	(1,094,558)
13.7 Total investments acquired (Lines 13.1 to 13.6).....	52,319,248	71,053,286
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(3,446,900)	(10,641,064)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	9,841,591	4,441,901
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	9,841,591	4,441,901
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	9,517,841	7,258,186
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	13,171,639	5,913,454
19.2 End of year (Line 18 plus Line 19.1).....	22,689,481	13,171,639

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

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

**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	365,291	222,397	175,144	412,544
2. Allied lines.....	361,440	214,945	186,114	390,271
3. Farmowners multiple peril.....	465,865	265,202	226,008	505,059
4. Homeowners multiple peril.....	7,778,824	4,638,233	4,190,507	8,226,549
5. Commercial multiple peril.....	16,507,857	6,508,026	8,082,191	14,933,692
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	19,558	11,275	9,950	20,883
9. Inland marine.....	2,111,400	1,049,756	993,425	2,167,732
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.....	109,543	74,753	54,690	129,605
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.....	28	0	0	28
16. Workers' compensation.....	48,884,573	21,826,513	22,888,916	47,822,170
17.1 Other liability - occurrence.....	4,274,613	3,291,732	2,185,531	5,380,815
17.2 Other liability - claims-made.....	328,257	123,565	240,224	211,597
17.3 Ex cess workers' compensation.....	0	0	0	0
18.1 Products liability - occurrence.....	69,583	149,271	39,551	179,303
18.2 Products liability - claims-made.....	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	5,468,947	2,442,029	1,995,542	5,915,434
19.3, 19.4 Commercial auto liability.....	12,908,265	5,673,286	6,079,631	12,501,920
21. Auto physical damage.....	9,089,266	4,563,799	3,832,862	9,820,203
22. Aircraft (all perils).....	0	0	0	0
23. Fidelity.....	(981)	26,102	13	25,108
24. Surety.....	0	0	0	0
26. Burglary and theft.....	199,464	78,127	92,081	185,511
27. Boiler and machinery.....	58,979	45,812	25,790	79,002
28. Credit.....	0	0	0	0
29. International.....	0	0	0	0
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	662,098	39,618	5,535	696,181
32. Reinsurance - nonproportional assumed liability.....	910,713	56,193	15,268	951,638
33. Reinsurance - nonproportional assumed financial lines.....	0	0	0	0
34. Aggregate write-ins for other lines of business.....	0	0	.9	(9)
35. TOTALS.....	110,573,584	51,300,634	51,318,980	110,555,238

**DETAILS OF WRITE-INS**

3401. ....	0	.9	(9)
3402. ....	0	0	0
3403. ....	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	.9	(9)

**MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY  
UNDERWRITING AND INVESTMENT EXHIBIT**
**PART 1A - RECAPITULATION OF ALL PREMIUMS**

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	.175,144				175,144
2. Allied lines.....	.186,114				186,114
3. Farmowners multiple peril.....	.226,008				.226,008
4. Homeowners multiple peril.....	.4,190,507				.4,190,507
5. Commercial multiple peril.....	.8,082,191				.8,082,191
6. Mortgage guaranty.....					0
8. Ocean marine.....	.9,950				.9,950
9. Inland marine.....	.993,425				.993,425
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....					0
11.2 Medical professional liability - claims-made.....					0
12. Earthquake.....	.54,690				.54,690
13. Group accident and health.....					0
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....					0
16. Workers' compensation.....	22,888,916				22,888,916
17.1 Other liability - occurrence.....	.2,185,531				.2,185,531
17.2 Other liability - claims-made.....	.240,224				.240,224
17.3 Excess workers' compensation.....					0
18.1 Products liability - occurrence.....	.39,551				.39,551
18.2 Products liability - claims-made.....					0
19.1, 19.2 Private passenger auto liability.....	.1,995,542				.1,995,542
19.3, 19.4 Commercial auto liability.....	.6,079,631				.6,079,631
21. Auto physical damage.....	.3,832,862				.3,832,862
22. Aircraft (all perils).....					0
23. Fidelity.....	13				13
24. Surety.....					0
26. Burglary and theft.....	.92,081				.92,081
27. Boiler and machinery.....	.25,790				.25,790
28. Credit.....					0
29. International.....					0
30. Warranty.....					0
31. Reinsurance - nonproportional assumed property.....	.5,535				.5,535
32. Reinsurance - nonproportional assumed liability.....	.15,268				.15,268
33. Reinsurance - nonproportional assumed financial lines.....					0
34. Aggregate write-ins for other lines of business.....	.9	.0	.0	.0	.9
35. TOTALS.....	.51,318,980	.0	.0	.0	.51,318,980
36. Accrued retrospective premiums based on experience.....					
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					.51,318,980

**DETAILS OF WRITE-INS**

3401. Aggregate - Other.....	.9				.9
3402. .....					0
3403. .....					0
3498. Summary of remaining write-ins for Line 34 from overflow page	.0	.0	.0	.0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	.9	.0	.0	.0	.9

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

**MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY  
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**PART 1B - PREMIUMS WRITTEN**

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Col. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	535,113	365,291	6,677	533,203	8,587	365,291
2. Allied lines.....	500,256	361,440	15,337	502,278	13,315	361,440
3. Farmowners multiple peril.....		465,865				465,865
4. Homeowners multiple peril.....	58,053	7,778,824	29,426	87,479	-	7,778,824
5. Commercial multiple peril.....	166,673,848	16,507,857		160,015,958	6,657,890	16,507,857
6. Mortgage guaranty.....						0
8. Ocean marine.....		19,558				19,558
9. Inland marine.....	18,570,275	2,111,400		18,105,815	464,460	2,111,400
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....						0
12. Earthquake.....	477,778	109,543	4	460,875	16,906	109,543
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....	275	28		275		28
16. Workers' compensation.....	2,019,456	48,884,573	85,598	2,024,605	80,450	48,884,573
17.1 Other liability - occurrence.....	41,353,179	4,274,613	2,968	38,508,891	2,847,256	4,274,613
17.2 Other liability - claims-made.....	4,884,084	328,257		3,186,961	1,697,123	328,257
17.3 Ex cess workers' compensation.....						0
18.1 Products liability - occurrence.....	774,629	69,583		761,781	12,848	69,583
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....		5,468,947		-	-	5,468,947
19.3, 19.4 Commercial auto liability.....	125,415,138	12,908,265	546,311	125,463,280	498,169	12,908,265
21. Auto physical damage.....	44,289,007	9,089,266	181,007	40,701,496	3,768,518	9,089,266
22. Aircraft (all perils).....						0
23. Fidelity.....		(981)				(981)
24. Surety.....						0
26. Burglary and theft.....	1,942,707	199,464	1	1,940,709	1,998	199,464
27. Boiler and machinery.....	5,408,232	58,979		586,296	4,821,936	58,979
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX	662,098				662,098
32. Reinsurance - nonproportional assumed liability.....	XXX	910,713				910,713
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.....	412,902,031	110,573,584	867,329	392,879,904	20,889,457	110,573,584

**DETAILS OF WRITE-INS**

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

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

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

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

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**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	446,665	156,589	450,249	153,106	135,651	52,389	236,368	.57.3
2. Allied lines.....	82,390	272,045	87,227	267,208	29,593	46,866	249,934	.64.0
3. Farmowners multiple peril.....		176,980		176,980	31,086	67,910	140,156	.27.8
4. Homeowners multiple peril.....	28,961	5,880,449	44,119	5,866,291	1,425,477	1,456,533	5,834,234	.70.9
5. Commercial multiple peril.....	45,526,492	6,042,650	45,526,492	6,042,650	6,426,582	3,779,051	8,690,181	.58.2
6. Mortgage guaranty.....				0	0	0	0	.0.0
8. Ocean marine.....		(3,300)		(3,300)	1,264	.971	(3,000)	(14.4)
9. Inland marine.....	5,847,046	784,053	5,847,046	784,053	128,525	124,202	788,376	.36.4
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.....	.41	4	.41	.4	0	(297)	301	1,061.4
16. Workers' compensation.....	4,412,39	19,420,793	4,634,484	19,199,048	121,498,460	118,513,068	22,184,441	.46.4
17.1 Other liability - occurrence.....	6,950,526	3,256,624	753,843	9,453,307	6,426,026	11,933,929	3,945,404	.73.3
17.2 Other liability - claims-made.....	.96,1/6	9,906	.96,1/6	9,906	.24,14/	.64,764	192,289	.90.9
17.3 Excess workers' compensation.....				0	0	0	0	.0.0
18.1 Products liability - occurrence.....	1,239,447	208,267	1,239,447	208,267	1,095,747	1,396,651	(92,637)	(51.7)
18.2 Products liability - claims-made.....				0	0	0	0	.0.0
19.1, 19.2 Private passenger auto liability.....	19,999	3,178,342	19,999	3,178,342	4,112,605	.507,851	2,753,096	.46.5
19.3, 19.4 Commercial auto liability.....	22,573,662	6,487,670	23,002,797	6,058,535	1,227,361	16,444,035	6,841,861	.54.7
21. Auto physical damage.....	22,547,428	5,135,679	22,666,255	5,016,852	494,240	.542,509	4,968,583	.50.6
22. Aircraft (all perils).....				0	0	0	0	.0.0
23. Fidelity.....	(1,798)	30,527	(1,798)	30,527	0	19,776	10,751	.42.8
24. Surety.....				0	5,150	5,150	0	.0.0
26. Burglary and theft.....	191,194	19,687	191,194	19,687	.914	18,3/9	9,223	.5.0
27. Boiler and machinery.....	1,196,617	5,481	1,196,617	5,481	.5,150	.33,054	(22,422)	(28.4)
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.	.788,846	10,841	.788,005	.750,284	.741,355	.786,934	.113.0
32. Reinsurance - nonproportional assumed liability.....	XXX.	186,596		186,596	2,610,523	2,183,502	613,616	.64.5
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)	.0.2
35. TOTALS.....	111,157,585	52,577,989	105,765,028	57,970,546	162,658,785	162,501,651	58,127,681	.52.6
DETAILS OF WRITE-INS								
3401. Aggregate - Other.....				0	(0)	0	(0)	.0.2
3402. ....				0	0	0	0	.0.0
3403. ....				0	0	0	0	.0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX.....
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	(0)	0	(0)	.0.2

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**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	976,682	125,310	976,682	125,310	8,800	10,341	8,800	135,651	22,290
2. Allied lines.....	15,603	22,847	15,603	22,847	7,300	6,747	7,300	29,593	3,690
3. Farmowners multiple peril.....		14,101		14,101		16,985	-	31,086	11,703
4. Homeowners multiple peril.....		1,122,029		1,122,029		303,448	-	1,425,477	314,211
5. Commercial multiple peril.....	28,805,440	3,375,825	28,805,440	3,375,825	28,358,000	3,050,757	28,358,000	6,426,582	1,504,858
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....		780		780		484	-	1,264	167
9. Inland marine.....	631,884	80,630	631,884	80,630	321,400	47,895	321,400	128,525	28,841
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....				0				0	
11.2 Medical professional liability - claims-made.....				0				0	
12. Earthquake.....				0				0	
13. Group accident and health.....				0			(a)	0	
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....				0	0	-	(a)	0	
16. Workers' compensation.....	14,704,865	63,446,026	17,419,293	60,731,598	9,762,500	62,578,418	11,574,056	121,498,460	15,294,693
17.1 Other liability - occurrence.....	5,599,728	6,111,905	11,799,728	(88,095)	18,861,500	6,514,121	18,861,500	6,426,026	5,433,396
17.2 Other liability - claims-made.....	340,786	35,101	340,786	35,101	2,058,700	212,046	2,058,700	247,147	102,300
17.3 Excess workers' compensation.....				0				0	
18.1 Products liability - occurrence.....	2,418,749	619,835	2,418,749	619,835	2,800,800	475,912	2,800,800	1,095,747	446,746
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....	12,159	3,264,915	12,159	3,264,915		847,690	-	4,112,605	957,064
19.3, 19.4 Commercial auto liability.....	42,420,554	10,679,983	43,246,277	9,854,260	40,169,300	7,661,217	40,457,416	17,227,361	4,550,917
21. Auto physical damage.....	2,837,810	462,769	2,837,825	462,754	110,300	43,164	121,978	494,240	95,196
22. Aircraft (all perils).....				0				0	
23. Fidelity.....				0				0	
24. Surety.....	50,000	5,150	50,000	5,150				5,150	
26. Burglary and theft.....	33,440	3,959	33,440	3,959	36,400	3,955	36,400	7,914	1,967
27. Boiler and machinery.....	50,000	5,150	50,000	5,150				5,150	
28. Credit.....				0				0	
29. International.....				0				0	
30. Warranty.....				0				0	
31. Reinsurance - nonproportional assumed property.....	XXX	815,601	188,846	626,755	XXX	1,726,692	1,603,163	750,284	16,381
32. Reinsurance - nonproportional assumed liability.....	XXX	957,420		957,420	XXX	1,653,102	-	2,610,523	63,731
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.....	98,897,702	91,149,336	108,826,714	81,220,324	102,495,000	85,152,974	106,209,512	162,658,785	28,848,153

**DETAILS OF WRITE-INS**

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

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

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

**PART 3 - EXPENSES**

	1 Loss Adjustment Ex penses	2 Other Underwriting Ex penses	3 Investment Ex penses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	15,326,741			15,326,741
1.2 Reinsurance assumed.....	4,992,638			4,992,638
1.3 Reinsurance ceded.....	15,328,958			15,328,958
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	4,990,421	0	0	4,990,421
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		63,224,866		63,224,866
2.2 Reinsurance assumed, excluding contingent.....		14,074,127		14,074,127
2.3 Reinsurance ceded, excluding contingent.....		63,241,975		63,241,975
2.4 Contingent - direct.....		4,229,321		4,229,321
2.5 Contingent - reinsurance assumed.....		1,336,469		1,336,469
2.6 Contingent - reinsurance ceded.....		4,229,321		4,229,321
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	15,393,487	0	15,393,487
3. Allowances to manager and agents.....		1,763		1,763
4. Advertising.....		189,971		189,971
5. Boards, bureaus and associations.....	451,158	670,639		1,121,797
6. Surveys and underwriting reports.....	80,728	467,086		547,814
7. Audit of assureds' records.....	4,209	61,922		66,131
8. Salary and related items:				
8.1 Salaries.....	5,598,657	8,207,492	232,282	14,038,431
8.2 Payroll taxes.....	395,228	488,274	11,398	894,900
9. Employee relations and welfare.....	1,348,993	1,655,467	29,765	3,034,225
10. Insurance.....	52,684	77,196		129,880
11. Directors' fees.....	116,829	157,651	31,419	305,898
12. Travel and travel items.....	126,451	432,871	18,536	577,858
13. Rent and rent items.....	299,840	224,217	319,923	843,981
14. Equipment.....	165,462	161,233	46,685	373,380
15. Cost or depreciation of EDP equipment and software.....	1,899,660	2,518,730	25,894	4,444,283
16. Printing and stationery.....	30,586	60,187	1,725	92,497
17. Postage, telephone and telegraph, exchange and express.....	236,673	333,780	17,697	588,150
18. Legal and auditing.....	180,972	152,930	82,110	416,011
19. Totals (Lines 3 to 18).....	10,988,128	15,861,410	817,433	27,666,972
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0		1,949,866		1,949,866
20.2 Insurance department licenses and fees.....		208,529		208,529
20.3 Gross guaranty association assessments.....		381,639		381,639
20.4 All other (excluding federal and foreign income and real estate).....		1,548	203,411	204,958
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	2,541,582	203,411	2,744,993
21. Real estate expenses.....			164,214	164,214
22. Real estate taxes.....			230,070	230,070
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	631,313	1,580,969	97,718	2,310,000
25. Total expenses incurred.....	16,609,862	35,377,448	1,512,846	53,500,156
26. Less unpaid expenses - current year.....	28,848,153	15,822,847	417,836	45,088,836
27. Add unpaid expenses - prior year.....	28,343,079	13,098,471	1,485,524	42,927,074
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	16,104,789	32,653,072	2,580,533	51,338,394

**DETAILS OF WRITE-INS**

2401. Consulting Fees.....	494,104	796,192		1,290,296
2402. Donations and Contributions.....	80,460	188,328		268,788
2403. SUMMARY OF REMAINING WRITE INS.....	56,749	596,449	97,718	750,916
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).....	631,313	1,580,969	97,718	2,310,000

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

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

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds.....	(a).....216,435	191,656
1.1 Bonds exempt from U.S. tax .....	(a).....1,234,451	1,263,892
1.2 Other bonds (unaffiliated).....	(a).....6,569,470	6,636,653
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	1,372,011
2.21 Common stocks of affiliates.....	.....	1,365,937
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....68,614	68,614
5. Contract loans.....	.....	14,906
6. Cash, cash equivalents and short-term investments.....	(e).....79,143	60,924
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	1,762,972
9. Aggregate write-ins for investment income.....	.....	95,966
10. Total gross investment income.....	.....	11,413,968
	.....	11,461,519
11. Investment expenses.....	(g).....1,309,435	.....
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....203,411	.....
13. Interest expense.....	(h).....	.....
14. Depreciation on real estate and other invested assets.....	(i).....149,867	.....
15. Aggregate write-ins for deductions from investment income.....	.....	0
16. Total deductions (Lines 11 through 15).....	.....	1,662,712
17. Net investment income (Line 10 minus Line 16).....	.....	9,798,806

**DETAILS OF WRITE-INS**

0901. Miscellaneous Income.....	93,547	93,547
0902. Securities Lending.....	2,419	2,419
0903. .....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	95,966	95,966
1501. Real Estate Expenses.....	.....	.....
1502. .....	.....	.....
1503. .....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	0	0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	0	0

- (a) Includes \$....230,249 accrual of discount less \$....1,344,743 amortization of premium and less \$....58,015 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$....485 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$....1,309,435 investment expenses and \$....203,411 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$....149,867 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds.....	216,054	.....	216,054	(127,938)	.....
1.1 Bonds exempt from U.S. tax .....	3,902	.....	3,902	.....	.....
1.2 Other bonds (unaffiliated).....	272,625	.....	272,625	(56,667)	.....
1.3 Bonds of affiliates.....	.....	.....	0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	0	.....	.....
2.2 Common stocks (unaffiliated).....	449,612	(4,732,124)	(4,282,512)	10,124,792	.....
2.21 Common stocks of affiliates.....	.....	.....	0	1,313,504	.....
3. Mortgage loans.....	.....	.....	0	.....	.....
4. Real estate.....	.....	.....	0	.....	.....
5. Contract loans.....	.....	.....	0	.....	.....
6. Cash, cash equivalents and short-term investments.....	(0)	.....	(0)	.....	.....
7. Derivative instruments.....	.....	.....	0	.....	.....
8. Other invested assets.....	(126,778)	.11	(126,778)	1,633,166	9,244
9. Aggregate write-ins for capital gains (losses).....	.....	0	11	0	0
10. Total capital gains (losses).....	815,426	(4,732,124)	(3,916,699)	12,886,857	9,244

**DETAILS OF WRITE-INS**

0901. Prior year.....	11	11	11	.....
0902. .....	.....	.....	0	.....
0903. .....	.....	.....	0	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	11	0	11	0

**MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY**  
**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....	377,615		(377,615)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....	1,070,006	1,209,635	139,629
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,447,621	1,209,635	(237,986)
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	557,722	133,961	(423,762)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....		48,400	48,400
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....	8,985		(8,985)
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	8,419	968,278	959,859
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	2,022,748	2,360,274	337,526
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	2,022,748	2,360,274	337,526

**DETAILS OF WRITE-INS**

1101.....			0
1102.....			0
1103.....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Prepaid expenses.....		943,146	943,146
2502. Other Fixed Assets.....	8,419	8,419	0
2503. Assessments paid in advance.....		9,566	9,566
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	7,148	7,148
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	8,419	968,278	959,859

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

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

	SSAP #	F/S Page	F/S Line #	2020	2019
<b>NET INCOME</b>					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 5,727,430	\$ 8,331,801
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 5,727,430	\$ 8,331,801
<b>SURPLUS</b>					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 179,309,374	\$ 168,788,439
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 179,309,374	\$ 168,788,439

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

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

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

**C. Accounting Policy**

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

- (1) Basis for Short-Term Investments  
Short-term investments consist of class 1 money market mutual funds, agencies, and treasury bonds. Short term investments are stated at amortized cost.
- (2) Basis for Bonds and Amortization Schedule  
Bonds not back by other loans are stated at amortized cost using the scientific amortization method.
- (3) Basis for Common Stocks  
Common Stocks are valued at market. However, investments in stocks of uncombined subsidiaries and affiliates in which the company has an interest of 20% or more are valued using the equity basis.
- (4) Basis for Preferred Stocks  
Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32: Investments in Preferred Stock.
- (5) Basis for Mortgage Loans  
The Company did not have any mortgage loans.
- (6) Basis for Loan-Backed Securities and Adjustment Methodology  
Loan-backed securities are stated in accordance with the guidance provided in SSAP No. 43R: Loan-backed and Structured Securities. The retrospective adjustment method is used to value these securities

**NOTES TO FINANCIAL STATEMENTS****(7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities**

The company owns 30% of the common stock of Motorists Life Insurance Company, a life insurer, and 100% of the common stock of MCM Agency, Inc., an insurance broker. Motorists Life Insurance Company is valued on an equity basis as described in Part 5, Section 2ciB1 of the Securities Valuation Handbook. MCM Agency, Inc. is valued on an equity basis as described in Part 5, Section 2ciB2 of the Securities Valuation Handbook.

**(8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities**

Valuation Handbook. MCM Agency, Inc. is valued on an equity basis as described in Part 5, Section 2ciB2 of the Securities Valuation Handbook.

**(9) Accounting Policies for Derivatives**

The Company does not hold any derivative instruments.

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

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

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

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

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

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

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

The Company has no pharmaceutical rebate receivables to report.

**D. Going Concern**

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

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

Not Applicable

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

Not applicable

**B. Statutory Merger**

Not applicable

**C. Impairment Loss**

Not applicable

**Note 4 – Discontinued Operations****A. Discontinued Operation Disposed of or Classified as Held for Sale**

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

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

Not Applicable

**B. Debt Restructuring**

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

## C. Reverse Mortgages

Not Applicable

## D. Loan-Backed Securities

## (1) Description of Sources Used to Determine Prepayment Assumptions

Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values and internal estimates.

## (2) Other-Than-Temporary Impairments

Not Applicable

## (3) Recognized OTTI Securities

Not Applicable

## (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	\$ 11,632
	2. 12 Months or Longer	\$ 12,131
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$ 2,910,884
	2. 12 Months or Longer	\$ 433,752

## (5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary

The Company performed an analysis of loan-backed securities and determined that exposure to credit risk was not a factor and did not warrant any other-than-temporary impairments.

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

Not Applicable

## F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Repurchase Transaction – Cash Taker – Overview of Secured Borrowing Transactions

Not Applicable

## G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

Not Applicable

## H. Repurchase Agreements Transactions Accounted for as a Sale

Repurchase Transaction – Cash Taker – Overview of Sale Transactions

Not Applicable

## I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Repurchase Transaction – Cash Provider – Overview of Sale Transactions

Not Applicable

## J. Real Estate

## (1) Recognized Impairment Loss

Not Applicable

## (2) Sold or Classified Real Estate Investments as Held for Sale

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

## (3) Changes to a Plan of Sale for an Investment in Real Estate

The company did not experience any changes to its plans of sale for real estate investments during the periods reported.

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**NOTES TO FINANCIAL STATEMENTS**

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- (4) Retail Land Sales Operations  
Not Applicable
  
- (5) Real Estate Investments with Participating Mortgage Loan Features  
Not Applicable

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

- (1) Number of Remaining Years of Unexpired Tax Credits and Holding Period for LIHTC Investments  
As of December 31, 2020, the company's LIHTC investments did not have any remaining unexpired tax credits. There is not a required holding period for the LIHTC investments.
  
- (2) Amount of LIHTC and Other Tax Benefits Recognized  
There was \$122,318 in recognized losses during the current year and \$103,720 in the prior year.
  
- (3) Balance of Investment Recognized  
The remaining LIHTC investments total \$243,899 as of December 31, 2020.
  
- (4) Regulatory Reviews  
As of the date of this publication, there were not any underlying properties in the LIHTC funds known to be under regulatory review.
  
- (5) LIHTC investments which Exceed 10% of Total Admitted Assets  
Not Applicable
  
- (6) Recognized Impairment  
Not Applicable
  
- (7) Amount and Nature of Write-Downs or Reclassifications  
Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

## L. Restricted Assets

The company held other restricted assets as listed below:

## (1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross		(Admitted &	Nonadmitted)	Restricted		
	Current Year					6	7
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Cell Account (S/A) Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)		
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	\$	\$
Land not in service							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states	12,696,753				12,696,753	10,609,653	2,087,100
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	\$ 12,696,753	\$	\$	\$	\$ 12,696,753	\$ 10,609,653	\$ 2,087,100

**NOTES TO FINANCIAL STATEMENTS**

Restricted Asset Category	Current Year				
	8 Total Nonadmitted Restricted	9 Total Admitted Restricted (5 minus 8)	Percentage		
			10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)	
a. Subject to contractual obligation for which liability is not shown	\$	\$	%	%	
b. Collateral held under security lending arrangements			%	%	
c. Subject to repurchase agreements			%	%	
d. Subject to reverse repurchase agreements			%	%	
e. Subject to dollar repurchase agreements			%	%	
f. Subject to dollar reverse repurchase agreements			%	%	
g. Placed under option contracts			%	%	
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock			%	%	
i. FHLB capital stock			%	%	
j. On deposit with states		12,696,753	2.0%	2.0%	
k. On deposit with other regulatory bodies			%	%	
l. Pledged as collateral to FHLB (including assets backing funding agreements)			%	%	
m. Pledged as collateral not captured in other categories			%	%	
n. Other restricted assets			%	%	
o. Total Restricted Assets	\$	\$ 12,696,753	2.0%	2.0%	

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

## M. Working Capital Finance Investments

Not Applicable

## N. Offsetting and Netting of Assets and Liabilities

Not Applicable

## O. 5GI Securities

Not Applicable

## P. Short Sales

Not Applicable

## Q. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
(1) Number of CUSIPs	1	
(2) Aggregate Amount of Investment Income	\$ 14,779	\$

**NOTES TO FINANCIAL STATEMENTS****Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

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

Not Applicable

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

Not Applicable

**Note 7 – Investment Income**

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

Not Applicable

B. The total amount excluded:

Not Applicable

**Note 8 – Derivative Instruments**

Not Applicable

**Note 9 – Income Taxes**

A. Deferred Tax Assets/(Liabilities)

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

	2020			2019			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 8,292,154	\$ 96,542	\$ 8,388,696	\$ 8,576,670	\$ 60,074	\$ 8,636,744	\$ (284,516)	\$ 36,468	\$ (248,048)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 8,292,154	\$ 96,542	\$ 8,388,696	\$ 8,576,670	\$ 60,074	\$ 8,636,744	\$ (284,516)	\$ 36,468	\$ (248,048)
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 8,292,154	\$ 96,542	\$ 8,388,696	\$ 8,576,670	\$ 60,074	\$ 8,636,744	\$ (284,516)	\$ 36,468	\$ (248,048)
f. Deferred tax liabilities	338,709	8,778,368	9,117,077	397,701	6,441,505	6,839,206	(58,992)	2,336,863	2,277,871
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 7,953,445	\$ (8,681,826)	\$ (728,381)	\$ 8,178,969	\$ (6,381,431)	\$ 1,797,538	\$ (225,524)	\$ (2,300,395)	\$ (2,525,919)

**NOTES TO FINANCIAL STATEMENTS**

## 2. Admission Calculation Components SSAP No. 101

	2020			2019			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 1,858,974	\$ 416,341	\$ 2,275,315	\$ 801,685	\$ 121,486	\$ 923,171	\$ 1,057,289	\$ 294,855	\$ 1,352,144
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)	3,043,340		3,043,340	4,483,765		4,483,765	(1,440,425)		(1,440,425)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	3,043,340		3,043,340	4,483,765		4,483,765	(1,440,425)		(1,440,425)
2. Adjusted gross deferred tax assets allowed per limitation threshold			27,053,278			22,786,708			4,266,570
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	2,973,500	96,542	3,070,042	3,217,043	12,765	3,229,808	(243,543)	83,777	(159,766)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 7,875,814	\$ 512,883	\$ 8,388,697	\$ 8,502,493	\$ 134,251	\$ 8,636,744	\$ (626,679)	\$ 378,632	\$ (248,047)

## 3. Other Admissibility Criteria

	2020	2019
a. Ratio percentage used to determine recovery period and threshold limitation amount	826.0%	772.2%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 180,355,186	\$ 166,990,901

**NOTES TO FINANCIAL STATEMENTS**

## 4. Impact of Tax Planning Strategies

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

	2020		2019		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 8,292,154	\$ 96,542	\$ 8,576,670	\$ 60,074	\$ (284,516)	\$ 36,468
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 8,292,154	\$ 96,542	\$ 8,576,670	\$ 60,074	\$ (284,516)	\$ 36,468
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

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

## B. Deferred Tax Liabilities Not Recognized

## 1. The types of temporary differences for which a DTL has not been recognized and the types of events that would cause those temporary differences to become taxable are:

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

## C. Current and Deferred Income Taxes

## 1. Current Income Tax

	1 2020	2 2019	3 (Col 1-2) Change
a. Federal	\$ 2,268,321	\$ 794,367	\$ 1,473,954
b. Foreign	\$	\$	\$
c. Subtotal	\$ 2,268,321	\$ 794,367	\$ 1,473,954
d. Federal income tax on net capital gains	\$ (795,886)	\$ 128,804	\$ (924,690)
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$ (120,293)	\$ 392,913	\$ (513,206)
g. Federal and Foreign income taxes incurred	\$ 1,352,142	\$ 1,316,084	\$ 36,058

**NOTES TO FINANCIAL STATEMENTS**

## 2. Deferred Tax Assets

	1 2020	2 2019	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 5,199,615	\$ 5,139,769	\$ 59,846
2. Unearned premium reserve	2,155,397	2,154,627	770
3. Policy holder reserves			
4. Investments	587,585	711,953	(124,368)
5. Deferred acquisition costs			
6. Policy holder dividends accrual		37,862	(37,862)
7. Fixed assets			
8. Compensation and benefits accrual	4,079	2,532	1,547
9. Pension accrual			
10. Receivables - nonadmitted	345,478	496,176	(150,698)
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (items <=5% and >5% of total ordinary tax assets)		33,751	(33,751)
Other (items listed individually >5% of total ordinary tax assets)			
99. Subtotal	\$ 8,292,154	\$ 8,576,670	\$ (284,516)
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 8,292,154	\$ 8,576,670	\$ (284,516)
e. Capital:			
1. Investments	\$ 96,542	\$ 60,074	\$ 36,468
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <=5% and >5% of total capital tax assets)			
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	\$ 96,542	\$ 60,074	\$ 36,468
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	96,542	60,074	36,468
i. Admitted deferred tax assets (2d+2h)	\$ 8,388,696	\$ 8,636,744	\$ (248,048)

## 3. Deferred Tax Liabilities

	1 2020	2 2019	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	\$ 14,579	\$ 14,410	\$ 169
2. Fixed assets	5,745	1,610	4,135
3. Deferred and uncollected premium			
4. Policy holder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)	318,385	381,681	(63,296)
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	\$ 338,709	\$ 397,701	\$ (58,992)
b. Capital:			
1. Investments	\$ 8,778,368	\$ 6,441,505	\$ 2,336,863
2. Real estate			
3. Other (Items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	\$ 8,778,368	\$ 6,441,505	\$ 2,336,863
c. Deferred tax liabilities (3a99+3b99)	\$ 9,117,077	\$ 6,839,206	\$ 2,277,871
4. Net Deferred Tax Assets/Liabilities (2i – 3c)	\$ (728,381)	\$ 1,797,538	\$ (2,525,919)

The company's deferred income tax assets and liabilities as of December 31, 2018, were reported using the 21% tax rate, enacted on December 22, 2017, under the Tax Cuts and Jobs Act (Act). The change in deferred taxes due to the change in tax rates is reflected in Note 9D, line "Rate Differential". In addition, deferred taxes for 2017 included provisional amounts related to loss reserves discounting adjustments under the Act. These provisional evaluations were based on the company's current interpretation of the legislation and insurance industry group guidance. Given the complexity of the legislation, anticipated guidance from the U.S. Treasury, and the potential for additional guidance from the U.S. Treasury, and the potential for additional guidance from Statutory Accounting Principle Working Group, these estimates may be adjusted during 2019.

**NOTES TO FINANCIAL STATEMENTS**

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

	Amount	Effective Tax Rate (%)
<b>Permanent Differences:</b>		
Provision computed at statutory rate	\$ 1,678,714	21.0%
Change in nonadmitted assets	150,698	1.9%
Proration of tax exempt investment income		%
Tax exempt income deduction	(189,303)	(2.4)%
Dividends received deduction	(45,261)	(0.6)%
Disallowing travel and entertainment		%
Other permanent differences	(53,650)	(0.6)%
<b>Temporary Differences:</b>		
Total ordinary DTAs		%
Total ordinary DTLs		%
Total capital DTAs		%
Total capital DTLs		%
<b>Other:</b>		
Statutory valuation allowance adjustment		%
Accrual adjustment – prior year		%
Other		%
<b>Totals</b>	<b>\$ 1,541,198</b>	<b>19.3%</b>
Federal and foreign income taxes incurred	1,352,142	16.9%
Realized capital gains (losses) tax		%
Change in net deferred income taxes	189,056	2.4%
<b>Total statutory income taxes</b>	<b>\$ 1,541,198</b>	<b>19.3%</b>

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

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

Description (Operating Loss or Tax Credit Carry Forward)	Amounts	Origination Dates	Expiration Dates
	\$		

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

Year	Amounts
2020	\$1,472,435
2019	\$802,879

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:

MCM Insurance Agency, Inc.  
MCM Insurance Agency, Inc. of MA

2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:

The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculation with current credit for net losses. Intercompany tax balances are settled annually when the federal income tax return is filed.

G. Federal or Foreign Federal Income Tax Loss Contingencies:

As of December 31, 2020, the company had no unrecognized tax benefits.

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

1a Has the entity fully remitted the RTT?

1b If yes, list the amount of the RTT paid.

If no, list the future installments to satisfy the RTT:

1	Installment 1	\$
2	Installment 2	
3	Installment 3	
4	Installment 4	
5	Installment 5	
6	Installment 6	
7	Installment 7	
8	Installment 8	
9	Total	\$

**NOTES TO FINANCIAL STATEMENTS**

## I. Alternative Minimum Tax Credit

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

Gross AMT Credit Recognized as:

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

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

## A. Nature of the Relationship Involved

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

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

## B. Transactions

Encova Service Corporation (formerly Motorists Service Corporation) has a balance of \$28.8 million from its parent through an intercompany loan agreement. The balances, which were both recorded by Motorists Mutual as non-admitted assets, were used to fund the subsidiary's development of software applications and services. Encova Service Corporation has also initiated charges \$4.5 million to Motorists Mutual for utilization of its developed software and other services.

## C. Transactions with Related Parties who are not Reported on Schedule Y

See Note B.

## D. Amounts Due From or To Related Parties

As of December 31, 2020 and 2019, the Company reported net amounts due from/(due to) affiliates of \$(5,682,824) and \$3,158,075, respectively. All amounts were settled within 60 days.

## E. Material Management or Service Contracts and Cost-Sharing Arrangements

See Note A

## F. Guarantees or Undertakings

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

## G. Nature of the Control Relationship

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

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

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

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

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

## J. Investments in Impaired SCAs

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

**NOTES TO FINANCIAL STATEMENTS****K. Investment in Foreign Insurance Subsidiary**

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

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

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

**M. All SCA Investments**

The Company held SCA Investments during the periods reported.

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

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

**(2) NAIC Filing Response Information**

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

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

\*\* I – Immaterial or M – Material

**N. Investment in Insurance SCAs**

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

**O. SCA or SSAP 48 Entity Loss Tracking**

Not Applicable

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**NOTES TO FINANCIAL STATEMENTS**

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**Note 11 – Debt**

Not Applicable

**Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans****A. Defined Benefit Plan****(1) Change in Benefit Obligation**

The Company participated in a defined benefit pension plan sponsored by its parent, Motorists Mutual Insurance Company ("Motorists"), until Motorists elected to freeze its defined pension and other non-qualified benefit plans effective December 31, 2017. See note 12 in the Notes to the Financial Statement for Motorists for additional information.

**B. Investment Policies and Strategies**

The Company participated in a defined benefit pension plan sponsored by its parent, Motorists Mutual Insurance Company ("Motorists"), until Motorists elected to freeze its defined pension and other non-qualified benefit plans effective December 31, 2017. See note 12 in the Notes to the Financial Statement for Motorists for additional information.

**C. Fair Value of Plan Assets**

The Company participated in a defined benefit pension plan sponsored by its parent, Motorists Mutual Insurance Company ("Motorists"), until Motorists elected to freeze its defined pension and other non-qualified benefit plans effective December 31, 2017. See note 12 in the Notes to the Financial Statement for Motorists for additional information.

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

The Company participated in a defined benefit pension plan sponsored by its parent, Motorists Mutual Insurance Company ("Motorists"), until Motorists elected to freeze its defined pension and other non-qualified benefit plans effective December 31, 2017. See note 12 in the Notes to the Financial Statement for Motorists for additional information.

**E. Defined Contribution Plans**

The Company participates in an Incentive Savings Plan under Section 401(k) of the Internal Revenue Code sponsored by its parent, Motorists Mutual Insurance Company covering substantially all of its employees. The Plan matches employee contributions up to 7% of total eligible compensation. Employer contributions are immediately vested. See Note 12 in the Notes to the Financial Statements for Motorists for additional information. All of the expenses associated with this Plan are allocated to the Company via the cost allocation model. The Company also participates in two Non-qualified Supplemental Retirement Plans, sponsored by BrickStreet Insurance for selected employees. One plan provides for contributions at the Group's discretion on a yearly basis. The other was composed of a single contribution for selected employees. Employees vest at age 60 or when certain vesting events occur. The Company participates in a long term incentive deferred compensation plan, sponsored by BrickStreet Insurance that provides for deferred bonuses for selected executives and other employees. Employees are credited with deferred amounts when the Group hits certain targets and, if they remain with the Group for the required time periods, the amounts will be paid out. All of the expenses associated with the BrickStreet plans are allocated to the Company via the cost allocation model and the liabilities are held on the sponsor's books. See Note 12 in the Notes to the Financial Statements for BrickStreet for additional information.

**F. Multiemployer Plans**

Not Applicable

**G. Consolidated/Holding Company Plans**

Not Applicable

**H. Postemployment Benefits and Compensated Absences**

The Company generally has no obligations to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned paid time off. The liability for earned but unused paid time off has been accrued.

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

Not Applicable

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

Not Applicable

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

Not Applicable

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**NOTES TO FINANCIAL STATEMENTS**

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

- A. Number of Share and Par or State Value of Each Class
  - Not Applicable
- B. Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues
  - Not Applicable
- C. Dividend Restrictions
  - Not Applicable
- D. Dates and Amounts of Dividends Paid
  - Not Applicable
- E. Profits that may be Paid as Ordinary Dividends to Stockholders
  - Not Applicable
- F. Restrictions Placed on Unassigned Funds (Surplus)
  - There are no restrictions placed on the Company’s surplus, including for whom the surplus is being held. See description of ADC arrangement and permitted practice in Note 1A.
- G. Amount of Advances to Surplus not Repaid
  - Not Applicable
- H. Amount of Stock Held for Special Purposes
  - Not Applicable
- I. Reasons for Changes in Balance of Special Surplus Funds from Prior Period
  - Not Applicable
- J. The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$13,456,391.
- K. The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations
  - Not Applicable
- L. The impact of any restatement due to prior quasi-reorganizations is as follows
  - Not Applicable
- M. Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization
  - Information concerning quasi-reorganization is not applicable.

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

- A. Contingent Commitments
  - (1) Total SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88, and SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Company contingent liabilities: \$1,376,554.

**NOTES TO FINANCIAL STATEMENTS**

## (2) Detail of other contingent commitments

Nature and Circumstances of Guarantee and Key Attributes, Including Date and Duration of Agreement	Liability Recognition of Guarantee, (Including Amount Recognized at Inception. If no Initial Recognition, Document Exception Allowed Under SSAP No. 5R)	Ultimate Financial Statement Impact if Action under the Guarantee is Required	Maximum Potential Amount of Future Payments (Undiscounted) the Guarantor could be Required to make under the Guarantee. If unable to Develop an Estimate, this Should be Specifically Noted	Current Status of Payment or Performance Risk of Guarantee. Also Provide Additional Discussion as Warranted
Adams Street 2012 Global Fund LP	\$	Increase in other invested assets	\$ 572,400	All current capital calls have been funded.
HarbourVest Partners, LLC	\$	Increase in other invested assets	\$ 761,654	All current capital calls have been funded.
Park Street Capital Private Equity Fund LP	\$	Increase in other invested assets	\$ 42,500	All current capital calls have been funded.
<b>Total</b>	<b>\$</b>	<b>XXX</b>	<b>\$ 1,376,554</b>	<b>XXX</b>

## (3) Guarantee Obligations

a.	Aggregate maximum potential of future payments of all guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal the total of column 4 for (2) above.)	\$ 1,376,554
b.	Current liability recognized in F/S	
1.	Noncontingent liabilities	\$
2.	Contingent liabilities	\$
c.	Ultimate financial statement impact if action under the guarantee is required	
1.	Investments in SCA	\$
2.	Joint venture	1,376,554
3.	Dividends to stockholders (capital contribution)	
4.	Expense	
5.	Other	
6.	<b>Total (should equal (3)a)</b>	<b>\$ 1,376,554</b>

## B. Assessments

## (1) Nature of Any Assets That Could Have a Material Financial Effect

The Company is subject to guaranty fund and other assessments by the states in which it conducts business. Guaranty fund assessments are accrued upon notification of the insolvency. Other assessments are recognized 1) when assessed by a state, 2) when premiums are written for premium-based assessments, or 3) when losses are incurred for loss based assessments. Incurred assessments are subject to the intercompany pooling arrangement described in Note 26. The company's net paid guaranty fund assessments totaled \$19,350.09 and \$18,831.61 for the years ended December 31, 2020, and 2019, respectively. The company's net accrued liabilities for guaranty funds were \$95,416.43 and \$247,010.68 as of December 31, 2020 and 2019, respectively. Per the accounting practices and procedures prescribed by the company's state of domicile, receivables for premium tax credits are not reflected in the accompanying financial statements.

## (2) Assessments

Not Applicable

## (3) Undiscounted and Discounted Guaranty Fund Assessments

Not Applicable

## C. Gain Contingencies

Not Applicable

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

Not Applicable

## E. Product Warranties

## (1) Accounting Policy and Methodology Used in Determining Product Warranties

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

(2) Reconciliation of Aggregate Product Warranty Liability  
Not Applicable

## F. Joint and Several Liabilities

Not Applicable

## G. All Other Contingencies

Not Applicable

**Note 15 – Leases**

## A. Lessee Operating Lease

## (1) Lessee's Leasing Arrangements

## a. Rental Expense

The company had Rental Expense related to vehicle leases for a total of \$202,205 for the year ending December 31, 2020

## B. Lessor Leases

## (1) Operating Leases:

## a. Lessor's Leasing Arrangements

The company did not act as a lessor in business activities or participate in leveraged leases during the periods reported.

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

Not Applicable

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

## A. Transfers of Receivables Reported as Sales

Not Applicable

## B. Transfer and Servicing of Financial Assets

Not Applicable

## C. Wash Sales

(2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2020 and reacquired within 30 days of the sale date are:

Description	NAIC Designation	Number of Transactions	Book Value of Securities Sold	Cost of Securities Repurchased	Gain/(Loss)
AT&T ORD		1	\$ 96,726	\$ 17,277	\$ (2,174)

**NOTES TO FINANCIAL STATEMENTS****Note 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

## (1) Major Components of Revenue by Payor

Not Applicable

## (2) Receivables from Payors with Account Balances the Greater of 10% of Amounts Receivable Relating to Uninsured Accident and Health Plans or \$10,000

Not Applicable

## (3) Recorded Allowances and Reserves for Adjustment of Recorded Revenues

Not Applicable

## (4) Adjustments to Revenue Resulting from Audit of Receivables Related to Revenues Recorded in the Prior Period

Not Applicable

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

Not Applicable

**Note 20 – Fair Value Measurements**

## A. Fair Value Measurements

## (1) Fair Value Measurements at Reporting Date

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

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

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

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

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

Description for Each Type of Asset or Liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
<b>Assets at Fair Value</b>					
Bonds	\$	\$ 1,191,293	\$	\$	\$ 1,191,293
Common Stocks, unaffiliated	\$ 67,124,160	\$	\$	\$	\$ 67,124,160
Total	\$ 67,124,160	\$ 1,191,293	\$	\$	\$ 68,315,453
<b>Liabilities at Fair Value</b>					
	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

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

**NOTES TO FINANCIAL STATEMENTS**

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

Description	Beginning Balance at 1/1/2020	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2020
<b>a. Assets</b>										
Common Stocks, unaffiliated	\$ 44,974	\$	\$	\$ 8,464	\$ (44,974)	\$	\$	\$ (8,464)	\$	\$
Total	\$ 44,974	\$	\$	\$ 8,464	\$ (44,974)	\$	\$	\$ (8,464)	\$	\$
<b>b. Liabilities</b>										
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

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

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

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

Not Applicable

## (5) Fair Value Disclosures

Not Applicable

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

Not Applicable

## C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 287,579,094	\$ 265,131,604	\$	\$ 287,579,094	\$	\$	\$
Common Stocks, unaffiliated	\$ 67,124,160	\$ 67,124,160	\$ 67,124,160	\$	\$	\$	\$

## Bonds and Common Stocks

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

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

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

## D. Not Practicable to Estimate Fair Value

Not Applicable

## E. NAV Practical Expedient Investments

Not Applicable

**NOTES TO FINANCIAL STATEMENTS****Note 21 – Other Items****A. Unusual or Infrequent Items**

Due to decreased activity as a result of the COVID-19 pandemic, the Company elected to provide credits to personal auto policy holder accounts. The amounts credited during Q2.2020 are recorded in other underwriting expenses incurred, consistent with the economics of the transaction. After pooling, the impact to the Company is an incurred underwriting expense of \$292,425.

**B. Troubled Debt Restructuring Debtors**

Not Applicable

**C. Other Disclosures**

Not Applicable

**D. Business Interruption Insurance Recoveries**

Not Applicable

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

Not Applicable

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

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

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

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

Not Applicable

**(3) Direct Exposure Through Other Investments**

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	\$ 279,652	\$ 279,255	\$ 284,279	\$
b. Commercial mortgage-backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*				
f. Other assets				
g. Total	\$ 279,652	\$ 279,255	\$ 284,279	\$

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

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Effective January 1, 2021, a mutual holding company structure went into effect. Through this conversion, the Company and its mutual affiliates became stock companies under Encova Holdings, Inc., which is 100% owned by Encova Mutual Insurance Group, Inc.

Subsequent events have been considered through February 23, 2021 for these statutory financial statements which are to be issued on March 1, 2021.

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

Yes [ ] No [ X ]

		2020	2019
B.	ACA Fee Assessment Payable for the Upcoming Year	\$	\$
C.	ACA Fee Assessment Paid	\$	\$
D.	Premium Written Subject to ACA 9010 Assessment	\$	\$
E.	Total Adjusted Capital Before Surplus Adjustment (Five-Year Historical Line 28)	\$ 179,309,374	
F.	Total Adjusted Capital After Surplus Adjustment (Five-Year Historical Line 28 minus 22B above)	\$ 179,309,374	
G.	Authorized Control Level (Five-Year Historical Line 29)	\$ 21,781,086	

H. Would reporting the ACA assessment as of December 31, 2020 have triggered an RBC action level (YES/NO)?

Yes [ ] No [ X ]

**Note 23 – Reinsurance**

A. Unsecured Reinsurance Recoverables

## Individual Reinsurers Who Are Not Members of a Group

FEIN	Reinsurer Name	Unsecured Amount
		\$

## Individual Reinsurers Who Are Members of a Group

Group Code	FEIN	Reinsurer Name	Unsecured Amount
14621	31-4259550	Motorists Mutual Insurance Company	\$ 265,202,128

## All Members of the Groups Shown Above with Unsecured Reinsurance Recoverables

Group Code	FEIN	Reinsurer Name	Unsecured Amount
			\$

B. Reinsurance Recoverable in Dispute

Not Applicable

C. Reinsurance Assumed and Ceded

## (1) Maximum Amount of Return Commission

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 51,329,720	\$ 6,412,055	\$ 187,373,968	\$ 35,724,700	\$ (136,044,248)	\$ (29,312,645)
b. All Other	387,512	83,283	4,750,543	284,573	(4,363,031)	(201,290)
c. Total	\$ 51,717,232	\$ 6,495,338	\$ 192,124,511	\$ 36,009,274	\$ (140,407,279)	\$ (29,513,935)
d. Direct Unearned Premium Reserves					\$ 191,726,259	

## (2) Additional or Return Commission

	Direct	Assumed	Ceded	Net
a. Contingent commission	\$ 4,122,359	\$	\$	\$ 4,122,359
b. Sliding scale adjustments				
c. Other profit commission arrangements				
d. Total	\$ 4,122,359	\$	\$	\$ 4,122,359

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**NOTES TO FINANCIAL STATEMENTS**

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(3) Types of Risks Attributed to Protected Cell  
Not Applicable

D. Uncollectible Reinsurance

Not Applicable

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

(1) Reporting Entity Ceding to Certified Reinsurer Whose Rating was Downgraded or Status Subject to Revocation  
Not Applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

(1) Significant Terms of the Retroactive Reinsurance Agreement  
Not Applicable

K. Reinsurance Credits

(1) Disclose any reinsurance contracts subject to A-791 that includes a provision, which limits the reinsurer's assumption of significant risks identified as in A-791.  
Not Applicable

(2) Disclose any reinsurance contracts not subject to A-791, for which reinsurance accounting was applied and includes a provision that limits the reinsurer's assumptions of risk.  
Not Applicable

(3) Disclose if any reinsurance contracts contain features which result in delays in payment in form or in fact.  
Not Applicable

(4) Disclose if the reporting entity has reflect reinsurance accounting credit for any contracts not subject to A-791 and not yearly renewal term, which meet the risk transfer requirements of SSAP No. 61R and identify the type of contracts and the reinsurance contracts.  
Not Applicable

(5) Disclose if the reporting entity ceded any risk which is not subject to A-791 and not yearly renewable term reinsurance, under any reinsurance contract during the period covered by the financial statement.  
Not Applicable

(6) If affirmative disclosure is required for Paragraph 23H(5) above, explain why the contract(s) is treated differently under GAAP and SAP.  
Not Applicable

**NOTES TO FINANCIAL STATEMENTS****Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

- A. Method Used by Reporting Entity to Estimate Accrued Retrospective Premium Adjustments
  - Not Applicable
- B. Accrued Retrospective Premiums Recorded Through Written Premium or an Adjustment to Earned Premium
  - Not Applicable
- C. Amount of Net Premiums Written Subject to Retrospective Rating Features and Percentage to Total Net Premiums Written
  - Not Applicable
- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act
  - Not Applicable
- E. Nonadmitted Retrospective Premium
  - Not Applicable
- F. Risk-Sharing Provisions of the Affordable Care Act
  - Not Applicable
  - (1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk sharing provisions
 

Yes [ ]	No [ X ]
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  - (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year:
    - Not Applicable
  - (3) Roll forward of prior year ACA Risk-Sharing Provisions for the Following Asset (Gross of any Nonadmission) and Liability Balances, Along with the Reasons for Adjustments to Prior Year Balance:
    - Not Applicable
  - (4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year
    - Not Applicable
  - (5) ACA Risk Corridors Receivable as of Reporting Date
    - Not Applicable

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

- A. Change in Incurred Losses and Loss Adjustment Expenses
 

Reserves for the Company's incurred losses and loss adjustment expenses (after intercompany pooling) attributable to insured events of prior years reflect favorable development totaling \$14,276,099. The development can be attributed primarily to the re-estimation of unpaid losses and loss adjustment expenses in the workers' compensation, homeowners and farmowners, commercial auto liability, private passenger auto liability, commercial multi perils, auto physical damage, and products liability lines of business. The favorable development in these lines was slightly offset by losses in the other liability line of business. The changes reflected in these lines were generally the result of recent development trends. There were not any premium adjustments made as a result of this loss and loss adjustment expense development.
- B. Information about Significant Changes in Methodologies and Assumptions
 

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

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

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

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

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

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

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

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

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

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

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

**F. Description of Intercompany Sharing**

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

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

As of December 31, 2020, the Company reported an aggregate pooling-related balance of \$0 receivable from the other pool participants.

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

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
\$ 6,594,666	\$ 12,111,907

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

Life Insurance Company and Location	Licensed in Company's State of Domicile YES/NO	Statement Value (i.e. Present Value) of Annuities
Genworth Life and Annuity Ins Co Lynchburg, VA	YES	\$ 2,433,778

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**NOTES TO FINANCIAL STATEMENTS**

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**Note 28 – Health Care Receivables**

A. Pharmaceutical Rebate Receivables

Not Applicable

B. Risk-Sharing Receivables

Not Applicable

**Note 29 – Participating Policies**

Not Applicable

**Note 30 – Premium Deficiency Reserves**

As of December 31, 2020 the Company reported no premium deficiency reserves.

1.	Liability carried for premium deficiency reserve:	<u>\$0</u>
2.	Date of most recent evaluation of this liability:	<u>January 6, 2021</u>
3.	Was anticipated investment income utilized in the calculation?	Yes [ <input checked="" type="checkbox"/> ]    No [ <input type="checkbox"/> ]

**Note 31 – High Deductibles**

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

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

A. Tabular Discount

Not Applicable

B. Nontabular Discount

Not Applicable

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

Not Applicable

**NOTES TO FINANCIAL STATEMENTS****Note 33 – Asbestos/Environmental Reserves**

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

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

## (1) Direct

	2016	2017	2018	2019	2020
a. Beginning reserves (including Case, Bulk + IBSR Loss & LAE)	\$ 1,175,992	\$ 1,151,717	\$ 1,088,933	\$ 942,934	\$ 1,227,571
b. Incurred losses and loss adjustment expense	142,871	53,491	(72,479)	345,301	797,588
c. Calendar year payments for losses and loss adjustment expenses	167,146	116,275	73,520	60,664	209,255
d. Ending reserves (including Case, Bulk + IBSR Loss & LAE)	\$ 1,151,717	\$ 1,088,933	\$ 942,934	\$ 1,227,571	\$ 1,815,904

## (2) Assumed Reinsurance

	2016	2017	2018	2019	2020
a. Beginning reserves (including Case, Bulk + IBSR Loss & LAE)	\$ 252,001	\$ 226,498	\$ 339,472	\$ 328,791	\$ 323,338
b. Incurred losses and loss adjustment expense	1,183	140,167	(68)	6,199	(49,576)
c. Calendar year payments for losses and loss adjustment expenses	26,686	27,193	10,613	11,652	10,692
d. Ending reserves (including Case, Bulk + IBSR Loss & LAE)	\$ 226,498	\$ 339,472	\$ 328,791	\$ 323,338	\$ 263,070

## (3) Net of Ceded Reinsurance

	2016	2017	2018	2019	2020
a. Beginning reserves (including Case, Bulk + IBSR Loss & LAE)	\$ 1,425,751	\$ 1,376,846	\$ 1,425,764	\$ 1,268,648	\$ 1,544,273
b. Incurred losses and loss adjustment expense	144,634	192,244	(73,458)	348,224	368,349
c. Calendar year payments for losses and loss adjustment expenses	193,539	143,326	83,658	72,599	219,886
d. Ending reserves (including Case, Bulk + IBSR Loss & LAE)	\$ 1,376,846	\$ 1,425,764	\$ 1,268,648	\$ 1,544,273	\$ 1,692,736

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

(1) Direct basis	\$ 929,464
(2) Assumed reinsurance basis	197,922
(3) Net of ceded reinsurance basis	\$ 1,126,381

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

(1) Direct basis	\$ 131,825
(2) Assumed reinsurance basis	10,481
(3) Net of ceded reinsurance basis	\$ 141,804

**NOTES TO FINANCIAL STATEMENTS**

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

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

## (1) Direct

	2016	2017	2018	2019	2020
a. Beginning reserves	\$ 467,928	\$ 450,991	\$ 518,266	\$ 402,893	\$ 360,968
b. Incurred losses and loss adjustment expense	24,727	107,670	(68,227)	(20,100)	(72,854)
c. Calendar year payments for losses and loss adjustment expenses	41,664	40,395	47,146	21,825	52,785
d. Ending reserves	\$ 450,991	\$ 518,266	\$ 402,893	\$ 360,968	\$ 235,329

## (2) Assumed Reinsurance

	2016	2017	2018	2019	2020
a. Beginning reserves	\$ 31,180	\$ 30,315	\$ 49,889	\$ 72,588	\$ 67,725
b. Incurred losses and loss adjustment expense	3,410	25,818	28,175	128	30,056
c. Calendar year payments for losses and loss adjustment expenses	4,275	6,244	5,476	4,991	4,203
d. Ending reserves	\$ 30,315	\$ 49,889	\$ 72,588	\$ 67,725	\$ 93,578

## (3) Net of Ceded Reinsurance

	2016	2017	2018	2019	2020
a. Beginning reserves	\$ 492,786	\$ 477,391	\$ 551,126	\$ 442,346	\$ 398,230
b. Incurred losses and loss adjustment expense	29,175	117,105	(56,955)	(15,048)	(47,752)
c. Calendar year payments for losses and loss adjustment expenses	44,570	43,370	51,825	29,068	55,433
d. Ending reserves	\$ 477,391	\$ 551,126	\$ 442,346	\$ 398,230	\$ 295,045

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

(1) Direct basis	\$ 215,949
(2) Assumed reinsurance basis	75,296
(3) Net of ceded reinsurance basis	\$ 260,996

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

(1) Direct basis	\$ 70,835
(2) Assumed reinsurance basis	24,244
(3) Net of ceded reinsurance basis	\$ 79,955

**Note 34 – Subscriber Savings Accounts**

Not Applicable

**Note 35 – Multiple Peril Crop Insurance**

Not Applicable

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**NOTES TO FINANCIAL STATEMENTS**

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**Note 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 [X] No [ ]  
If yes, complete Schedule Y, Parts 1, 1A and 2.

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

1.3 State regulating? OHIO

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

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

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

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2018

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2018

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/03/2020

3.4 By what department or departments? OHIO DEPARTMENT OF INSURANCE

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

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

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

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

4.12 renewals? Yes [ ] No [X]

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

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

4.22 renewals? Yes [ ] No [X]

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

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

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

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

6.2 If yes, give full information:

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

7.2 If yes,

7.21 State the percentage of foreign control %

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

1 Nationality	2 Type of Entity

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

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

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

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

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

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

9.	What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? <u>KPMG LLP 191 W. Nationwide Blvd., Suite 500, Columbus OH 43215</u>			
10.1	Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?	Yes [ ]	No [X]	
10.2	If the response to 10.1 is yes, provide information related to this exemption:			
10.3	Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed in Section 18A of the Model Regulation, or substantially similar state law or regulation?	Yes [ ]	No [X]	
10.4	If the response to 10.3 is yes, provide information related to this exemption:			
10.5	Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?	Yes [X]	No [ ]	N/A [ ]
10.6	If the response to 10.5 is no or n/a, please explain:			
11.	What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? <u>Derek A. Jones, FCAS, MAAA, Milliman, One Pennsylvania Plaza, 38th Floor, New York, NY 10119, who is a consulting actuary for the Encova Mutual Insurance Group</u>			
12.1	Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?	Yes [ ]	No [X]	
12.11	Name of real estate holding company			
12.12	Number of parcels involved			0
12.13	Total book/adjusted carrying value	\$		0
12.2	If yes, provide explanation			
13.	<b>FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:</b>			
13.1	What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?			
13.2	Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?	Yes [ ]	No [ ]	
13.3	Have there been any changes made to any of the trust indentures during the year?	Yes [ ]	No [ ]	
13.4	If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?	Yes [ ]	No [ ]	N/A [ ]
14.1	Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?	Yes [X]	No [ ]	
(a)	Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;			
(b)	Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;			
(c)	Compliance with applicable governmental laws, rules and regulations;			
(d)	The prompt internal reporting of violations to an appropriate person or persons identified in the code; and			
(e)	Accountability for adherence to the code.			
14.11	If the response to 14.1 is no, please explain:			
14.2	Has the code of ethics for senior managers been amended?	Yes [ ]	No [X]	
14.21	If the response to 14.2 is yes, provide information related to amendment(s).			
14.3	Have any provisions of the code of ethics been waived for any of the specified officers?	Yes [ ]	No [X]	
14.31	If the response to 14.3 is yes, provide the nature of any waiver(s).			
15.1	Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?	Yes [ ]	No [X]	
15.2	If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.			

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

**BOARD OF DIRECTORS**

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

**FINANCIAL**

19.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?	Yes [ ]	No [X]
20.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):		
20.11	To directors or other officers	\$	0

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

20.12	To stockholders not officers	\$	0
20.13	Trustees, supreme or grand (Fraternal only)	\$	0
20.2	Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):		
20.21	To directors or other officers	\$	0
20.22	To stockholders not officers	\$	0
20.23	Trustees, supreme or grand (Fraternal only)	\$	0
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement?	Yes [ ]	No [X]
21.2	If yes, state the amount thereof at December 31 of the current year:		
21.21	Rented from others	\$	0
21.22	Borrowed from others	\$	0
21.23	Leased from others	\$	0
21.24	Other	\$	0
22.1	Does this statement include payments for assessments as described in the <i>Annual Statement Instructions</i> other than guaranty fund or guaranty association assessments?	Yes [ ]	No [X]
22.2	If answer is yes:		
22.21	Amount paid as losses or risk adjustment	\$	0
22.22	Amount paid as expenses	\$	0
22.23	Other amounts paid	\$	0
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes [X]	No [ ]
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:	\$	227,304
<b>INVESTMENT</b>			
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 [ ]
24.07	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes [ ]	No [ ]
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 [ ]
24.09	For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:	Yes [ ]	No [ ]
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 current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)	Yes [X]	No [ ]
25.2	If yes, state the amount thereof at December 31 of the current year:		
25.21	Subject to repurchase agreements	\$	0
25.22	Subject to reverse repurchase agreements	\$	0
25.23	Subject to dollar repurchase agreements	\$	0
25.24	Subject to reverse dollar repurchase agreements	\$	0
25.25	Placed under option agreements	\$	0
25.26	Letter stock or securities restricted as sale – excluding FHLB Capital Stock	\$	0
25.27	FHLB Capital Stock	\$	0
25.28	On deposit with states	\$	12,696,753
25.29	On deposit with other regulatory bodies	\$	0
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	\$	0
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	\$	0
25.32	Other	\$	0
25.3	For category (25.26) provide the following:		
	1 Nature of Restriction	2 Description	3 Amount

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

			\$
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26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]  
 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]  
 If no, attach a description with this statement.

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

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [ ] No [ ]

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

26.4.1 Special accounting provision of SSAP No. 108 Yes [ ] No [ ]  
 26.4.2 Permitted accounting practice Yes [ ] No [ ]  
 26.4.3 Other accounting guidance Yes [ ] No [ ]

26.5 By responding yes to 26.4.1 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [ ] No [ ]

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guidance Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
BNY Mellon	500 Grant Street One Mellon Center, Suite #1035, Pittsburgh, PA 15258

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

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

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
Chickasaw Capital Management, LLC	U
New England Asset Management, Inc.	U
Northern Trust Investments, Inc.	U

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
127398	Chickasaw Capital Management, LLC	254900X6FRILTWA2B610	Sec	NO
109846	New England Asset Management, Inc.	KUR85E5PS4GQFZTFC130	Sec	NO
105900	Northern Trust Investments, Inc.	BEL4B8X7EHJU845Y2N39	Sec	NO

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

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

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
04314H 85 7	Artisan Intl Val Fund 1	\$ 16,927,177
04314H 66 7	Artisan Intl Val ADV	\$ 6,697,772
29.2999 TOTAL		\$ 23,624,949

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
Artisan Intl Val Fund 1	Samsung Electronics Co Ltd	\$ 1,196,751	12/31/2020
Artisan Intl Val Fund 1	Compass Group PLC	\$ 846,359	12/31/2020
Artisan Intl Val Fund 1	ABB Ltd	\$ 782,036	12/31/2020
Artisan Intl Val Fund 1	Arch Capital Group Ltd	\$ 648,311	12/31/2020
Artisan Intl Val Fund 1	Compagnie Financiere Richemont S.A.	\$ 622,920	12/31/2020
Artisan Intl Val ADV	Samsung Electronics Co Ltd	\$ 473,532	12/31/2020
Artisan Intl Val ADV	Compass Group PLC	\$ 334,889	12/31/2020
Artisan Intl Val ADV	ABB Ltd	\$ 309,437	12/31/2020
Artisan Intl Val ADV	Arch Capital Group Ltd	\$ 256,525	12/31/2020
Artisan Intl Val ADV	UBS Group AG	\$ 250,497	12/31/2020

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 265,131,604	\$ 287,579,094	\$ 22,447,490
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 265,131,604	\$ 287,579,094	\$ 22,447,490

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

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

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

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

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

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

32.2 If no, list exceptions:

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

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

Has the reporting entity self-designated 5GI securities?

Yes [ ] No [X]

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

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

Has the reporting entity self-designated PLGI securities?

Yes [ ] No [X]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- The shares were purchased prior to January 1, 2019.
- The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

- 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 nonaffiliate, 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 [ ] N/A[X]

**OTHER**

37.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 771,971

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	\$ 400,255
MAIPF	\$ 265,408

38.1 Amount of payments for legal expenses, if any? \$ 8,498

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	\$ 8,478

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 [X] No [ ]	
1.2	If yes, indicate premium earned on U.S. business only.	\$ 275	
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$ 0	
1.31	Reason for excluding:		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$ 0	
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$ 2,921	
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$ 0	
1.62	Total incurred claims	\$ 0	
1.63	Number of covered lives	0	
	All years prior to most current three years:		
1.64	Total premium earned	\$ 275	
1.65	Total incurred claims	\$ 2,921	
1.66	Number of covered lives	1	
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$ 0	
1.72	Total incurred claims	\$ 0	
1.73	Number of covered lives	0	
	All years prior to most current three years:		
1.74	Total premium earned	\$ 0	
1.75	Total incurred claims	\$ 0	
1.76	Number of covered lives	0	
2.	Health Test		
		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 28	\$ 28
2.2	Premium Denominator	\$ 110,555,238	\$ 110,850,335
2.3	Premium Ratio (2.1/2.2)	0.0%	0.0%
2.4	Reserve Numerator	\$ 0	\$ (297)
2.5	Reserve Denominator	\$ 244,032,443	\$ 247,605,908
2.6	Reserve Ratio (2.4/2.5)	0.0%	0.0%
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 non-participating policies during the calendar year:		
3.21	Participating policies	\$ 0	
3.22	Non-participating policies	\$ 0	
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:		
4.1	Does the reporting entity issue assessable policies?	Yes [ ] No [X]	
4.2	Does the reporting entity issue non-assessable policies?	Yes [X] No [ ]	
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?	%	
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$ 0	
5.	FOR RECIPROCAL EXCHANGES ONLY:		
5.1	Does the exchange appoint local agents?	Yes [ ] No [ ]	
5.2	If yes, is the commission paid:		
5.21	Out of Attorney's-in-fact compensation	Yes [ ] No [ ] N/A [ ]	
5.22	As a direct expense of the exchange	Yes [ ] No [ ] N/A [ ]	
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?		
5.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?	Yes [ ] No [ ]	
5.5	If yes, give full information:		
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?		
	<u>Those Companies that concentrate in the Workers Compensation business, and which the Company has exposure to through the intercompany pooling arrangement, purchase catastrophic reinsurance at levels that are deemed adequate to protect against excessive loss. In addition, losses arising from claims under the federal black lung programs for dates of injury prior to 2016 are subject to an ADC arrangement related to black lung claims. In addition, single locations, where excessive concentration of potential losses have been identified, are subject to facultative reinsurance above the layers contained in the catastrophic policies.</u>		

Annual Statement for the year 2020 of the **MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY**  
**GENERAL INTERROGATORIES**

**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

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:

The Lead Company in the pooling arrangement performs a concentration of risk study using modeling software to determine the probable maximum insurance loss. The software utilized includes Management Solutions (RMS) RiskLink and AIR Touchstone catastrophe models. Analysis is performed for the perils of hurricane, severe convective storm, winter storm, and earthquake. The PML driver on low return periods (~20 years) is severe convective storm. Starting around the 100 year return period, hurricane becomes the largest driver of the PML. The highest concentration of exposure (total insured value) is in Ohio. Ohio also has the highest gross average annual loss (Gross AAL). 8 of the top 10 counties for exposure are in Ohio. The other two counties are in Kentucky and Rhode Island. 7 of the top 10 counties for Gross AAL are in Ohio. The other counties are in Kentucky, Rhode Island, and South Carolina. The Encova Mutual Insurance Group utilizes Guy Carpenter's CATography tool to analyze and manage property risk. The Group to which this Company is a party through its pooling arrangement works with reinsurer brokers to assist in developing maximum probable losses. Both Property and Casualty exposures are analyzed for probable maximum loss and include various scenarios.

6.3 What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

The Company purchases catastrophic reinsurance at levels that are deemed adequate to protect against excessive loss.

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

Yes [X] No [ ]

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

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

Yes [X] No [ ]

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

1

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

Yes [X] No [ ]

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

Yes [ ] No [X]

8.2 If yes, give full information

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

- (a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;
- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?

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.

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

9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:	Yes [ ] No [X]				
(a)	The entity does not utilize reinsurance; or,	Yes [ ] No [X]				
(b)	The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or	Yes [ ] No [X]				
(c)	The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes [ ] No [X]				
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [X] No [ ] N/A [ ]				
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes [ ] No [X]				
11.2	If yes, give full information					
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:					
12.11	Unpaid losses	\$ 0				
12.12	Unpaid underwriting expenses (including loss adjustment expenses)	\$ 0				
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$ 0				
12.3	If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes [ ] No [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	\$ 0				
12.62	Collateral and other funds	\$ 0				
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$ 206,000				
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?	Yes [ ] No [X]				
13.3	State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.	2				
14.1	Is the reporting entity a cedant in a multiple cedant reinsurance contract?	Yes [X] No [ ]				
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants:	<u>Premiums are allocated to cedant based on experience weighted earned premiums subject to the contract. Reinsurance recoveries are distributed based on each cedant's share of the aggregate losses subject to the contract.</u>				
14.3	If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?	Yes [ ] No [X]				
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?	Yes [X] No [ ]				
14.5	If the answer to 14.4 is no, please explain:					
15.1	Has the reporting entity guaranteed any financed premium accounts?	Yes [ ] No [X]				
15.2	If yes, give full information					
16.1	Does the reporting entity write any warranty business?	Yes [ ] No [X]				
	If yes, disclose the following information for each of the following types of warranty coverage:					
		1	2	3	4	5
		Direct Losses	Direct Losses	Direct Written	Direct Premium	Direct Premium
		Incurred	Unpaid	Premium	Unearned	Earned
16.11	Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.14	Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	* Disclose type of coverage:					
17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that is exempt from the statutory provision for unauthorized reinsurance?	Yes [X] 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	\$ 607,290				
17.12	Unfunded portion of Interrogatory 17.11	\$ 369,675				
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ 0				
17.14	Case reserves portion of Interrogatory 17.11	\$ 0				
17.15	Incurred but not reported portion of Interrogatory 17.11	\$ 607,290				

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

17.16	Unearned premium portion of Interrogatory 17.11	\$	0
17.17	Contingent commission portion of Interrogatory 17.11	\$	0
18.1	Do you act as a custodian for health savings accounts?		Yes [ ] No [X]
18.2	If yes, please provide the amount of custodial funds held as of the reporting date.	\$	0
18.3	Do you act as an administrator for health savings accounts?		Yes [ ] No [X]
18.4	If yes, please provide the balance of the funds administered as of the reporting date.	\$	0
19.	Is the reporting entity licensed or charted, registered, qualified, eligible, or writing business in at least 2 states?		Yes [X] No [ ]
19.1	If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?	Yes [ ] No [ ]	

**MOTORISTS COMMERCIAL 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
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	247,015,602	172,001,608	118,823,232	87,386,012	83,144,205
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	78,754,566	50,103,692	24,711,073	38,799,703	37,033,818
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	197,000,643	106,323,004	37,416,193	46,615,532	44,134,857
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(677)	68,852	64,493	215,073	209,920
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	1,572,811	1,390,335	816,705	1,345,435	1,408,114
6. Total (Line 35).....	524,342,944	329,887,490	181,831,696	174,361,755	165,930,914
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	71,934,238	74,861,580	78,585,365	65,837,230	64,694,944
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	12,236,404	14,454,433	10,349,154	29,669,573	28,745,386
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	24,831,084	21,779,951	11,395,487	36,546,680	37,096,828
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(952)	68,577	63,942	214,522	209,095
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	1,572,811	1,390,335	816,705	1,345,435	1,408,114
12. Total (Line 35).....	110,573,584	112,554,876	101,210,654	133,613,440	132,154,367
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8).....	440,247	(2,264,191)	2,573,000	(34,547,537)	(3,122,132)
14. Net investment gain (loss) (Line 11).....	6,677,994	11,884,802	14,720,658	9,032,761	7,860,970
15. Total other income (Line 15).....	883,721	187,211	241,852	570,290	571,255
16. Dividends to policyholders (Line 17).....	126,503	288,742	699,411	745,616	622,789
17. Federal and foreign income taxes incurred (Line 19).....	2,148,028	1,187,280	(622,140)	(3,264,964)	128,269
18. Net income (Line 20).....	5,727,430	8,331,801	17,458,239	(22,425,138)	4,559,035
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	631,348,578	569,929,009	459,876,707	368,813,179	354,653,646
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	22,573,684	11,947,807	9,070,628	9,370,455	11,117,502
20.2 Deferred and not yet due (Line 15.2).....	139,404,179	99,693,358	37,829,161	19,336,010	14,097,439
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	452,039,205	401,140,570	309,261,523	221,338,947	197,965,789
22. Losses (Page 3, Line 1).....	162,658,785	162,501,651	159,198,738	91,369,559	78,060,801
23. Loss adjustment expenses (Page 3, Line 3).....	28,848,153	28,343,079	28,945,255	22,898,014	19,522,938
24. Unearned premiums (Page 3, Line 9).....	51,318,980	51,300,634	49,596,094	60,322,981	60,328,252
25. Capital paid up (Page 3, Lines 30 & 31).....					
26. Surplus as regards policyholders (Page 3, Line 37).....	179,309,374	168,788,439	150,615,156	147,474,232	156,687,857
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11).....	3,123,150	13,457,349	86,811,401	(11,004,195)	4,977,216
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital.....	179,309,374	168,788,439	152,027,362	149,263,842	158,434,433
29. Authorized control level risk-based capital.....	21,781,086	21,694,722	20,534,148	21,399,666	18,014,341
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b>					
(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	.64.4	.66.1	.69.3	.59.3	.65.7
31. Stocks (Lines 2.1 & 2.2).....	.21.9	.22.1	.20.1	.28.0	.21.3
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....	.1.5	.1.6	.1.8	.2.2	
34. Cash, cash equivalents and short-term investments (Line 5).....	.5.5	.3.4	.1.6	.1.3	.3.2
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....	.6.7	.6.9	.7.1	.9.2	.9.7
38. Receivables for securities (Line 9).....	.0.0			.0.0	.0.2
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	23,315,917	22,002,413	20,711,678	20,672,804	18,792,837
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	23,315,917	22,002,413	20,711,678	20,672,804	18,792,837
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	.13.0	.13.0	.13.8	.14.0	.12.0

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

(Continued)

	1 2020	2	3 2018	4 2017	5 2016
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24).....	13,446,261	11,109,642	(12,187,347)	7,777,041	2,453,136
52. Dividends to stockholders (Line 35).....					
53. Change in surplus as regards policyholders for the year (Line 38).....	10,520,926	18,173,282	3,140,933	(9,213,625)	6,593,238
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	68,394,152	54,727,039	(18,887,002)	47,373,271	45,748,592
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	35,482,876	29,830,575	15,064,309	20,232,647	18,678,255
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	58,854,330	29,451,463	20,157,675	25,573,417	22,316,450
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	28,774	29,745	109,676	47,313	212,766
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	975,442	853,707	2,819,051	1,070,055	1,432,977
59. Total (Line 35).....	163,735,574	114,892,529	19,263,709	94,296,703	88,389,040
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	38,647,406	35,598,722	(33,066,861)	34,408,474	33,692,245
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	6,240,906	8,570,004	9,566,353	16,566,882	15,079,288
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	12,087,102	11,528,587	13,829,697	23,309,510	18,748,804
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	30,531	31,106	111,280	48,773	129,457
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	964,601	816,245	2,542,736	942,280	1,156,253
65. Total (Line 35).....	57,970,546	56,544,664	(7,016,794)	75,275,919	68,806,047
<b>Operating Percentages (Page 4)</b> (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	52.6	54.0	54.3	66.3	52.5
68. Loss expenses incurred (Line 3).....	15.0	15.1	13.9	17.2	11.6
69. Other underwriting expenses incurred (Line 4).....	32.0	33.0	29.5	42.4	38.2
70. Net underwriting gain (loss) (Line 8).....	0.4	(2.0)	.2.3	(25.9)	(2.4)
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	31.2	32.3	32.3	42.0	37.9
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	67.6	69.0	68.2	83.5	64.1
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).....	61.7	66.7	67.2	90.6	84.3
<b>One Year Loss Development (\$000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(11,072)	(7,333)	(14,178)	7,564	(978)
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).....	(6.6)	(4.9)	(9.6)	4.8	(0.7)
<b>Two Year Loss Development (\$000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(18,180)	(24,336)	(15,978)	3,019	(2,491)
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).....	(12.1)	(16.5)	(10.2)	2.0	(1.7)

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:

Annual Statement for the year 2020 of the **MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY**  
**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**

**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported-Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	....7,650.....	....353.....	....216.....	....6.....	....67.....	....2.....	....47.....	....7,572.....	....XXX.....	
2. 2011.....	....87,138.....	....6,238.....	....80,900.....	....51,872.....	....4,932.....	....4,349.....	....533.....	....7,372.....	....281.....	....865.....	....57,846.....	....XXX.....	
3. 2012.....	....89,373.....	....8,169.....	....81,205.....	....49,300.....	....4,710.....	....5,205.....	....819.....	....7,561.....	....383.....	....924.....	....56,154.....	....XXX.....	
4. 2013.....	....97,450.....	....10,073.....	....87,378.....	....51,661.....	....6,324.....	....5,750.....	....1,090.....	....7,989.....	....464.....	....887.....	....57,523.....	....XXX.....	
5. 2014.....	....102,780.....	....12,311.....	....90,469.....	....52,446.....	....5,825.....	....5,982.....	....1,300.....	....7,855.....	....547.....	....1,012.....	....58,611.....	....XXX.....	
6. 2015.....	....100,542.....	....15,097.....	....85,445.....	....48,654.....	....7,291.....	....5,646.....	....1,206.....	....7,266.....	....519.....	....929.....	....52,549.....	....XXX.....	
7. 2016.....	....119,746.....	....12,943.....	....106,804.....	....53,359.....	....4,200.....	....5,129.....	....708.....	....9,665.....	....550.....	....2,134.....	....62,695.....	....XXX.....	
8. 2017.....	....122,017.....	....8,001.....	....114,017.....	....54,409.....	....2,802.....	....4,345.....	....169.....	....10,087.....	....479.....	....1,968.....	....65,391.....	....XXX.....	
9. 2018.....	....114,773.....	....2,835.....	....111,938.....	....48,595.....	....1,263.....	....3,183.....	....11.....	....8,192.....	....3.....	....1,933.....	....58,693.....	....XXX.....	
10. 2019.....	....113,840.....	....2,989.....	....110,850.....	....42,487.....	....1,842.....	....3,276.....	....1.....	....8,381.....	....3.....	....1,609.....	....52,298.....	....XXX.....	
11. 2020.....	....113,982.....	....3,428.....	....110,554.....	....25,140.....	....579.....	....431.....		....11,671.....	....(2).....	....652.....	....36,665.....	....XXX.....	
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....485,572.....	....40,122.....	....43,513.....	....5,844.....	....86,107.....	....3,229.....	....12,960.....	....565,997.....	....XXX.....	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		BULK + IBNR		Case Basis		BULK + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	....11,338.....	....2,670.....	....11,554.....	....1,892.....	....287.....	....7.....	....171.....	....444.....	....1,001.....	....2.....	....68.....	....19,336.....	....XXX.....
2. 2011.....	....1,643.....	....70.....	....1,892.....	....375.....	....52.....	....4.....	....197.....	....76.....	....143.....	....1.....	....10.....	....3,401.....	....XXX.....
3. 2012.....	....3,613.....	....197.....	....2,268.....	....973.....	....101.....	....12.....	....254.....	....212.....	....366.....	....(1).....	....16.....	....5,209.....	....XXX.....
4. 2013.....	....5,205.....	....249.....	....3,297.....	....1,146.....	....190.....	....8.....	....535.....	....303.....	....400.....	....(7).....	....39.....	....7,928.....	....XXX.....
5. 2014.....	....4,782.....	....76.....	....5,263.....	....1,513.....	....188.....	....11.....	....371.....	....319.....	....762.....	....(12).....	....52.....	....9,459.....	....XXX.....
6. 2015.....	....5,036.....	....416.....	....4,719.....	....820.....	....181.....	....25.....	....309.....	....248.....	....1,157.....	....(19).....	....130.....	....9,912.....	....XXX.....
7. 2016.....	....4,576.....	....456.....	....4,554.....	....384.....	....79.....	....5.....	....840.....	....107.....	....599.....	....(14).....	....118.....	....9,711.....	....XXX.....
8. 2017.....	....7,060.....	....407.....	....6,689.....	....115.....	....214.....		....1,721.....		....663.....		....147.....	....15,825.....	....XXX.....
9. 2018.....	....9,488.....	....139.....	....9,743.....	....156.....	....376.....		....3,578.....		....791.....		....197.....	....23,681.....	....XXX.....
10. 2019.....	....12,368.....	....75.....	....15,932.....	....209.....	....572.....		....6,276.....		....(160).....		....244.....	....34,703.....	....XXX.....
11. 2020.....	....21,314.....	....445.....	....23,284.....	....169.....	....909.....		....2,672.....		....4,783.....		....437.....	....52,349.....	....XXX.....
12. Totals.....	....86,423.....	....5,200.....	....89,195.....	....7,752.....	....3,149.....	....72.....	....16,925.....	....1,709.....	....10,506.....	....(50).....	....1,458.....	....191,516.....	....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....			....XXX.....	....18,330.....	....1,006.....
2. 2011.....	....67,520.....	....6,272.....	....61,248.....	....77.5.....	....100.6.....	....75.7.....				....3,090.....	....311.....
3. 2012.....	....68,669.....	....7,305.....	....61,364.....	....76.8.....	....89.4.....	....75.6.....				....4,711.....	....498.....
4. 2013.....	....75,028.....	....9,577.....	....65,451.....	....77.0.....	....95.1.....	....74.9.....				....7,107.....	....821.....
5. 2014.....	....77,649.....	....9,579.....	....68,070.....	....75.5.....	....77.8.....	....75.2.....				....8,456.....	....1,003.....
6. 2015.....	....72,968.....	....10,507.....	....62,461.....	....72.6.....	....69.6.....	....73.1.....				....8,519.....	....1,393.....
7. 2016.....	....78,801.....	....6,395.....	....72,406.....	....65.8.....	....49.4.....	....67.8.....				....8,290.....	....1,421.....
8. 2017.....	....85,189.....	....3,972.....	....81,217.....	....69.8.....	....49.6.....	....71.2.....				....13,227.....	....2,598.....
9. 2018.....	....83,946.....	....1,572.....	....82,374.....	....73.1.....	....55.5.....	....73.6.....				....18,936.....	....4,745.....
10. 2019.....	....89,131.....	....2,130.....	....87,001.....	....78.3.....	....71.3.....	....78.5.....				....28,016.....	....6,687.....
11. 2020.....	....90,204.....	....1,191.....	....89,014.....	....79.1.....	....34.7.....	....80.5.....				....43,984.....	....8,364.....
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....0.....	....0.....	....XXX.....	....162,667.....	....28,849.....

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 2011	2 2012	3 2013	4 2014	5 2015	6 2016	7 2017	8 2018	9 2019	10 2020	11 One Year	12 Two Year
1. Prior.....	106,506	100,317	94,723	90,266	82,017	79,051	71,563	73,332	69,658	68,206	(1,453)	(5,126)
2. 2011.....	61,002	59,280	59,746	58,350	56,946	55,568	54,669	54,660	53,861	54,014	153	(646)
3. 2012.....	XXX.....	57,403	56,295	54,766	54,589	53,603	52,981	53,070	53,345	53,818	474	748
4. 2013.....	XXX.....	XXX.....	60,040	59,936	59,413	58,239	57,291	56,447	56,459	57,519	1,060	1,072
5. 2014.....	XXX.....	XXX.....	XXX.....	60,962	61,580	61,119	60,154	58,572	58,633	59,988	1,355	1,416
6. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	58,605	58,246	57,554	56,000	54,843	54,538	(305)	(1,462)
7. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	69,716	71,548	67,484	65,037	62,678	(2,359)	(4,806)
8. 2017.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	86,352	78,370	75,940	70,945	(4,995)	(7,424)
9. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	75,345	78,169	73,393	(4,776)	(1,952)
10. 2019.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	79,008	78,784	(225)	XXX.....
11. 2020.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	72,558	XXX.....	XXX.....	XXX.....
									12. Totals.....	(11,072)		(18,180)

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2011	2 2012	3 2013	4 2014	5 2015	6 2016	7 2017	8 2018	9 2019	10 2020		
1. Prior.....	000.....	15,997	25,130	31,041	34,297	37,123	39,350	41,094	42,361	49,868	XXX.....	XXX.....
2. 2011.....	24,612	37,152	42,397	46,026	47,895	49,185	49,856	50,383	50,706	50,755	XXX.....	XXX.....
3. 2012.....	XXX.....	19,945	32,968	38,922	42,478	45,216	46,662	47,507	48,539	48,976	XXX.....	XXX.....
4. 2013.....	XXX.....	XXX.....	20,175	33,412	39,958	44,356	46,846	48,202	49,335	49,998	XXX.....	XXX.....
5. 2014.....	XXX.....	XXX.....	XXX.....	21,915	35,562	41,984	46,553	49,055	50,415	51,303	XXX.....	XXX.....
6. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	19,358	31,851	38,565	42,288	44,694	45,802	XXX.....	XXX.....
7. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	26,679	40,977	48,259	51,844	53,580	XXX.....	XXX.....
8. 2017.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	30,709	46,412	52,723	55,783	XXX.....	XXX.....
9. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	27,425	42,959	50,504	XXX.....	XXX.....
10. 2019.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	29,946	43,920	XXX.....	XXX.....
11. 2020.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	24,992	XXX.....	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)										10 2020
	1 2011	2 2012	3 2013	4 2014	5 2015	6 2016	7 2017	8 2018	9 2019	10 2020	
1. Prior.....	68,650	54,964	44,066	37,827	28,757	23,901	15,205	16,084	11,676	9,389	
2. 2011.....	22,628	13,721	10,442	7,627	5,899	3,843	2,587	2,281	1,506	1,638	
3. 2012.....	XXX.....	20,849	13,038	7,491	6,128	3,814	2,102	1,125	893	1,337	
4. 2013.....	XXX.....	XXX.....	22,352	13,088	9,549	6,407	4,199	2,896	2,129	2,383	
5. 2014.....	XXX.....	XXX.....	XXX.....	21,336	14,535	9,728	6,944	4,454	3,742	3,802	
6. 2015.....	XXX.....	XXX.....	XXX.....	XXX.....	22,626	16,203	10,716	7,709	4,824	3,960	
7. 2016.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	24,329	16,960	11,813	7,870	4,903	
8. 2017.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	33,060	19,675	15,025	8,295	
9. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	27,720	22,559	13,165	
10. 2019.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	30,358	21,999	
11. 2020.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	25,787	

**MOTORISTS COMMERCIAL MUTUAL INSURANCE COMPANY**  
**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

## Allocated by States and Territories

States, Etc.	Active Status (a)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	6	7	8	9
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....	AL	N			1,647	139,765	610,394		
2. Alaska.....	AK	N			(24)	2,579	3,300		
3. Arizona.....	AZ	L			74,297	117,816	101,398		
4. Arkansas.....	AR	N							
5. California.....	CA	L			85,231	(10,512)	1,078,305		
6. Colorado.....	CO	L			(8,135)	(19,246)	700		
7. Connecticut.....	CT	L			9,398	(8,812)	49,753		
8. Delaware.....	DE	L			3,797	(31,382)	1,285,880		
9. District of Columbia.....	DC	L							
10. Florida.....	FL	N			10,703	(12,017)	346,017		
11. Georgia.....	GA	L				(5,531)	108,500		
12. Hawaii.....	HI	N							
13. Idaho.....	ID	L			(2,023)	(8,161)	100		
14. Illinois.....	IL	L	25,211,069	23,892,867	18,050	9,017,329	14,875,424	19,168,537	59,088
15. Indiana.....	IN	L	24,331,391	17,292,680	7,751	3,118,991	6,648,034	4,501,881	58,544
16. Iowa.....	IA	L	14,574,383	13,794,348		13,270,970	18,551,726	12,767,390	35,005
17. Kansas.....	KS	L		.583			(467)	200	
18. Kentucky.....	KY	L	36,683,088	26,856,207		4,160,703	13,832,520	11,078,103	.219,266
19. Louisiana.....	LA	N	.275	.275		35,649	(375,289)	.693,567	
20. Maine.....	ME	L	2,554,542	2,433,296		486,384	579,100	1,883,810	.5,813
21. Maryland.....	MD	L	.506	.424			(2,020)	.8,900	
22. Massachusetts.....	MA	L	4,964,143	4,756,686	(16)	1,222,923	1,711,002	4,006,353	
23. Michigan.....	MI	L	19,792,192	22,685,747	6,996	7,766,335	12,200,060	13,453,183	.47,117
24. Minnesota.....	MN	L	4,012,741	3,064,976	4,135	1,079,554	712,888	3,599,384	.8,989
25. Mississippi.....	MS	N					(47)		
26. Missouri.....	MO	L		.117		8,000	(1,372)	84,500	
27. Montana.....	MT	N				7,091,223	7,605,904	.747,316	
28. Nebraska.....	NE	L	16,787,626	16,667,948	119,514	4,159,923	6,322,057	7,150,247	.37,999
29. Nevada.....	NV	L				(399)	(19,153)	17,000	
30. New Hampshire.....	NH	L	4,883,982	.5,210,155	5,432	1,209,947	1,357,776	9,879,004	.11,319
31. New Jersey.....	NJ	L				.87,970	(89,910)	1,145,431	
32. New Mexico.....	NM	L					(187)		
33. New York.....	NY	L	.2,050	.1,835		.201,246	(116,841)	2,137,179	
34. North Carolina.....	NC	L	.293	.240			124		
35. North Dakota.....	ND	L					(83)		
36. Ohio.....	OH	L	114,025,816	79,745,925		18,347,353	38,802,428	26,875,461	.296,192
37. Oklahoma.....	OK	L					(62)		
38. Oregon.....	OR	L				170,418	(200,831)	1,668,439	
39. Pennsylvania.....	PA	L	49,580,654	36,094,927	1,063	10,844,766	24,001,543	17,751,719	.118,461
40. Rhode Island.....	RI	L	10,951,482	9,968,314		3,437,918	5,729,376	5,200,875	.26,813
41. South Carolina.....	SC	L	27,902,701	26,943,135		7,400,005	14,069,415	15,193,807	.66,158
42. South Dakota.....	SD	L	.300	.604		34,424	(25,417)	.179,947	
43. Tennessee.....	TN	L	9,938,829	7,595,286		3,722,688	5,648,766	5,127,499	.23,806
44. Texas.....	TX	L				5,986	(118,009)	4,079,568	
45. Utah.....	UT	L					(2,207)		
46. Vermont.....	VT	L	.750,727	.746,537		.120,278	499,904	.765,575	(.1316)
47. Virginia.....	VA	L	4,402,652	2,772,417		.410,219	1,059,343	1,157,278	.10,929
48. Washington.....	WA	L				.100,697	(182,702)	.909,439	
49. West Virginia.....	WV	L	20,880,341	15,291,673		1,580,376	5,848,109	4,773,710	.52,181
50. Wisconsin.....	WI	L	20,670,247	23,353,327	1,858,850	11,890,819	13,652,572	21,803,054	.130,804
51. Wyoming.....	WY	L					(4)		
52. American Samoa.....	AS	N							
53. Guam.....	GU	N							
54. Puerto Rico.....	PR	N							
55. US Virgin Islands.....	VI	N							
56. Northern Mariana Islands.....	MP	N							
57. Canada.....	CAN	N							
58. Aggregate Other Alien.....	OT	XXX	.0	.0	.0	.0	.0	.0	.0
59. Totals.....		XXX	412,902,031	339,170,529	2,021,776	111,157,585	192,737,968	201,392,702	1,207,169

## DETAILS OF WRITE-INS

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

## (a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG... 43  
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See USLI)... 0

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

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

Premiums are assigned to state based on the following methods:  
 1) the location of the risk for lines 1, 2, 4, 5, 9, 12, 16, 26, and 27  
 2) the billing address for line 15  
 3) the location of the insured's operation for lines 17 and 18  
 4) the principal garaging location for lines 19 and 21  
 5) the location of the employer for line 23  
 6) the location of the obligee for line 24

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

Q - Qualified - Qualified or accredited reinsurer... 0

N - None of the above - Not allowed to write business in the state... 14

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

