PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021
OF THE CONDITION AND AFFAIRS OF THE

# American Mutual Share Insurance Corporation

NAIC Group Code 0359 (Current) 0359 (Prior) NAIC Company Code 12700 Employer's ID Number 23-7376679

Organized under the Laws of Ohio, State of Domicile or Port of Entry OH

Country of Domicile United States of America

Incorporated/Organized 05/07/1974 Commenced Business 06/07/1974

Statutory Home Office 5656 Frantz Rd. (Street and Number), Dublin, OH, US 43017 (City or Town, State, Country and Zip Code)

Main Administrative Office 5656 Frantz Rd. (Street and Number)

Dublin, OH, US 43017 (City or Town, State, Country and Zip Code), 614-764-1900 (Area Code) (Telephone Number)

Mail Address 5656 Frantz Rd. (Street and Number or P.O. Box), Dublin, OH, US 43017 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 5656 Frantz Rd. (Street and Number)

Dublin, OH, US 43017 (City or Town, State, Country and Zip Code), 614-764-1900 (Area Code) (Telephone Number)

Internet Website Address www.americanshare.com

Statutory Statement Contact John Paul McCaffrey Jr. (Name), 614-973-7664 (Area Code) (Telephone Number)

jmccaffrey@americanshare.com (E-mail Address), 614-973-7665 (FAX Number)

## OFFICERS

| | | | |
|---|---|---|---|
| President | Dennis Roy Adams | Treasurer | John Paul McCaffrey Jr. # |
| Secretary | John Paul McCaffrey Jr. # | | |

## OTHER

| | | |
|---|---|---|
| John Paul McCaffrey Jr. #, Vice President | Kurt Gordon Kluth, Vice President | Kurt Ryan Loose, Vice President |
| David William Kettlehake, Vice President | | |

## DIRECTORS OR TRUSTEES

| | | |
|---|---|---|
| Dennis Roy Adams | Janice Lynn Thomas | Elizabeth Ann Calderone |
| Kevin Wayne Willour | Christine Kaete Haley | James Crider Miles |
| Scott Arkills | | |

State of Ohio
County of Franklin
SS

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.

| Dennis Roy Adams<br>President | John Paul McCaffrey, Jr.<br>Secretary | John Paul McCaffrey, Jr.<br>Treasurer |
|---|---|---|

Subscribed and sworn to before me this
_______ day of _______________

a. Is this an original filing? Yes [ ] No [ X ]
b. If no,
1. State the amendment number 1
2. Date filed 03/28/2022
3. Number of pages attached 4

# ASSETS

| | | Current Year | | | Prior Year |
|---|---|---|---|---|---|
| | | 1<br>Assets | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets (Cols. 1 - 2) | 4<br>Net Admitted Assets |
| 1. | Bonds (Schedule D) | 230,797,017 | | 230,797,017 | 164,688,455 |
| 2. | Stocks (Schedule D): | | | | |
| | 2.1 Preferred stocks | | | | |
| | 2.2 Common stocks | 55,814,723 | 424,666 | 55,390,057 | 43,626,697 |
| 3. | Mortgage loans on real estate (Schedule B): | | | | |
| | 3.1 First liens | | | | |
| | 3.2 Other than first liens | | | | |
| 4. | Real estate (Schedule A): | | | | |
| | 4.1 Properties occupied by the company (less $ ............ encumbrances) | 912,603 | | 912,603 | 970,200 |
| | 4.2 Properties held for the production of income (less $ ............ encumbrances) | | | | |
| | 4.3 Properties held for sale (less $ ............ encumbrances) | | | | |
| 5. | Cash ($ 25,999,289 , Schedule E - Part 1), cash equivalents ($ 11,892,505 , Schedule E - Part 2) and short-term investments ($ ............ , Schedule DA) | 37,891,794 | | 37,891,794 | 68,898,697 |
| 6. | Contract loans (including $ ............ premium notes) | | | | |
| 7. | Derivatives (Schedule DB) | | | | |
| 8. | Other invested assets (Schedule BA) | 4,801,836 | 4,801,836 | | |
| 9. | Receivable for securities | | | | |
| 10. | Securities lending reinvested collateral assets (Schedule DL) | | | | |
| 11. | Aggregate write-ins for invested assets | | | | |
| 12. | Subtotals, cash and invested assets (Lines 1 to 11) | 330,217,973 | 5,226,502 | 324,991,471 | 278,184,049 |
| 13. | Title plants less $ ............ charged off (for Title insurers only) | | | | |
| 14. | Investment income due and accrued | 563,388 | | 563,388 | 599,061 |
| 15. | Premiums and considerations: | | | | |
| | 15.1 Uncollected premiums and agents' balances in the course of collection | | | | |
| | 15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including $ 56,700 earned but unbilled premiums) | 56,700 | | 56,700 | 56,300 |
| | 15.3 Accrued retrospective premiums ($ ............ ) and contracts subject to redetermination ($ ............ ) | | | | |
| 16. | Reinsurance: | | | | |
| | 16.1 Amounts recoverable from reinsurers | | | | |
| | 16.2 Funds held by or deposited with reinsured companies | | | | |
| | 16.3 Other amounts receivable under reinsurance contracts | | | | |
| 17. | Amounts receivable relating to uninsured plans | | | | |
| 18.1 | Current federal and foreign income tax recoverable and interest thereon | | | | |
| 18.2 | Net deferred tax asset | | | | |
| 19. | Guaranty funds receivable or on deposit | | | | |
| 20. | Electronic data processing equipment and software | 64,182 | | 64,182 | 43,276 |
| 21. | Furniture and equipment, including health care delivery assets ($ ............ ) | 163,857 | 163,857 | | |
| 22. | Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23. | Receivables from parent, subsidiaries and affiliates | 164,020 | | 164,020 | 164,810 |
| 24. | Health care ($ ............ ) and other amounts receivable | | | | |
| 25. | Aggregate write-ins for other than invested assets | 25,412,064 | 199,394 | 25,212,670 | 35,003,543 |
| 26. | Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 356,642,184 | 5,589,753 | 351,052,431 | 314,051,039 |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. | Total (Lines 26 and 27) | 356,642,184 | 5,589,753 | 351,052,431 | 314,051,039 |
| | **DETAILS OF WRITE-INS** | | | | |
| 1101. | | | | | |
| 1102. | | | | | |
| 1103. | | | | | |
| 1198. | Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199. | Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) | | | | |
| 2501. | Prepaid Expenses | 195,216 | 195,216 | | |
| 2502. | Participating Credit Unions' Capital Contributions Receivable | 25,200,000 | | 25,200,000 | 35,000,000 |
| 2503. | Other Receivables | 16,848 | 4,178 | 12,670 | 3,543 |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | | | |
| 2599. | Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 25,412,064 | 199,394 | 25,212,670 | 35,003,543 |

# LIABILITIES, SURPLUS AND OTHER FUNDS

| | | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|---|
| 1. | Losses (Part 2A, Line 35, Column 8) | 19,465,914 | 17,565,914 |
| 2. | Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) | | |
| 3. | Loss adjustment expenses (Part 2A, Line 35, Column 9) | 40,000 | 40,000 |
| 4. | Commissions payable, contingent commissions and other similar charges | | |
| 5. | Other expenses (excluding taxes, licenses and fees) | 2,594,685 | 3,467,264 |
| 6. | Taxes, licenses and fees (excluding federal and foreign income taxes) | 31,982 | 31,967 |
| 7.1 | Current federal and foreign income taxes (including $ ........ on realized capital gains (losses)) | 3,614 | 4,118 |
| 7.2 | Net deferred tax liability | | |
| 8. | Borrowed money $ ........ and interest thereon $ ........ | | |
| 9. | Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ ........ and including warranty reserves of $ ........ and accrued accident and health experience rating refunds including $ ........ for medical loss ratio rebate per the Public Health Service Act) | | |
| 10. | Advance premium | | |
| 11. | Dividends declared and unpaid: | | |
| | 11.1 Stockholders | | |
| | 11.2 Policyholders | | |
| 12. | Ceded reinsurance premiums payable (net of ceding commissions) | | |
| 13. | Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20) | | |
| 14. | Amounts withheld or retained by company for account of others | | |
| 15. | Remittances and items not allocated | | |
| 16. | Provision for reinsurance (including $ ........ certified) (Schedule F, Part 3, Column 78) | | |
| 17. | Net adjustments in assets and liabilities due to foreign exchange rates | | |
| 18. | Drafts outstanding | | |
| 19. | Payable to parent, subsidiaries and affiliates | | |
| 20. | Derivatives | | |
| 21. | Payable for securities | | |
| 22. | Payable for securities lending | | |
| 23. | Liability for amounts held under uninsured plans | | |
| 24. | Capital notes $ ........ and interest thereon $ ........ | | |
| 25. | Aggregate write-ins for liabilities | 581,817 | 665,216 |
| 26. | Total liabilities excluding protected cell liabilities (Lines 1 through 25) | 22,718,012 | 21,774,479 |
| 27. | Protected cell liabilities | | |
| 28. | Total liabilities (Lines 26 and 27) | 22,718,012 | 21,774,479 |
| 29. | Aggregate write-ins for special surplus funds | 266,601,751 | 239,349,265 |
| 30. | Common capital stock | | |
| 31. | Preferred capital stock | | |
| 32. | Aggregate write-ins for other than special surplus funds | | |
| 33. | Surplus notes | | |
| 34. | Gross paid in and contributed surplus | | |
| 35. | Unassigned funds (surplus) | 61,732,668 | 52,927,295 |
| 36. | Less treasury stock, at cost: | | |
| | 36.1 ........ shares common (value included in Line 30 $ ........ ) | | |
| | 36.2 ........ shares preferred (value included in Line 31 $ ........ ) | | |
| 37. | Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) | 328,334,419 | 292,276,560 |
| 38. | TOTALS (Page 2, Line 28, Col. 3) | 351,052,431 | 314,051,039 |
| | **DETAILS OF WRITE-INS** | | |
| 2501. | Participating Credit Unions' Capital Contributions Payable | 581,817 | 665,216 |
| 2502. | | | |
| 2503. | | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | |
| 2599. | Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 581,817 | 665,216 |
| 2901. | Participating Credit Unions' Capital Contributions | 266,601,751 | 239,349,265 |
| 2902. | | | |
| 2903. | | | |
| 2998. | Summary of remaining write-ins for Line 29 from overflow page | | |
| 2999. | Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) | 266,601,751 | 239,349,265 |
| 3201. | | | |
| 3202. | | | |
| 3203. | | | |
| 3298. | Summary of remaining write-ins for Line 32 from overflow page | | |
| 3299. | Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above) | | |

# STATEMENT OF INCOME

| | | 1 Current Year | 2 Prior Year |
|---|---|---|---|
| | **UNDERWRITING INCOME** | | |
| 1. | Premiums earned (Part 1, Line 35, Column 4) | 182,912 | 176,804 |
| | **DEDUCTIONS:** | | |
| 2. | Losses incurred (Part 2, Line 35, Column 7) | 1,886,754 | 1,940,019 |
| 3. | Loss adjustment expenses incurred (Part 3, Line 25, Column 1) | 279,226 | 489,100 |
| 4. | Other underwriting expenses incurred (Part 3, Line 25, Column 2) | 6,801,762 | 6,453,429 |
| 5. | Aggregate write-ins for underwriting deductions | | |
| 6. | Total underwriting deductions (Lines 2 through 5) | 8,967,742 | 8,882,548 |
| 7. | Net income of protected cells | | |
| 8. | Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7) | (8,784,830) | (8,705,744) |
| | **INVESTMENT INCOME** | | |
| 9. | Net investment income earned (Exhibit of Net Investment Income, Line 17) | 2,588,149 | 3,089,297 |
| 10. | Net realized capital gains or (losses) less capital gains tax of $ (Exhibit of Capital Gains (Losses) ) | 1,505,839 | (174,887) |
| 11. | Net investment gain (loss) (Lines 9 + 10) | 4,093,988 | 2,914,410 |
| | **OTHER INCOME** | | |
| 12. | Net gain (loss) from agents' or premium balances charged off (amount recovered $ amount charged off $ ) | | |
| 13. | Finance and service charges not included in premiums | | |
| 14. | Aggregate write-ins for miscellaneous income | 5,765,428 | 5,776,871 |
| 15. | Total other income (Lines 12 through 14) | 5,765,428 | 5,776,871 |
| 16. | Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) | 1,074,586 | (14,463) |
| 17. | Dividends to policyholders | | |
| 18. | Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) | 1,074,586 | (14,463) |
| 19. | Federal and foreign income taxes incurred | | |
| 20. | Net income (Line 18 minus Line 19)(to Line 22) | 1,074,586 | (14,463) |
| | **CAPITAL AND SURPLUS ACCOUNT** | | |
| 21. | Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) | 292,276,560 | 255,421,156 |
| 22. | Net income (from Line 20) | 1,074,586 | (14,463) |
| 23. | Net transfers (to) from Protected Cell accounts | | |
| 24. | Change in net unrealized capital gains or (losses) less capital gains tax of $ | 5,839,952 | 2,650,748 |
| 25. | Change in net unrealized foreign exchange capital gain (loss) | | |
| 26. | Change in net deferred income tax | | |
| 27. | Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) | 1,890,835 | (285,380) |
| 28. | Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) | | |
| 29. | Change in surplus notes | | |
| 30. | Surplus (contributed to) withdrawn from protected cells | | |
| 31. | Cumulative effect of changes in accounting principles | | |
| 32. | Capital changes: | | |
| | 32.1 Paid in | | |
| | 32.2 Transferred from surplus (Stock Dividend) | | |
| | 32.3 Transferred to surplus | | |
| 33. | Surplus adjustments: | | |
| | 33.1 Paid in | | |
| | 33.2 Transferred to capital (Stock Dividend) | | |
| | 33.3 Transferred from capital | | |
| 34. | Net remittances from or (to) Home Office | | |
| 35. | Dividends to stockholders | | |
| 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 | 27,252,486 | 34,504,499 |
| 38. | Change in surplus as regards policyholders for the year (Lines 22 through 37) | 36,057,859 | 36,855,404 |
| 39. | Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) | 328,334,419 | 292,276,560 |
| | **DETAILS OF WRITE-INS** | | |
| 0501. | | | |
| 0502. | | | |
| 0503. | | | |
| 0598. | Summary of remaining write-ins for Line 5 from overflow page | | |
| 0599. | Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above) | | |
| 1401. | Miscellaneous Income/(Loss) | 38,283 | 564,001 |
| 1402. | Management Fees & Line of Credit Fees | 1,812,393 | 1,749,478 |
| 1403. | Special Premium Assessments | 3,914,752 | 3,463,392 |
| 1498. | Summary of remaining write-ins for Line 14 from overflow page | | |
| 1499. | Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) | 5,765,428 | 5,776,871 |
| 3701. | Net Change in Participating Credit Unions' Capital Contributions | 27,252,486 | 34,504,499 |
| 3702. | | | |
| 3703. | | | |
| 3798. | Summary of remaining write-ins for Line 37 from overflow page | | |
| 3799. | Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above) | 27,252,486 | 34,504,499 |

# CASH FLOW

| | | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|---|
| | **Cash from Operations** | | |
| 1. | Premiums collected net of reinsurance | 182,512 | 175,154 |
| 2. | Net investment income | 3,878,364 | 3,585,687 |
| 3. | Miscellaneous income | 5,765,428 | 5,776,871 |
| 4. | Total (Lines 1 through 3) | 9,826,304 | 9,537,712 |
| 5. | Benefit and loss related payments | (13,246) | (11,981) |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 7,953,552 | 7,293,106 |
| 8. | Dividends paid to policyholders | | |
| 9. | Federal and foreign income taxes paid (recovered) net of $ tax on capital gains (losses) | 504 | 399 |
| 10. | Total (Lines 5 through 9) | 7,940,810 | 7,281,524 |
| 11. | Net cash from operations (Line 4 minus Line 10) | 1,885,494 | 2,256,188 |
| | **Cash from Investments** | | |
| 12. | Proceeds from investments sold, matured or repaid: | | |
| | 12.1 Bonds | 74,570,207 | 205,094,527 |
| | 12.2 Stocks | 6,902,844 | 1,804,914 |
| | 12.3 Mortgage loans | | |
| | 12.4 Real estate | | |
| | 12.5 Other invested assets | 3,137,275 | 2,996,381 |
| | 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | | |
| | 12.7 Miscellaneous proceeds | | |
| | 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 84,610,326 | 209,895,822 |
| 13. | Cost of investments acquired (long-term only): | | |
| | 13.1 Bonds | 140,665,130 | 175,003,930 |
| | 13.2 Stocks | 11,271,978 | 12,844,418 |
| | 13.3 Mortgage loans | | |
| | 13.4 Real estate | 16,060 | 728,325 |
| | 13.5 Other invested assets | 1,310,766 | 3,096,872 |
| | 13.6 Miscellaneous applications | | 1,000,000 |
| | 13.7 Total investments acquired (Lines 13.1 to 13.6) | 153,263,934 | 192,673,545 |
| 14. | Net increase (decrease) in contract loans and premium notes | | |
| 15. | Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | (68,653,609) | 17,222,277 |
| | **Cash from Financing and Miscellaneous Sources** | | |
| 16. | Cash provided (applied): | | |
| | 16.1 Surplus notes, capital notes | | |
| | 16.2 Capital and paid in surplus, less treasury stock | | |
| | 16.3 Borrowed funds | | |
| | 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | |
| | 16.5 Dividends to stockholders | | |
| | 16.6 Other cash provided (applied) | 35,761,511 | 6,203,999 |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | 35,761,511 | 6,203,999 |
| | **RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS** | | |
| 18. | Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | (31,006,603) | 25,682,464 |
| 19. | Cash, cash equivalents and short-term investments: | | |
| | 19.1 Beginning of year | 68,898,697 | 43,216,233 |
| | 19.2 End of period (Line 18 plus Line 19.1) | 37,892,094 | 68,898,697 |

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

| | | | |
|---|---|---|---|
| 20.0001. | Unrealized gain on trading securities | 4,644,906 | 1,900,669 |
| 20.0002. | Equity in earnings of subsidiary | 1,195,042 | 750,079 |
| 20.0003. | Increase (decrease) in participants' capital contributions receivable | (9,800,000) | 25,500,000 |
| 20.0004. | Increase in capital contributions payable | (83,398) | (2,712,167) |
| 20.0005. | Change in net deferred asset of subsidiary | | 10,000 |

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS EARNED

| | Line of Business | 1<br>Net Premiums Written per Column 6, Part 1B | 2<br>Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1 | 3<br>Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A | 4<br>Premiums Earned During Year (Cols. 1 + 2 - 3) |
|---|---|---|---|---|---|
| 1. | Fire | | | | |
| 2. | Allied lines | | | | |
| 3. | Farmowners multiple peril | | | | |
| 4. | Homeowners multiple peril | | | | |
| 5. | Commercial multiple peril | | | | |
| 6. | Mortgage guaranty | | | | |
| 8. | Ocean marine | | | | |
| 9. | Inland marine | | | | |
| 10. | Financial guaranty | | | | |
| 11.1 | Medical professional liability - occurrence | | | | |
| 11.2 | Medical professional liability - claims-made | | | | |
| 12. | Earthquake | | | | |
| 13. | Group accident and health | | | | |
| 14. | Credit accident and health (group and individual) | | | | |
| 15. | Other accident and health | | | | |
| 16. | Workers' compensation | | | | |
| 17.1 | Other liability - occurrence | | | | |
| 17.2 | Other liability - claims-made | | | | |
| 17.3 | Excess workers' compensation | | | | |
| 18.1 | Products liability - occurrence | | | | |
| 18.2 | Products liability - claims-made | | | | |
| 19.1, 19.2 | Private passenger auto liability | | | | |
| 19.3, 19.4 | Commercial auto liability | | | | |
| 21. | Auto physical damage | | | | |
| 22. | Aircraft (all perils) | | | | |
| 23. | Fidelity | | | | |
| 24. | Surety | | | | |
| 26. | Burglary and theft | | | | |
| 27. | Boiler and machinery | | | | |
| 28. | Credit | | | | |
| 29. | International | | | | |
| 30. | Warranty | | | | |
| 31. | Reinsurance - nonproportional assumed property | | | | |
| 32. | Reinsurance - nonproportional assumed liability | | | | |
| 33. | Reinsurance - nonproportional assumed financial lines | | | | |
| 34. | Aggregate write-ins for other lines of business | 182,912 | | | 182,912 |
| 35. | TOTALS | 182,912 | | | 182,912 |
| | **DETAILS OF WRITE-INS** | | | | |
| 3401. | GUARANTY OF SHARE DEPOSITS IN CREDIT UNIONS | 182,912 | | | 182,912 |
| 3402. | | | | | |
| 3403. | | | | | |
| 3498. | Summary of remaining write-ins for Line 34 from overflow page | | | | |
| 3499. | Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) | 182,912 | | | 182,912 |

# UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

| Line of Business | 1<br>Amount Unearned (Running One Year or Less from Date of Policy) (a) | 2<br>Amount Unearned (Running More Than One Year from Date of Policy) (a) | 3<br>Earned But Unbilled Premium | 4<br>Reserve for Rate Credits and Retrospective Adjustments Based on Experience | 5<br>Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4 |
|---|---|---|---|---|---|
| 1. Fire | | | | | |
| 2. Allied lines | | | | | |
| 3. Farmowners multiple peril | | | | | |
| 4. Homeowners multiple peril | | | | | |
| 5. Commercial multiple peril | | | | | |
| 6. Mortgage guaranty | | | | | |
| 8. Ocean marine | | | | | |
| 9. Inland marine | | | | | |
| 10. Financial guaranty | | | | | |
| 11.1 Medical professional liability - occurrence | | | | | |
| 11.2 Medical professional liability - claims-made | | | | | |
| 12. Earthquake | | | | | |
| 13. Group accident and health | | | | | |
| 14. Credit accident and health (group and individual) | | | | | |
| 15. Other accident and health | | | | | |
| 16. Workers' compensation | | | | | |
| 17.1 Other liability - occurrence | | | | | |
| 17.2 Other liability - claims-made | | | | | |
| 17.3 Excess workers' compensation | | | | | |
| 18.1 Products liability - occurrence | | | | | |
| 18.2 Products liability - claims-made | | | | | |
| 19.1, 19.2 Private passenger auto liability | | | | | |
| 19.3, 19.4 Commercial auto liability | | | | | |
| 21. Auto physical damage | | | | | |
| 22. Aircraft (all perils) | | | | | |
| 23. Fidelity | | | | | |
| 24. Surety | | | | | |
| 26. Burglary and theft | | | | | |
| 27. Boiler and machinery | | | | | |
| 28. Credit | | | | | |
| 29. International | | | | | |
| 30. Warranty | | | | | |
| 31. Reinsurance - nonproportional assumed property | | | | | |
| 32. Reinsurance - nonproportional assumed liability | | | | | |
| 33. Reinsurance - nonproportional assumed financial lines | | | | | |
| 34. Aggregate write-ins for other lines of business | | | | | |
| 35. TOTALS | | | | | |
| 36. Accrued retrospective premiums based on experience | | | | | |
| 37. Earned but unbilled premiums | | | | | |
| 38. Balance (Sum of Line 35 through 37) | | | | | |
| **DETAILS OF WRITE-INS** | | | | | |
| 3401. | | | | | |
| 3402. | | | | | |
| 3403. | | | | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | | | | | |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) | | | | | |

NONE

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

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1B - PREMIUMS WRITTEN

| | Line of Business | 1<br>Direct Business (a) | Reinsurance Assumed<br>2<br>From Affiliates | Reinsurance Assumed<br>3<br>From Non-Affiliates | Reinsurance Ceded<br>4<br>To Affiliates | Reinsurance Ceded<br>5<br>To Non-Affiliates | 6<br>Net Premiums Written Cols. 1+2+3-4-5 |
|---|---|---|---|---|---|---|---|
| 1. | Fire | | | | | | |
| 2. | Allied lines | | | | | | |
| 3. | Farmowners multiple peril | | | | | | |
| 4. | Homeowners multiple peril | | | | | | |
| 5. | Commercial multiple peril | | | | | | |
| 6. | Mortgage guaranty | | | | | | |
| 8. | Ocean marine | | | | | | |
| 9. | Inland marine | | | | | | |
| 10. | Financial guaranty | | | | | | |
| 11.1 | Medical professional liability - occurrence | | | | | | |
| 11.2 | Medical professional liability - claims-made | | | | | | |
| 12. | Earthquake | | | | | | |
| 13. | Group accident and health | | | | | | |
| 14. | Credit accident and health (group and individual) | | | | | | |
| 15. | Other accident and health | | | | | | |
| 16. | Workers' compensation | | | | | | |
| 17.1 | Other liability - occurrence | | | | | | |
| 17.2 | Other liability - claims-made | | | | | | |
| 17.3 | Excess workers' compensation | | | | | | |
| 18.1 | Products liability - occurrence | | | | | | |
| 18.2 | Products liability - claims-made | | | | | | |
| 19.1, 19.2 | Private passenger auto liability | | | | | | |
| 19.3, 19.4 | Commercial auto liability | | | | | | |
| 21. | Auto physical damage | | | | | | |
| 22. | Aircraft (all perils) | | | | | | |
| 23. | Fidelity | | | | | | |
| 24. | Surety | | | | | | |
| 26. | Burglary and theft | | | | | | |
| 27. | Boiler and machinery | | | | | | |
| 28. | Credit | | | | | | |
| 29. | International | | | | | | |
| 30. | Warranty | | | | | | |
| 31. | Reinsurance - nonproportional assumed property | XXX | | | | | |
| 32. | Reinsurance - nonproportional assumed liability | XXX | | | | | |
| 33. | Reinsurance - nonproportional assumed financial lines | XXX | | | | | |
| 34. | Aggregate write-ins for other lines of business | 215,850 | | | | 32,938 | 182,912 |
| 35. | TOTALS | 215,850 | | | | 32,938 | 182,912 |
| | **DETAILS OF WRITE-INS** | | | | | | |
| 3401. | Guaranty of share deposits in credit unions | 215,850 | | | | 32,938 | 182,912 |
| 3402. | | | | | | | |
| 3403. | | | | | | | |
| 3498. | Summary of remaining write-ins for Line 34 from overflow page | | | | | | |
| 3499. | Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) | 215,850 | | | | 32,938 | 182,912 |

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

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

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

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - LOSSES PAID AND INCURRED

| | | Losses Paid Less Salvage | | | | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | | | | |
| | Line of Business | Direct Business | Reinsurance Assumed | Reinsurance Recovered | Net Payments (Cols. 1 + 2 -3 ) | Net Losses Unpaid Current Year (Part 2A , Col. 8) | Net Losses Unpaid Prior Year | Losses Incurred Current Year (Cols. 4 + 5 - 6) | Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1) |
| 1. | Fire | | | | | | | | |
| 2. | Allied lines | | | | | | | | |
| 3. | Farmowners multiple peril | | | | | | | | |
| 4. | Homeowners multiple peril | | | | | | | | |
| 5. | Commercial multiple peril | | | | | | | | |
| 6. | Mortgage guaranty | | | | | | | | |
| 8. | Ocean marine | | | | | | | | |
| 9. | Inland marine | | | | | | | | |
| 10. | Financial guaranty | | | | | | | | |
| 11.1 | Medical professional liability - occurrence | | | | | | | | |
| 11.2 | Medical professional liability - claims-made | | | | | | | | |
| 12. | Earthquake | | | | | | | | |
| 13. | Group accident and health | | | | | | | | |
| 14. | Credit accident and health (group and individual) | | | | | | | | |
| 15. | Other accident and health | | | | | | | | |
| 16. | Workers' compensation | | | | | | | | |
| 17.1 | Other liability - occurrence | | | | | | | | |
| 17.2 | Other liability - claims-made | | | | | | | | |
| 17.3 | Excess workers' compensation | | | | | | | | |
| 18.1 | Products liability - occurrence | | | | | | | | |
| 18.2 | Products liability - claims-made | | | | | | | | |
| 19.1, 19.2 | Private passenger auto liability | | | | | | | | |
| 19.3, 19.4 | Commercial auto liability | | | | | | | | |
| 21. | Auto physical damage | | | | | | | | |
| 22. | Aircraft (all perils) | | | | | | | | |
| 23. | Fidelity | | | | | | | | |
| 24. | Surety | | | | | | | | |
| 26. | Burglary and theft | | | | | | | | |
| 27. | Boiler and machinery | | | | | | | | |
| 28. | Credit | | | | | | | | |
| 29. | International | | | | | | | | |
| 30. | Warranty | | | | | | | | |
| 31. | Reinsurance - nonproportional assumed property | XXX | | | | | | | |
| 32. | Reinsurance - nonproportional assumed liability | XXX | | | | | | | |
| 33. | Reinsurance - nonproportional assumed financial lines | XXX | | | | | | | |
| 34. | Aggregate write-ins for other lines of business | (13,246) | | | (13,246) | 19,465,914 | 17,565,914 | 1,886,754 | 1,031.5 |
| 35. | TOTALS | (13,246) | | | (13,246) | 19,465,914 | 17,565,914 | 1,886,754 | 1,031.5 |
| | **DETAILS OF WRITE-INS** | | | | | | | | |
| 3401. | GUARANTY OF SHARE DEPOSITS IN CREDIT UNIONS | (13,246) | | | (13,246) | 19,465,914 | 17,565,914 | 1,886,754 | 874.1 |
| 3402. | | | | | | | | | |
| 3403. | | | | | | | | | |
| 3498. | Summary of remaining write-ins for Line 34 from overflow page | | | | | | | | |
| 3499. | Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) | (13,246) | | | (13,246) | 19,465,914 | 17,565,914 | 1,886,754 | 1,031.5 |

# UNDERWRITING AND INVESTMENT EXHIBIT

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

| | | Reported Losses | | | | Incurred But Not Reported | | | 8 | 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | |
| | Line of Business | Direct | Reinsurance Assumed | Deduct Reinsurance Recoverable | Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3) | Direct | Reinsurance Assumed | Reinsurance Ceded | Net Losses Unpaid (Cols. 4 + 5 + 6 - 7) | Net Unpaid Loss Adjustment Expenses |
| 1. | Fire | | | | | | | | | |
| 2. | Allied lines | | | | | | | | | |
| 3. | Farmowners multiple peril | | | | | | | | | |
| 4. | Homeowners multiple peril | | | | | | | | | |
| 5. | Commercial multiple peril | | | | | | | | | |
| 6. | Mortgage guaranty | | | | | | | | | |
| 8. | Ocean marine | | | | | | | | | |
| 9. | Inland marine | | | | | | | | | |
| 10. | Financial guaranty | | | | | | | | | |
| 11.1 | Medical professional liability - occurrence | | | | | | | | | |
| 11.2 | Medical professional liability - claims-made | | | | | | | | | |
| 12. | Earthquake | | | | | | | | | |
| 13. | Group accident and health | | | | | | | | (a) | |
| 14. | Credit accident and health (group and individual) | | | | | | | | | |
| 15. | Other accident and health | | | | | | | | (a) | |
| 16. | Workers' compensation | | | | | | | | | |
| 17.1 | Other liability - occurrence | | | | | | | | | |
| 17.2 | Other liability - claims-made | | | | | | | | | |
| 17.3 | Excess workers' compensation | | | | | | | | | |
| 18.1 | Products liability - occurrence | | | | | | | | | |
| 18.2 | Products liability - claims-made | | | | | | | | | |
| 19.1, 19.2 | Private passenger auto liability | | | | | | | | | |
| 19.3, 19.4 | Commercial auto liability | | | | | | | | | |
| 21. | Auto physical damage | | | | | | | | | |
| 22. | Aircraft (all perils) | | | | | | | | | |
| 23. | Fidelity | | | | | | | | | |
| 24. | Surety | | | | | | | | | |
| 26. | Burglary and theft | | | | | | | | | |
| 27. | Boiler and machinery | | | | | | | | | |
| 28. | Credit | | | | | | | | | |
| 29. | International | | | | | | | | | |
| 30. | Warranty | | | | | | | | | |
| 31. | Reinsurance - nonproportional assumed property | XXX | | | | XXX | | | | |
| 32. | Reinsurance - nonproportional assumed liability | XXX | | | | XXX | | | | |
| 33. | Reinsurance - nonproportional assumed financial lines | XXX | | | | XXX | | | | |
| 34. | Aggregate write-ins for other lines of business | 20,000 | | | 20,000 | 19,445,914 | | | 19,465,914 | 40,000 |
| 35. | TOTALS | 20,000 | | | 20,000 | 19,445,914 | | | 19,465,914 | 40,000 |
| | **DETAILS OF WRITE-INS** | | | | | | | | | |
| 3401. | GUARANTY OF SHARE DEPOSITS IN CREDIT UNIONS | 20,000 | | | 20,000 | 19,445,914 | | | 19,465,914 | 40,000 |
| 3402. | | | | | | | | | | |
| 3403. | | | | | | | | | | |
| 3498. | Summary of remaining write-ins for Line 34 from overflow page | | | | | | | | | |
| 3499. | Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) | 20,000 | | | 20,000 | 19,445,914 | | | 19,465,914 | 40,000 |

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

# UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

| | | 1<br>Loss Adjustment Expenses | 2<br>Other Underwriting Expenses | 3<br>Investment Expenses | 4<br>Total |
|---|---|---|---|---|---|
| 1. | Claim adjustment services: | | | | |
| | 1.1 Direct | | | | |
| | 1.2 Reinsurance assumed | | | | |
| | 1.3 Reinsurance ceded | | | | |
| | 1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) | | | | |
| 2. | Commission and brokerage: | | | | |
| | 2.1 Direct excluding contingent | | | | |
| | 2.2 Reinsurance assumed, excluding contingent | | | | |
| | 2.3 Reinsurance ceded, excluding contingent | | | | |
| | 2.4 Contingent - direct | | | | |
| | 2.5 Contingent - reinsurance assumed | | | | |
| | 2.6 Contingent - reinsurance ceded | | | | |
| | 2.7 Policy and membership fees | | | | |
| | 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) | | | | |
| 3. | Allowances to managers and agents | | | | |
| 4. | Advertising | | 190,517 | | 190,517 |
| 5. | Boards, bureaus and associations | | 33,344 | | 33,344 |
| 6. | Surveys and underwriting reports | | | | |
| 7. | Audit of assureds' records | | | | |
| 8. | Salary and related items: | | | | |
| | 8.1 Salaries | 223,639 | 3,505,876 | 139,678 | 3,869,193 |
| | 8.2 Payroll taxes | 40,665 | 637,482 | 25,398 | 703,545 |
| 9. | Employee relations and welfare | 14,922 | 233,923 | 9,320 | 258,165 |
| 10. | Insurance | | 144,242 | | 144,242 |
| 11. | Directors' fees | | 128,500 | | 128,500 |
| 12. | Travel and travel items | | 92,835 | | 92,835 |
| 13. | Rent and rent items | | 120,000 | | 120,000 |
| 14. | Equipment | | 176,151 | | 176,151 |
| 15. | Cost or depreciation of EDP equipment and software | | 41,978 | | 41,978 |
| 16. | Printing and stationery | | 742 | | 742 |
| 17. | Postage, telephone and telegraph, exchange and express | | 42,963 | | 42,963 |
| 18. | Legal and auditing | | 256,612 | | 256,612 |
| 19. | Totals (Lines 3 to 18) | 279,226 | 5,605,165 | 174,396 | 6,058,787 |
| 20. | Taxes, licenses and fees: | | | | |
| | 20.1 State and local insurance taxes deducting guaranty association credits of $ | | 1,300 | | 1,300 |
| | 20.2 Insurance department licenses and fees | | 14,644 | | 14,644 |
| | 20.3 Gross guaranty association assessments | | | | |
| | 20.4 All other (excluding federal and foreign income and real estate) | | 32,740 | | 32,740 |
| | 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) | | 48,684 | | 48,684 |
| 21. | Real estate expenses | | 73,635 | | 73,635 |
| 22. | Real estate taxes | | 31,982 | | 31,982 |
| 23. | Reimbursements by uninsured plans | | | | |
| 24. | Aggregate write-ins for miscellaneous expenses | | 1,042,296 | | 1,042,296 |
| 25. | Total expenses incurred | 279,226 | 6,801,762 | 174,396 | (a) 7,255,384 |
| 26. | Less unpaid expenses - current year | 40,000 | | | 40,000 |
| 27. | Add unpaid expenses - prior year | 40,000 | | | 40,000 |
| 28. | Amounts receivable relating to uninsured plans, prior year | | | | |
| 29. | Amounts receivable relating to uninsured plans, current year | | | | |
| 30. | TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29) | 279,226 | 6,801,762 | 174,396 | 7,255,384 |
| | **DETAILS OF WRITE-INS** | | | | |
| 2401. | Misc. office supplies & other | | 504,871 | | 504,871 |
| 2402. | Consulting & other professional | | 497,704 | | 497,704 |
| 2403. | Depreciation | | 39,721 | | 39,721 |
| 2498. | Summary of remaining write-ins for Line 24 from overflow page | | | | |
| 2499. | Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above) | | 1,042,296 | | 1,042,296 |

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

# EXHIBIT OF NET INVESTMENT INCOME

| | | 1<br>Collected During Year | 2<br>Earned During Year |
|---|---|---|---|
| 1. | U.S. Government bonds | (a) 2,661,575 | 2,238,590 |
| 1.1 | Bonds exempt from U.S. tax | (a) | |
| 1.2 | Other bonds (unaffiliated) | (a) | |
| 1.3 | Bonds of affiliates | (a) | |
| 2.1 | Preferred stocks (unaffiliated) | (b) | |
| 2.11 | Preferred stocks of affiliates | (b) | |
| 2.2 | Common stocks (unaffiliated) | 455,981 | 432,051 |
| 2.21 | Common stocks of affiliates | | |
| 3. | Mortgage loans | (c) | |
| 4. | Real estate | (d) 120,000 | 120,000 |
| 5 | Contract loans | | |
| 6 | Cash, cash equivalents and short-term investments | (e) 9,378 | 9,643 |
| 7 | Derivative instruments | (f) 11,049 | 10,195 |
| 8. | Other invested assets | 27,730 | 25,723 |
| 9. | Aggregate write-ins for investment income | | |
| 10. | Total gross investment income | 3,285,713 | 2,836,202 |
| 11. | Investment expenses | | (g) 174,396 |
| 12. | Investment taxes, licenses and fees, excluding federal income taxes | | (g) |
| 13. | Interest expense | | (h) |
| 14. | Depreciation on real estate and other invested assets | | (i) 73,657 |
| 15. | Aggregate write-ins for deductions from investment income | | |
| 16. | Total deductions (Lines 11 through 15) | | 248,053 |
| 17. | Net investment income (Line 10 minus Line 16) | | 2,588,149 |
| | **DETAILS OF WRITE-INS** | | |
| 0901. | | | |
| 0902. | | | |
| 0903. | | | |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | | |
| 0999. | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) | | |
| 1501. | | | |
| 1502. | | | |
| 1503. | | | |
| 1598. | Summary of remaining write-ins for Line 15 from overflow page | | |
| 1599. | Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) | | |

(a) Includes $ 17,608 accrual of discount less $ 3,969 amortization of premium and less $ 49,781 paid for accrued interest on purchases.

(b) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued dividends on purchases.

(c) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.

(d) Includes $ 120,000 for company's occupancy of its own buildings; and excludes $ interest on encumbrances.

(e) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.

(f) Includes $ accrual of discount less $ amortization of premium.

(g) Includes $ investment expenses and $ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes $ interest on surplus notes and $ interest on capital notes.

(i) Includes $ 73,657 depreciation on real estate and $ depreciation on other invested assets.

# EXHIBIT OF CAPITAL GAINS (LOSSES)

| | | 1<br>Realized Gain (Loss) On Sales or Maturity | 2<br>Other Realized Adjustments | 3<br>Total Realized Capital Gain (Loss) (Columns 1 + 2) | 4<br>Change in Unrealized Capital Gain (Loss) | 5<br>Change in Unrealized Foreign Exchange Capital Gain (Loss) |
|---|---|---|---|---|---|---|
| 1. | U.S. Government bonds | | | | | |
| 1.1 | Bonds exempt from U.S. tax | | | | | |
| 1.2 | Other bonds (unaffiliated) | | | | | |
| 1.3 | Bonds of affiliates | | | | | |
| 2.1 | Preferred stocks (unaffiliated) | | | | | |
| 2.11 | Preferred stocks of affiliates | | | | | |
| 2.2 | Common stocks (unaffiliated) | 1,505,839 | | 1,505,839 | 4,644,910 | |
| 2.21 | Common stocks of affiliates | | | | 1,195,042 | |
| 3. | Mortgage loans | | | | | |
| 4. | Real estate | | | | | |
| 5. | Contract loans | | | | | |
| 6. | Cash, cash equivalents and short-term investments | | | | | |
| 7. | Derivative instruments | | | | | |
| 8. | Other invested assets | | | | | |
| 9. | Aggregate write-ins for capital gains (losses) | | | | | |
| 10. | Total capital gains (losses) | 1,505,839 | | 1,505,839 | 5,839,952 | |
| | **DETAILS OF WRITE-INS** | | | | | |
| 0901. | | | | | | |
| 0902. | | | | | | |
| 0903. | | | | | | |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | | | | | |
| 0999. | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) | | | | | |

# EXHIBIT OF NON-ADMITTED ASSETS

| | | 1<br>Current Year Total Nonadmitted Assets | 2<br>Prior Year Total Nonadmitted Assets | 3<br>Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
|---|---|---|---|---|
| 1. | Bonds (Schedule D) | | | |
| 2. | Stocks (Schedule D): | | | |
| | 2.1 Preferred stocks | | | |
| | 2.2 Common stocks | 424,666 | 473,100 | 48,434 |
| 3. | Mortgage loans on real estate (Schedule B): | | | |
| | 3.1 First liens | | | |
| | 3.2 Other than first liens | | | |
| 4. | Real estate (Schedule A): | | | |
| | 4.1 Properties occupied by the company | | | |
| | 4.2 Properties held for the production of income | | | |
| | 4.3 Properties held for sale | | | |
| 5. | Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) | | | |
| 6. | Contract loans | | | |
| 7. | Derivatives (Schedule DB) | | | |
| 8. | Other invested assets (Schedule BA) | 4,801,836 | 6,627,827 | 1,825,991 |
| 9. | Receivables for securities | | | |
| 10. | Securities lending reinvested collateral assets (Schedule DL) | | | |
| 11. | Aggregate write-ins for invested assets | | | |
| 12. | Subtotals, cash and invested assets (Lines 1 to 11) | 5,226,502 | 7,100,927 | 1,874,425 |
| 13. | Title plants (for Title insurers only) | | | |
| 14. | Investment income due and accrued | | | |
| 15. | Premiums and considerations: | | | |
| | 15.1 Uncollected premiums and agents' balances in the course of collection | | | |
| | 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | |
| | 15.3 Accrued retrospective premiums and contracts subject to redetermination | | | |
| 16. | Reinsurance: | | | |
| | 16.1 Amounts recoverable from reinsurers | | | |
| | 16.2 Funds held by or deposited with reinsured companies | | | |
| | 16.3 Other amounts receivable under reinsurance contracts | | | |
| 17. | Amounts receivable relating to uninsured plans | | | |
| 18.1 | Current federal and foreign income tax recoverable and interest thereon | | | |
| 18.2 | Net deferred tax asset | | | |
| 19. | Guaranty funds receivable or on deposit | | | |
| 20. | Electronic data processing equipment and software | | | |
| 21. | Furniture and equipment, including health care delivery assets | 163,857 | 170,470 | 6,613 |
| 22. | Net adjustment in assets and liabilities due to foreign exchange rates | | | |
| 23. | Receivables from parent, subsidiaries and affiliates | | | |
| 24. | Health care and other amounts receivable | | | |
| 25. | Aggregate write-ins for other than invested assets | 199,394 | 209,191 | 9,797 |
| 26. | Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 5,589,753 | 7,480,588 | 1,890,835 |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 28. | Total (Lines 26 and 27) | 5,589,753 | 7,480,588 | 1,890,835 |
| | **DETAILS OF WRITE-INS** | | | |
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. | Summary of remaining write-ins for Line 11 from overflow page | | | |
| 1199. | Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) | | | |
| 2501. | Prepaid Expenses | 195,216 | 207,172 | 11,956 |
| 2502. | Other Receivables | 4,178 | 2,019 | (2,159) |
| 2503. | | | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | | |
| 2599. | Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 199,394 | 209,191 | 9,797 |

# NOTES TO FINANCIAL STATEMENTS

**NOTE 1 Summary of Significant Accounting Policies and Going Concern**

A. Accounting Practices

The financial statements of American Mutual Share Insurance Corporation (the Company) are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department and in accordance with NAIC Statutory Accounting Principles (NAIC SAP). All of the Company's significant statutory accounting practices are prescribed practices.

| | SSAP # | F/S Page | F/S Line # | | 2021 | | 2020 |
|---|---|---|---|---|---|---|---|
| NET INCOME | | | | | | | |
| (1) State basis (Page 4, Line 20, Columns 1 & 2) | XXX | XXX | XXX | $ | 1,074,586 | $ | (14,463) |
| (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 | $ | 1,074,586 | $ | (14,463) |
| SURPLUS | | | | | | | |
| (5) State basis (Page 3, Line 37, Columns 1 & 2) | XXX | XXX | XXX | $ | 328,334,419 | $ | 292,276,560 |
| (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 | $ | 328,334,419 | $ | 292,276,560 |

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

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in these financial statements and notes. Actual results could differ from these estimates.

In 2021, COVID 19 continued as a global pandemic for the entirety of the year. Economic activity rebounded but many signficant disruptions occured throughout the year arising from variants such as Delta and later in the year Omicron. Supply chain issus, rebounging consumer demand and governmental spending have created an inflationary environment which may be more than transitory in nature. The company is exposed to changes in interest rates principally in it's investment portflio. In addition, increased costs of doing business including rising wages can have a direct impact on the company's profitability if not offset by premium income in the form of Special Premium Assessments to member credit unions. The extent of the impact on the Company's operations, cash flows, and financial condition cannot be reasonably estimated at this time.

C. Accounting Policies

1. General - The Company is a licensed Ohio credit union share guaranty corporation guaranteeing the share deposit accounts of its participating credit unions.

In 1993 the Company established a wholly-owned subsidiary, Excess Share Insurance Corporation (ESI), which is currently a licensed property and casualty insurance company in the States of Ohio, Alabama, Arkansas, Colorado, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nevada, New Hampshire, New Jersey, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Washington and the District of Columbia. For statutory reporting, the Company's investment in ESI ($25,130,173 and $23,886,692 at December 31, 2021 and 2020, respectively), is carried on the equity method of accounting.

2. Investments - Net investment income earned consists primarily of interest, dividends and rental income reduced by investment related expenses. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses include write-downs for impairments considered to be other than-temporary to the extent necessary.

Investment grade non-loan-backed bonds with NAIC designations of 1 or 2 are stated at amortized value using the effective interest method. Non-investment grade non-loan-backed bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value.

Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value. Common stocks also include publicly-traded equity securities as permitted by Ohio Revised Code Section 3925.08 in an aggregate amount not to exceed the Company's statutory unassigned surplus as reduced by its authorized control level risk-based capital. For statutory accounting, only realized gains and losses are recognized in income, while unrealized gains and losses are recognized as a change in statutory surplus. In 2021 and 2020, the unrealized gains for publicly-traded equity securities were $7,171,440 and $1,900,669, respectively. The realized gain was $1,505,842 in 2021 and a realized loss of $108,120 gain in 2020. Common stocks include the Company's investment in its wholly owned subsidiary, Excess Share Insurance Corporation (ESI), and is carried at the value determined under the equity method of accounting, which management believes approximates market value. The estimated fair value of the investment in ESI is determined based on the Statement of Statutory Accounting Principles (SSAP) No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88, and, accordingly is carried at the subsidiary's underlying audited capital and surplus amounts as determined on a statutory basis.

A summary of ESI's key financial data (statutory-basis) as of December 31, 2021, and 2020, and for the years then ended, is shown below:

| Statement of data: | | 2021 | | 2020 |
|---|---|---|---|---|
| Total revenues | $ | 3,052,048 | $ | 3,109,260 |
| Income before federal income taxes | $ | 711,238 | $ | 947,879 |
| Net income | $ | 537,238 | $ | 740,079 |
| Balance Sheet data: | | | | |
| Total assets | $ | 67,015,301 | $ | 63,080,366 |
| Total liabilities | $ | 41,798,724 | $ | 39,193,666 |

# NOTES TO FINANCIAL STATEMENTS

Common stocks also include 13,094 shares of Federal Home Loan Bank (FHLB) common stock with a cost, par value and carrying value of $1,309,400 at December 31, 2021 and December 31, 2020, in order for the Company to maintain its membership in the FHLB. To maintain its membership, the Company is required to hold FHLB membership stock in an amount equal to 0.16% of the Company's admitted assets as determined under statutory accounting principles, which is adjusted annually by the FHLB. FHLB membership stock is restricted, can only be sold to the FHLB at par value, and requires a five-year notice by the Company to terminate membership and redeem the shares. The Company may borrow from the FHLB but must purchase additional shares of FHLB stock (activity stock) equal to 2% of borrowings. FHLB activity stock is redeemable at any time by the Company or by the FHLB, as the Company's FHLB borrowings are paid down and can only be sold to the FHLB. Due to the restrictions placed on transferability and the Company's determination that there is no known impairment as to the ultimate recoverability of the par value of FHLB stock, the Company's carrying value of its investment in FHLB stock is considered to approximate its fair value at December 31, 2021 and December 31, 2020.

The Company employs a systematic methodology that considers available evidence in evaluating potential other-than-temporary impairment of investments. In the event that the cost of an investment exceeds its fair value, the Company evaluates, among other factors, the magnitude and duration of the decline in fair value; the financial health of and business outlook for the issuer; changes to the debt ratings of the issuer, or specific security, by a rating agency; and the performance of the underlying assets. For debt investments, the ability and intent to hold the security, and the probability that the Company will be unable to collect all amounts due according to contractual terms of a debt security in effect at the date of acquisition is assessed. For equity securities, the Company evaluates impairment by considering a number of factors including the length of time and/or the significance of decline below cost, the Company's ability and intent to hold these securities through their anticipated recovery periods, the current financial condition of the issuer and its future business prospects, and an assessment of the ability of the security's fair value to recover back to cost in the foreseeable future. Subsequent recoveries in fair value are not recognized in earnings, but are recorded as unrealized gains in statutory surplus. Once a decline in fair value of an investment security is determined to be other than temporary, an impairment charge is recorded to net realized capital gains and losses, in the Statement of Income, and a new cost basis in the investment is established.

The Company from time to time advances funds in connection with the liquidation or merger of, or capital assistance provided to, troubled credit unions in exchange for the right to receive future repayments. The Company expects to recover these amounts through repayment from the credit unions, the collection of loans, the sale of assets or the settlement of subrogated claims against third party insurers. For any such advances, generally only loans secured by first mortgages are recorded as admitted assets in the accompanying statutory-basis financial statements, in an amount not to exceed the fair value of the underlying collateral. In addition, any unsecured advances that are collected within 90 days of year end are reported as admitted assets.

Real estate is recorded at cost less depreciation. Depreciation is computed on the straight-line basis using 25-year to 40-year lives, for buildings and improvements.

Gains or losses on investments sold are based on the specific identification method and are included in investment income. Investment purchases and sales are recorded on the trade date. Interest income is accrued when earned.

3. Cash, Cash Equivalents and Short-Term Investments - The Company considers cash equivalents to be money market accounts, other deposit accounts, investment securities purchased with maturities of three months or less and certificates of deposit with original maturities of less than one year. Substantially all cash and cash equivalents at December 31, 2020 and 2019 are on deposit with seven financial institutions.

4. Reserve for Guaranty Losses - The Company provides for guaranty losses incurred and reported, as well as losses incurred but not reported (IBNR), during the period such losses become evident based on analysis of insured credit unions' financial statements not less than quarterly, on-site examination results and other significant data. The Company maintains a reserve for guaranty losses account to cover its estimated ultimate unpaid liability for guaranty loss claims and claims adjustment expenses for reported and unreported guaranty claims. Recorded loss reserves represent management's best estimate at any given time and are reported net of actuarially determined anticipated salvage and subrogation of $4,200,000 at December 31, 2021 and 2020. Loss reserves are not an exact calculation of liability but instead consist of complex estimates derived by the Company, generally utilizing a variety of reserve estimation techniques from numerous assumptions and expectations about future events, many of which are highly uncertain, such as estimates of claims severity, frequency of claims, inflation, claims handling, case reserving policies and procedures, underwriting and pricing policies, changes in the legal and regulatory environment and the elasped time between the occurrence of an insured event and the time of its ultimate settlement. Many of these uncertainties are not precisely quantifiable and require significant judgment by the Company. In light of the uncertainties associated with establishing the Company's estimates and making the assumptions necessary to establish loss reserves, changes in loss reserve estimates are reviewed on a regular and ongoing basis as experience develops and as claims are reported and settled. If estimated loss reserves are insufficient for any reason, the required increase in loss reserves would be recorded as a charge against the Company's earnings for the period in which loss reserves are determined to be insufficient. In addition, Ohio law requires that not less than every three years, an actuarial capital adequacy study be conducted and, separately, that an annual actuarial study be performed of the Company's loss reserves. To assist management with its determination of loss reserves, the Company utilizes the services of an independent actuary who has reviewed the assumptions and methods used by the Company in determining its reserves for guaranty losses as of December 31, 2021 and 2020. The Company does not have a controlling financial interest in any member credit unions. Management believes that the Company has recorded sufficient reserves for losses.

In addition, the Company provides for anticipated losses under guarantee commitments associated with merged and liquidated credit unions and special assistance agreements with participating credit unions. Guarantee commitments generally involve loss-sharing arrangements between the Company and the participating or continuing credit union and only result in losses to the Company after a predetermined aggregate loss amount, as prescribed in the guarantee commitment, is absorbed by the participating or continuing credit union ("loss retention") during the commitment period. Reserves for guaranty losses on commitments are determined based on estimated losses in excess of the credit union's loss retention under guarantee commitments. At December 31, 2021 and 2020, the Company has no outstanding guarantee commitments and has recorded no loss reserves for guarantee commitments.

5. Advertising and Marketing Costs - Advertising and marketing costs are expensed as incurred.

6. Federal Income Taxes - The Internal Revenue Service has determined that the Company is a tax-exempt organization under Internal Revenue Code section 501(c)(6). Its subsidiary is a taxable corporation. Accordingly, the Company and its subsidiary file separate Federal income tax returns.

# NOTES TO FINANCIAL STATEMENTS

7. Participants' Capital Contributions - Governing Ohio statute requires that participating credit unions insured under the Company's primary share insurance contract ("Primary-insureds") maintain a minimum capital contribution with the Company equal to 1% of each Primary-insured's year-end total share accounts, which is adjusted no less than annually. Effective December 31, 2010, the required capital contribution under the Company's primary insurance contract is 1.3% of each Primary-insured's total share accounts.

Participating credit unions insured under the Company's excess share insurance contract ("Excess-insureds") are required to maintain a capital contribution with the Company equal to 1% of the aggregate limits of liability, as defined by the Company's excess insurance contract with such credit unions. Capital contributions are adjusted periodically for changes in each Excess-insured's aggregate limits of liability. In addition to the capital contribution, the Company also assesses and earns a monthly risk-based premium, which is remitted by Excess-insureds in arrears after the end of each calendar quarter. Included in net premiums earned is $206,945 and $213,811 of such risk-based premiums for the year ended December 31, 2021 and 2020, respectively, which have been reduced by reinsurance premiums of $32,938 and $30,141, for the years ended December 31, 2021 and 2020, respectively, to arrive at net premiums earned reported in the statutory statements of income.

All capital contributions are refundable no sooner than 90 days following the date of termination of insurance, to the extent such amounts are not needed to satisfy guaranty losses. At December 31, 2021 capital contributions to be refunded for terminated contracts were $480.000 ($665,216 at December 31, 2020) and are included in participants' capital contributions payable.

Participants' capital contributions that are receivable or payable as of December 31, 2021 and 2020 are presented on a gross basis in the accompanying financial statements. Included in participants' equity at December 31, 2021, is a receivable for capital contributions of Primary-insureds of $25,200,000. The receivable and payable balances result from annual growth or shrinkage in participating credit union shares and the receivables were substantially collected subsequent to December 31, 2021. Included in participants' equity at December 31, 2020, is a receivable for capital contributions of Primary-insureds of $35,000,000. The receivable and payable balances resulted from annual growth or shrinkage in participating credit union shares and were collected and the payables refunded subsequent to December 31, 2020.

Guaranty losses under the Company's primary insurance contracts are paid first from the Company's reserve for guaranty losses and then from current and retained earnings; thereafter, losses are charged pro rata to the primary capital contribution accounts. Guaranty losses under the Company's excess insurance contracts are paid first from the Company's reserve for guaranty losses and then from current and retained earnings up to an aggregate retention of $9,000,000 after which the Company's reinsurance policy would provide aggregate coverage totaling $9,000,000. Thereafter, losses are charged pro rata to the excess capital contribution accounts, to the extent of such balances.

8. Special Premium Assessment - Although the Company does not normally charge a premium under its primary insurance program, the Company's governing Ohio statute and its primary insurance policy permit premiums to be assessed against Primary-insureds in order to ensure that the Company maintains a sufficient equity base for its insurance risk. Because of continuing suppressed market interest rates, the Company charged a special premium assessment in 2021 and 2020 of $0.020 per $100 of each Primary-insured's total shares or 2.0 basis points. The special premium assessment, which generated approximately $3.9 million and $3.4 million of revenue in 2021 and 2020, respectively and was recorded in miscellaneous income and with the majority fully collected in January 2021 and 2020, respectively.

9. Reinsurance – Effective February 1, 2021, the Company and ESI (the "Companies") entered into a renewal reinsurance agreement with an unauthorized reinsurer, for a two-year term through February 1, 2023 to reinsure its excess share program. The renewal agreement had substantially the same terms and conditions of the prior reinsurance agreement that expired February 1, 2021, including a single layer of aggregate reinsurance coverage of $9,000,000, aggregate retention of $9,000,000 with annual premiums of $505,000 and $450,000, respectively, which are allocated between the Companies pro rata based on their monthly excess insurance in force.

10. Adoption of New Accounting Pronouncements - There were no new Statement on Statutory Acocunting Principles ("SSAP") that were applicable to the Company or adopted in 2021 and 2020 and none that are effective for 2021 that would have a significant impact on the Company.

11. Liquidity Resources - The Company maintains adequate on-book and other sources of liquidity, such as cash, cash equivalents, short-term investments, investment maturities due within one year and lines of credit, in order to ensure it can meet cash needs for general expenditures, claims and other obligations as they become due.

D. Going Concern
Based upon an evaluation of relevant conditions and events, managment does not have substantial doubt about the Company's ability to continue as a going concern.

**NOTE 2 Accounting Changes and Corrections of Errors**

A. There were no material changes in accounting principles and/or correction of errors.

**NOTE 3 Business Combinations and Goodwill**

**A. Statutory Purchase Metl Does not apply.**

**B. Statutory Merger**
**Does not apply**

**C. Impairment Loss**
**Does not apply.**

**NOTE 4 Discontinued Operations**

Does not apply.

**NOTE 5 Investments**

A. Mortgage Loans, including Mezzanine Real Estate Loans
Does not apply.

B. Debt Restructuring
Does not apply.

# NOTES TO FINANCIAL STATEMENTS

C. Reverse Mortgages

Does not apply.

D. Loan-Backed Securities

Market values and related prepayment assumptions for CMOs and mortgage-backed securities are obtained from broker dealer survey values. For book purposes, the prospective adjustment method is used where changes in prepayment speeds materially impact expected remaining lives of the securities.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Does not apply.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Does not apply

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Does not apply.

H. Repurchase Agreements Transactions Accounted for as a Sale

Does not apply.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - Does not apply.

J. Real Estate

Real estate is recorded at cost less depreciation. Depreciation is computed on the straight-line basis using twenty five year to forty-year lives.

K. Low Income Housing tax Credits (LIHTC) - Does not apply.

L. Restricted Assets

1. Restricted Assets (Including Pledged)

| | Gross (Admitted & Nonadmitted) Restricted | | | | | | |
|---|---|---|---|---|---|---|---|
| | Current Year | | | | | 6 | 7 |
| | 1 | 2 | 3 | 4 | 5 | | |
| Restricted Asset Category | Total General Account (G/A) | G/A Supporting Protected Cell Account Activity (a) | Total Protected Cell Account Restricted Assets | Protected Cell Account Assets Supporting G/A Activity (b) | Total (1 plus 3) | Total From Prior Year | Increase/ (Decrease) (5 minus 6) |
| a. Subject to contractual obligation for which liability is not shown | | | | | $ - | $ - | $ - |
| b. Collateral held under security lending agreements | | | | | $ - | $ - | $ - |
| c. Subject to repurchase agreements | | | | | $ - | $ - | $ - |
| d. Subject to reverse repurchase agreements | | | | | $ - | $ - | $ - |
| e. Subject to dollar repurchase agreements | | | | | $ - | $ - | $ - |
| f. Subject to dollar reverse repurchase agreements | | | | | $ - | $ - | $ - |
| g. Placed under option contracts | | | | | $ - | $ - | $ - |
| h. Letter stock or securities restricted as to sale - excluding FHLB capital stock | | | | | $ - | $ - | $ - |
| i. FHLB capital stock | $ 1,309,400 | | | | $ 1,309,400 | $ 1,309,400 | $ - |
| j. On deposit with states | $ 1,193,541 | | | | $ 1,193,541 | $ 1,192,798 | $ 743 |
| k. On deposit with other regulatory bodies | | | | | $ - | $ - | $ - |
| l. Pledged collateral to FHLB (including assets backing funding agreements) | $55,260,087 | | | | $55,260,087 | $47,814,555 | 7,445,532 |
| m. Pledged as collateral not captured in other categories | | | | | $ - | $ - | $ - |
| n. Other restricted assets | $ 4,801,838 | | | | $ 4,801,838 | $ 6,627,827 | $(1,825,989) |
| o. Total Restricted Assets | $62,564,866 | $ - | $ - | $ - | $62,564,866 | $56,944,580 | 5,620,286 |

(a) Subset of Column 1

(b) Subset of Column 3

| | Current Year | | | |
|---|---|---|---|---|
| | 8 | 9 | Percentage | |
| | | | 10 | 11 |
| Restricted Asset Category | Total Non-admitted Restricted | Total Admitted Restricted (5 minus 8) | Gross (Admitted & Non-admitted) Restricted to Total Assets (c) | Admitted Restricted to Total Admitted Assets (d) |
| a. Subject to contractual obligation for which liability is not shown | | $ - | 0.000% | 0.000% |
| b. Collateral held under security lending agreements | | $ - | 0.000% | 0.000% |
| c. Subject to repurchase agreements | | $ - | 0.000% | 0.000% |
| d. Subject to reverse repurchase agreements | | $ - | 0.000% | 0.000% |
| e. Subject to dollar repurchase agreements | | $ - | 0.000% | 0.000% |
| f. Subject to dollar reverse repurchase agreements | | $ - | 0.000% | 0.000% |
| g. Placed under option contracts | | $ - | 0.000% | 0.000% |
| h. Letter stock or securities restricted as to sale - excluding FHLB capital stock | | $ - | 0.000% | 0.000% |
| i. FHLB capital stock | | $ 1,309,400 | 0.367% | 0.373% |

# NOTES TO FINANCIAL STATEMENTS

| | | | | |
|---|---|---|---|---|
| j. On deposit with states | | $ 1,193,541 | 0.335% | 0.340% |
| k. On deposit with other regulatory bodies | | $ - | 0.000% | 0.000% |
| l. Pledged collateral to FHLB (including assets backing funding agreements) | | $55,260,087 | 15.495% | 15.741% |
| m. Pledged as collateral not captured in other categories | | $ - | 0.000% | 0.000% |
| n. Other restricted assets | $ 4,801,838 | $ - | 1.346% | 0.000% |
| o. Total Restricted Assets | $ 4,801,838 | $57,763,028 | 17.543% | 16.454% |

(c) Column 5 divided by Asset Page, Column 1, Line 28

(d) Column 9 divided by Asset Page, Column 3, Line 28

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate) Does not apply.

| | Gross (Admitted & Nonadmitted) Restricted | | | | | | | 8 | Percentage | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Current Year | | | | | 6 | 7 | | 9 | 10 |
| | 1 | 2 | 3 | 4 | 5 | | | | | |
| Description of Assets | Total General Account (G/A) | G/A Supporting Protected Cell Account Activity (a) | Total Protected Cell Account (S/A) Restricted Assets | Protected Cell Account Assets Supporting G/A Activity (b) | Total (1 plus 3) | Total From Prior Year | Increase/ (Decrease) (5 minus 6) | Total Current Year Admitted Restricted | Gross (Admitted & Nonadmitted) Restricted to Total Assets | Admitted Restricted to Total Admitted Assets |
| | | | | | | | | | | |
| Total (c) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | 0.000% | 0.000% |

(a) Subset of column 1

(b) Subset of column 3

(c) Total Line for Columns 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively.

3. Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

| | Gross (Admitted & Nonadmitted) Restricted | | | | | | | 8 | Percentage | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Current Year | | | | | 6 | 7 | | 9 | 10 |
| | 1 | 2 | 3 | 4 | 5 | | | | | |
| Description of Assets | Total General Account (G/A) | G/A Supporting Protected Cell Account Activity (a) | Total Protected Cell Account (S/A) Restricted Assets | Protected Cell Account Assets Supporting G/A Activity (b) | Total (1 plus 3) | Total From Prior Year | Increase/ (Decrease) (5 minus 6) | Total Current Year Admitted Restricted | Gross (Admitted & Nonadmitted) Restricted to Total Assets | Admitted Restricted to Total Admitted Assets |
| D&O Trust | $ 2,426,647 | | | | $ 2,426,647 | $ 2,410,672 | $ 15,975 | | 0.680% | 0.000% |
| 457 Plan Assets | $ 1,830,518 | | | | $ 1,830,518 | $ 2,184,800 | $ (354,282) | | 0.513% | 0.000% |
| STAR System Escrow | $ 544,673 | | | | $ 544,673 | $ 544,614 | $ 59 | | 0.153% | 0.000% |
| Retention Trust | | | | | $ - | $ 1,487,740 | $(1,487,740) | | 0.000% | 0.000% |
| Total (c) | $ 4,801,838 | $ - | $ - | $ - | $ 4,801,838 | $ 6,627,826 | $(1,825,988) | $ - | 1.346% | 0.000% |

(a) Subset of column 1

(b) Subset of column 3

(c) Total Line for Columns 1 through 7 should equal 5L(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)n Columns 9 through 11 respectively.

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements
   Does not apply.

M. Working Capital Finance Investments
   Does not apply.

N. Offsetting and Netting of Assets and Liabilities
   Does not apply.

O. 5GI Securities - Does not apply.

P. Short Sales
   Does not apply.

Q. Prepayment Penalty and Acceleration Fees
   Does not apply.

R. Reporting Entity's Share of Cash Pool by Asset Type
   Does not apply.

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

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

**NOTE 7 Investment Income**

A. The Company does not admit investment income due and accrued if amounts are over 90 days past due (180 days for mortgage loans).

B. Amounts Nonadmitted -- Does not apply.

**NOTE 8 Derivative Instruments**

Does not apply.

**NOTE 9 Income Taxes**

A. Deferred Tax Assets/(Liabilities)

# NOTES TO FINANCIAL STATEMENTS

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets (DTAs) and deferred tax liabilities (DTLs) for the expected future tax consequences of events that have been included in the financial statements. The application of SSAP No. 101, Income Taxes, A Replacement of SSAR No. 10R and SSAP No. 10, requires a company to evaluate the recoverability of deferred tax assets and to establish a valuation allowance if necessary to reduce the DTA to an amount which is more likely than not to be realized. The Company's DTAs relate solely to the potential future tax benefit that may be derived from its unrelated business income tax (UBIT) loss carryforwards, which aggregated $17,614,000 and $17,174,000 at December 31, 2021 and 2020. Management believes it is more likely than not that the deferred tax assets will not be realized and have therefore recorded a valuation allowance for the full amount of the Company's deferred tax assets as of December 31, 2021 and 2020. Significant factors management considered in determining the probability of realizing the deferred tax benefits include the Company's historical UBIT operating results, the amount of the Company's loss carryback potentials, and the expectations of future UBIT earnings.

On December 22, 2017, the President of the United States signed the Tax Cuts and Job Act, which enacted various tax law changes, including a reduction of the corporate tax rate from a top marginal rate of 35% (34% for the Company) to 21% effective January 1, 2018. The changes implemented under the Act are not anticipated to have any significant impact on the company's future current federal income taxes beginning in 2018 due to the Company's federal tax-exempt status and its UBIT loss carryforwards of over $15.2 million. However, the change in the tax law reduces corporate DTAs and DTLs effective December 31, 2017 since SSAP No. 201 requires that DTAs and DTLs be computed using enacted tax rates expected to apply to taxable income in the periods in which the DTA or DTL is expected to be settled or realized. As a result, upon the enactment of the Act, the Company's gross DTAs, before consideration of the valuation allowance, were reduced at December 31, 2020 to reflect the new 21% corporate tax rate. The Company has no DTLs.

The components of the net deferred tax asset/(liability) at the end of current period are as follows:

1. The components of the net deferred tax asset/(liability) at the end of current period are as follows:

| | As of End of Current Period | | | 12/31/2020 | | | Change | | |
|---|---|---|---|---|---|---|---|---|---|
| | (1)<br>Ordinary | (2)<br>Capital | (3)<br>(Col. 1 + 2)<br>Total | (4)<br>Ordinary | (5)<br>Capital | (6)<br>(Col. 4 + 5)<br>Total | (7)<br>(Col. 1 - 4)<br>Ordinary | (8)<br>(Col. 2 - 5)<br>Capital | (9)<br>(Col. 7 + 8)<br>Total |
| (a) Gross Deferred Tax Assets | $ 3,698,000 | | $ 3,698,000 | $ 3,605,000 | | $ 3,605,000 | $ 93,000 | $ - | $ 93,000 |
| (b) Statutory Valuation Allowance Adjustment | $ 3,698,000 | | $ 3,698,000 | $ 3,605,000 | | $ 3,605,000 | $ 93,000 | $ - | $ 93,000 |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| (d) Deferred Tax Assets Nonadmitted | | | $ - | | | $ - | $ - | $ - | $ - |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| (f) Deferred Tax Liabilities | | | $ - | | | $ - | $ - | $ - | $ - |
| (g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

2.

| | As of End of Current Period | | | 12/31/2020 | | | Change | | |
|---|---|---|---|---|---|---|---|---|---|
| | (1)<br>Ordinary | (2)<br>Capital | (3)<br>(Col. 1 + 2)<br>Total | (4)<br>Ordinary | (5)<br>Capital | (6)<br>(Col. 4 + 5)<br>Total | (7)<br>(Col. 1 - 4)<br>Ordinary | (8)<br>(Col. 2 - 5)<br>Capital | (9)<br>(Col. 7 + 8)<br>Total |
| Admission Calculation Components SSAP No. 101 | | | | | | | | | |
| (a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks | | | $ - | | | $ - | $ - | $ - | $ - |
| (b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below) | | | $ - | | | $ - | $ - | $ - | $ - |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date. | | | $ - | | | $ - | $ - | $ - | $ - |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold. | XXX | XXX | | XXX | XXX | | XXX | XXX | - |
| (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. | | | $ - | | | $ - | $ - | $ - | $ - |
| (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c)) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

| | 2021 | 2020 |
|---|---|---|
| 3 a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount. | 328334419.0% | |
| b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above. | $ 328,334,419 | $ 288,776,560 |

4. Does not apply.
b. Do the Company's tax-planning strategies include the use of reinsurance? Yes [ ] No [ ]

The ratio percentrage presented above for December 31, 2021 and 2020 represents the ratio of the Company's adjusted statutory surplus and capital to its authorized control level of risk-based capital. The Compay's tax planning strategies did not include the use of reinsurance-related tax planning strategies. The impact of tax planning stategies at December 2021 and 2020, are as follows:

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Adjusted gross DTAs (% of total adjusted gross DTAs) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Net admitted adjusted DTAs (% of total net admitted adjust gross DTAs) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

# NOTES TO FINANCIAL STATEMENTS

B. Deferred Tax Liabilities Not Recognized

There were no unrecognized DTLs at December 31, 2021 and 2020.

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

| | (1) As of End of Current Period | (2) 12/31/2020 | (3) (Col. 1 - 2) Change |
|---|---|---|---|
| 1. Current Income Tax | | | |
| (a) Federal | | | $ - |
| (b) Foreign | | | $ - |
| (c) Subtotal | $ - | $ - | $ - |
| (d) Federal income tax on net capital gains | | | $ - |
| (e) Utilization of capital loss carry-forwards | | | $ - |
| (f) Other | | | $ - |
| (g) Federal and foreign income taxes incurred | $ - | $ - | $ - |
| 2. Deferred Tax Assets: | | | |
| (a) Ordinary: | | | |
| (1) Discounting of unpaid losses | | | $ - |
| (2) Unearned premium reserve | | | $ - |
| (3) Policyholder reserves | | | $ - |
| (4) Investments | | | $ - |
| (5) Deferred acquisition costs | | | $ - |
| (6) Policyholder dividends accrual | | | $ - |
| (7) Fixed Assets | | | $ - |
| (8) Compensation and benefits accrual | | | $ - |
| (9) Pension accrual | | | $ - |
| (10) Receivables - nonadmitted | | | $ - |
| (11) Net operating loss carry-forward | $ 3,698,000 | $ 3,605,000 | $ 93,000 |
| (12) Tax credit carry-forward | | | $ - |
| (13) Other (including items <5% of total ordinary tax assets) | | | $ - |
| (99) Subtotal | $ 3,698,000 | $ 3,605,000 | $ 93,000 |
| (b) Statutory valuation allowance adjustment | $ 3,698,000 | $ 3,605,000 | $ 93,000 |
| (c) Nonadmitted | | | $ - |
| (d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c) | $ - | $ - | $ - |
| (e) Capital: | | | |
| (1) Investments | | | $ - |
| (2) Net capital loss carry-forward | | | $ - |
| (3) Real estate | | | $ - |
| (4) Other (including items <5% of total ordinary tax assets) | | | $ - |
| (99) Subtotal | $ - | $ - | $ - |
| (f) Statutory valuation allowance adjustment | | | $ - |
| (g) Nonadmitted | | | $ - |
| (h) Admitted capital deferred tax assets (2e99 - 2f - 2g) | $ - | $ - | $ - |
| (i) Admitted deferred tax assets (2d + 2h) | $ - | $ - | $ - |
| 3. Deferred Tax Liabilities: | | | |
| (a) Ordinary: | | | |
| (1) Investments | | | $ - |
| (2) Fixed Assets | | | $ - |
| (3) Deferred and uncollected premium | | | $ - |
| (4) Policyholder reserves | | | $ - |
| (5) Other (including items <5% of total ordinary tax liabilities) | | | $ - |
| (99) Subtotal | $ - | $ - | $ - |
| (b) Capital: | | | |
| (1) Investments | | | $ - |
| (2) Real estate | | | $ - |
| (3) Other (including items <5% of total capital tax liabilities) | | | $ - |
| (99) Subtotal | $ - | $ - | $ - |
| (c) Deferred tax liabilities (3a99 + 3b99) | $ - | $ - | $ - |
| 4. Net deferred tax assets/liabilities (2i - 3c) | $ - | $ - | $ - |

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant itmes causing this difference at December 31, 2021 and 2020 were as follows:

| | At December 31, 2021 | | |
|---|---|---|---|
| Description | Pre-Tax Amount | Tax Effect | Effective Tax Rate |
| Income/(loss) before taxes | $ 1,074,586 | $ 225,663 | 21.0% |
| Change in valuation allowance -- 2021 UBIT loss | 819,090 | 172,009 | (16.00%) |
| Change in valuation allowance -- expired UBIT loss carryforward | (232,000) | (48,720) | -4.5% |
| Tax-exempt income as 501( c)(6) corporation - net | (1,661,676) | ####### | -32.5% |
| Taxes on political contributions | - | - | 0.0% |
| Other amounts | - | - | 0.0% |
| TOTAL | $ - | $ - | 0.0% |
| Federal income taxes incurred expense | | $ - | 0.0% |
| Tax on capital gains | | - | 0.0% |
| Change in net deferred income tax benefit | | - | 0.0% |

# NOTES TO FINANCIAL STATEMENTS

| | | | |
|---|---|---|---|
| Total statutory income taxes incurred | | $ - | 0.0% |

| | At December 31, 2020 | | |
|---|---|---|---|
| Description | Pre-Tax Amount | Tax Effect | Effective Tax Rate |
| Income/(loss) before taxes | $ 1,074,586 | $ (3,037) | 21.0% |
| Change in valuation allowance -- 2020 UBIT loss | 813,000 | 170,000 | -1175.4% |
| Change in valuation allowance -- expired UBIT loss carryforward | (394,000) | (82,700) | (571.8%) |
| Tax-exempt income as 501( c)(6) corporation - net | (404,537) | (84,263) | (582.6%) |
| Taxes on political contributions | - | - | 0.0% |
| Other amounts | - | - | 0.0% |
| TOTAL | $ - | $ - | 0.0% |
| Federal income taxes incurred expense | | $ - | 0.0% |
| Tax on capital gains | | - | 0.0% |
| Change in net deferred income tax benefit | | - | 0.0% |
| Total statutory income taxes incurred | | $ - | 0.0% |

E. At December 31, 2021 and 2020, the Company had no income tax expense that is available for recoupment in the event of future net losses. At December 31, 2021 and 2020, the Company had no capital loss carryforwards. As a tax-exempt organization, the Company is subject to income tax on activities that generate net income unrelated to its tax-exempt purpose of providing primary share insurance to its members. At December 31, 2021 and 2020, the Company has UBIT loss carryforwards of approximately $17,614,000 and $17,174,000, respectively, that are available to offset future unrelated business income. The year or origination and expiration of the UBIT loss carryfowards are as follows:

| Origination Year | Expiration Year | 2021 Amount | 2020 Amount |
|---|---|---|---|
| 2001 | 2021 | | 232,000 |
| 2002 | 2022 | 497,000 | 497,000 |
| 2003 | 2023 | 123,000 | 123,000 |
| 2004 | 2024 | 564,000 | 564,000 |
| 2005 | 2025 | 365,000 | 365,000 |
| 2006 | 2026 | 532,000 | 532,000 |
| 2007 | 2027 | 663,000 | 663,000 |
| 2008 | 2028 | 1,190,000 | 1,190,000 |
| 2009 | 2029 | 4,088,000 | 4,088,000 |
| 2010 | 2030 | 1,459,000 | 1,459,000 |
| 2011 | 2031 | 829,000 | 829,000 |
| 2012 | 2032 | 634,000 | 634,000 |
| 2013 | 2033 | 642,000 | 642,000 |
| 2014 | 2034 | 639,000 | 639,000 |
| 2015 | 2035 | 848,000 | 848,000 |
| 2016 | 2036 | 823,000 | 823,000 |
| 2017 | 2037 | 769,000 | 769,000 |
| 2018 | No expiration | 645,000 | 645,000 |
| 2019 | No expiration | 813,000 | 813,000 |
| 2020 | No expiration | 819,000 | 819,000 |
| 2021 | No expiration | 672,000 | - |
| | | $ 17,614,000 | $ 17,174,000 |

At December 31, 2021 and 2020, the Company had no deposits admitted under Internal Revenue Code Section 6603.

F. Consolidated Federal Income Tax Return

The Company's subsidiary is a taxable corporation and the Company is organized as a tax-exempt organization under Internal Revenue code Section 501(c)(6). Accordingy, the Company and its subsidiary file separate tax returns.

G. Federal or Foreign Federal Income Tax Loss Contingencies:

At December 31, 2021, the Company had no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

# NOTES TO FINANCIAL STATEMENTS

H. Repatriation Transition Tax (RTT)
Does not apply.

I. Alternative Minimum Tax (AMT) Credit
Does not apply.

**NOTE 1( Information Concerning Parent, Subsidiaries, Affliates, and Other Related Parties**

A. The Company owns one insurance SCA entity that is carried at audited statutory equity value. ESI follows no state prescribed or permitted practices that depart from NAIC statutory accounting practices and procedures (NAIC SAP).

B. The Company has entered into a cost sharing services agreement with ESI through which the Company provides various management services and the use of equipment and facilities to ESI for its operations. The agreement is renewable annually and may be terminated by either party with a 90 day notice. ESI pays the Company a monthly fee of $138,250 ($122,000 in 2019) under the agreement with an annual “true up” adjustment to reflect the actual costs of services provided by the Company to ESI. Total management fees under this agreement were $1,787,397 and $1,724,478 in 2021 and 2020, respectively. The Company has entered into a line-of-credit agreement with ESI whereby ESI can borrow, on a demand basis, up to $10,000,000 at an interest rate equal to the prevailing prime rate. Borrowings under the line must be collateralized by investment securities and other assets. The arrangement is subject to annual renewal by both parties. In accordance with the terms of the line-of-credit agreement, ESI pays the Company an annual commitment fee, which was $25,000 in 2021 and 2020.
The Company has entered into a guaranty agreement dated February 9, 1994, and amended January 1, 2001, with the Ohio Department of Insurance whereby the Company guarantees, up to a maximum aggregate commitment of $7,000,000, that the capital and surplus of ESI will be maintained at the appropriate statutory level of at least $5,000,000.
The Company and ESI have an agreement which provides that, in the event ESI incurs an insuring loss, the Company will make available to ESI the premium deposits the company holds for its excess share business ($2,430,000 at December 31, 2020) in order that ESI can meet its obligations under its excess insurance contracts.
The maximum amount of dividends which can be paid by insurers domiciled in the state of Ohio to shareholders without prior approval of the Ohio Superintendent of Insurance is limited to the greater of the net income of the preceding calendar year or 10% of capital and surplus as of the immediately preceding year-end. In 2022, the maximum dividend that can be paid by ESI to the Company without approval is $2,388,670. The Company and ESI have no plans for ESI to pay a dividend in the foreseeable future.

C. Transactions with related party who are not reported on Schedule Y
Does not apply.

**NOTE 11 Debt**

A. Under three separate unused committed line of credit arrangements with three third-party financial institutions, the Company may borrow on a demand basis up to an aggregate of $100,000,000 at an interest rate generally equal to the prevailing prime rate or LIBOR rate. Borrowings under the lines must be collateralized by investment securities and other collateral with a market value, which varies by agreement, of 103% to 125% of the amount borrowed. The Company pays annual commitment fees aggregating $120,000 under these arrangements and one arrangement requires the Company to maintain $1,000,000 on deposit with the financial institution. The arrangements are subject to renewal by the Company and the financial institutions on May 25, 2022 ($70,000,000 with FHLB), on June 23, 2022 ($10,000,000 with Fifth Third Bank), and May 25, 2022 ($20,000,000 with US Bank). The Company had no outstanding borrowings at any time under any of its committed lines of credit during 2021 and 2020.

B. FHLB (Federal Home Loan Bank) Agreements

(1) FHLB (Federal Home Loan Bank) Advised Line of Credit Agreement: In July 2011, the Company became a member of the Federal Home Loan Bank of Cincinnati (FHLB) and purchased $296,500 in membership capital stock. Additional membership capital stock in the amount of $965,200, $9,600, $5,500, and $32,600 was purchased in June 2018, April 2014, 2013 and 2012, respectively, for total capital stock of $1,309,400 ($314,041 membership stock and $995,349 excess stock) at December 31, 2021. In addition to the $70,000,000 FHLB committed line, in October 2020, the FHLB approved a one-year renewal line capacity for the Company's $200 million "advised" line of credit, which has been renewed and expires November 10, 2022. The interest rate on either of the FHLB lines varies depending upon the advance maturity term selected by the Company and can be either fixed or variable rate. Availability of the FHLB advised line, or a portion thereof, is contingent upon the Company maintaining sufficient pledged collateral at the FHLB consisting of investment securities and other collateral with a market value of up to approximately 97% of US Government Agency securities pledged. At December 31, 2021, the Company has approximately $55.3 million of US Government Agency securities pledged with the FHLB. The Company can also pledge qualifying mortgage loans towards FHLB borrowings, allowing the Company to borrow approximately 75% of the outstanding qualifying mortgage loans. The Company holds no mortgage loans at December 31, 2021. The Company is required to purchase additional FHLB stock equal to 2% of any borrowed funds. The Company had no FHLB borrowings outstanding at December 31, 2021 and 2020.

(2) FHLB Capital Stock

a. Aggregate Totals

| | 1<br>Total 2+3 | 2<br>General Account | 3<br>Protected Cell Accounts |
|---|---|---|---|
| 1. Current Year | | | |
| (a) Membership Stock - Class A | $ 314,051 | $ 314,051 | |
| (b) Membership Stock - Class B | $ - | | |
| (c) Activity Stock | $ - | | |
| (d) Excess Stock | $ 995,349 | $ 995,349 | |
| (e) Aggregate Total (a+b+c+d) | $ 1,309,400 | $ 1,309,400 | $ - |
| (f) Actual or estimated Borrowing Capacity as Determined by the Insurer | | XXX | XXX |
| 2. Prior Year-end | | | |
| (a) Membership Stock - Class A | $ 446,891 | $ 446,891 | |
| (b) Membership Stock - Class B | $ - | | |
| (c) Activity Stock | $ - | | |
| (d) Excess Stock | $ 862,509 | $ 862,509 | |
| (e) Aggregate Total (a+b+c+d) | $ 1,309,400 | $ 1,309,400 | $ - |

# NOTES TO FINANCIAL STATEMENTS

| | | |
|---|---|---|
| (f) Actual or estimated Borrowing Capacity as Determined by the Insurer | XXX | XXX |

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)
11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

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

| | 1 | 2 | Eligible for Redemption | | | |
|---|---|---|---|---|---|---|
| | | | 3 | 4 | 5 | 6 |
| | Current Year Total (2+3+4+5+6) | Not Eligible for Redemption | Less Than 6 Months | 6 Months to Less Than 1 Year | 1 to Less Than 3 Years | 3 to 5 Years |
| Membership Stock | | | | | | |
| 1. Class A | $ 314,051 | $ 314,051 | | | | |
| 2. Class B | $ - | | | | | |

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)
11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

| | 1 | 2 | 3 |
|---|---|---|---|
| | Fair Value | Carrying Value | Aggregate Total Borrowing |
| 1. Current Year Total General and Protected Cell Account Total Collateral Pledged (Lines 2+3) | $ 55,260,087 | $ 56,000,000 | $ - |
| 2. Current Year General Account Total Collateral Pledged | $ 55,260,087 | $ 56,000,000 | |
| 3. Current Year Protected Cell Account Total Collateral Pledged | | | |
| 4. Prior Year-end Total General and Protected Cell Account Total Collateral Pledged | $ 48,362,434 | $ 47,821,018 | $ - |

11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)
11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)
11B(3)a3 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (Columns 1, 2 and 3 respectively)
11B(3)a4 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (Columns 1, 2 and 3 respectively)

b. Maximum Amount Pledged During Reporting Period

| | 1 | 2 | 3 |
|---|---|---|---|
| | Fair Value | Carrying Value | Amount Borrowed at Time of Maximum Collateral |
| 1. Current Year Total General and Protected Cell Account Maximum Collateral Pledged (Lines 2+3) | $ 56,000,000 | $ 56,000,000 | $ - |
| 2. Current Year General Account Maximum Collateral Pledged | $ 56,000,000 | $ 56,000,000 | |
| 3. Current Year Protected Cell Account Maximum Collateral Pledged | | | |
| 4. Prior Year-end Total General and Protected Cell Account Maximum Collateral Pledged | $ 81,794,321 | $ 80,881,455 | $ - |

(4) Borrowing from FHLB

Does not apply.

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

A. Defined Benefit Plan - Does not apply.

B. Investment Policies - Does not apply.

C. The fair value of each class of plan assets - Does not apply.

D. Rate of Return Assumptions - Does not apply.

E. Defined Contribution Plan

The Company provides all eligible employees participation in its 401(k) salary reduction and defined contribution plan. During 2021 and 2020, plan participants contributing a minimum 5% of their annual compensation under the 401(k) salary reduction plan received a matching 7% contribution from the Company. In addition, a 3% profit sharing contribution was made by the Company in 2021 (none in 2020), to all eligible plan participants. Total contributions expensed under the plan during 2021 and 2020 were $357,921 and $248,628, respectively.

The Company also provides a supplemental unfunded 457(f) deferred compensation plan to key executives. Included in accrued expenses payable are the cumulative amounts owed under the deferred compensation plans for deferred compensation and, as applicable, Company matching contributions and earnings thereon, which total $1,830,518 and $2,790,877 at December 31, 2021 and 2020, respectively. Total amounts expensed under the plans in 2021 and 2020 were $66,632 and $228,788, respectively.

F. Multi-employer Plans - Does not apply.

G. Consolidated/Holding Company Plans - Does not apply, see Note 12E.

H. Postemployment Benefits and Compensated Absences

The Company has no obligations to current or former employees for benefits after their employment other than for compensation related to earned vacation pay. The liability for earned but untaken vacation pay is included in other accrued expenses.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - Does not apply.

# NOTES TO FINANCIAL STATEMENTS

**NOTE 13 Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

A. Oustanding Shares - Does not apply.

B. Dividend Rate of Preferred Stock - Does not apply.

C. Dividend Restrictions

Dividends can be paid by the corporation to its participating credit unions only to the extent of its statutory retained earnings, as long as capital and surplus of the company exceed the normal operating level of the deposit guaranty fund as described in the Ohio Revised Code Chapter 1761.10(A)(3) and only upon the approval of the Ohio Superintendent of Insurance. As of December 31, 2021, the Company has available approximately $62,000,000 for distribution to its participating credit unions subject to the approval of the Superintendent of Insurance. The corporation paid no dividends during 2021 and 2020 to participating credit unions and to date has not made, nor does it anticipate making a request to the Superintendent of Insurance for approval of a distribution.

D. Dates and Amounts of Dividends Paid - Does not apply

E. Amount of Ordinary Dividends That May Be Paid - See item 13C above.

F. Restrictions on Unassigned Funds - There are no restrictions on unassigned surplus except as noted in 13C above.

G. Muutal Surplus Advances - Does not apply.

H. Company Held Stock for Special Purposes - Does not apply.

I. Changes in Special Surplus Funds - Does not apply.

J, Changes in Unassigned Funds

Unassigned funds of $64,451,969 at December 31, 2021 have been reduced by $2,719,301 to $61,732,668 in the statutory financial statements as a result of non-admitted assets of subsidiaries ($424,666) and the Company's non-admitted investments in other invested assets ($4,801,836), fixed assets ($163,857), Other Comprehensive Expense ($2,870,452) and prepaid expenses and other assets ($199,394).

K. The Company has no surplus debentures or similar obligations.

L. The impact of any restatement due to prior quasi-reorganizations - Does not apply.

M. Date of Quasi-Reorganizations - Does not apply.

**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) Total contingent liabilities: $ 7,000,000

(2)

| (1)<br>Nature and circumstances of guarantee and key attributes, including date and duration of agreement | (2)<br>Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.) | (3)<br>Ultimate financial statement impact if action under the guarantee is required | (4)<br>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. | (5)<br>Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted |
|---|---|---|---|---|
| Agreement with Ohio Dept. of Insurance to maintain capital & surplus at appropriate statutory level. Date: 02/01/1994, no expiration date. | | Investment in SCA | $ 7,000,000 | Performance risk is low due to the subsidary's capital level & the premium deposits held by the subsidiary exceeds any potential claims at this time. |
| Total | $ - | | $ 7,000,000 | |

(3) Guarantee Obligations

| | Amount |
|---|---|
| a. Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for (2) above.) | $ 7,000,000 |
| 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 | $ 7,000,000 |
| 2. Joint Venture | |

# NOTES TO FINANCIAL STATEMENTS

3. Dividends to Stockholders (capital contribution)
4. Expense
5. Other
6. Total (Should equal (3)a.) $ 7,000,000

B. Assessments
Does not apply.

C. Gain Contingencies
Does not apply.

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits
Does not apply.

E. Product Warranties
Does not apply.

F. Joint and Several Liabilities
Does not apply.

G. All Other Contingencies
Does not apply.

**NOTE 15 Leases**

The Company has no material lease obligations at this time.

**NOTE 16 Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

Does not apply.

**NOTE 1 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

**Does not apply.**

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

Does not apply

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

Does not apply.

**NOTE 20 Fair Value Measurements**

A. (1) Fair Value Measurements at Reporting Date

With regard to the Company's financial assets that are disclosed at a fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, the Company uses various valuation approaches, including quoted market prices and discounted cash flows. The ASC and SSAP No. 100, Fair Value Measurement, establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are obtained from independent sources and can be validated by a third party, whereas, unobservable inputs reflect assumptions regarding what a third party would use in pricing an asset or liability. The fair value hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 - Valuations based on quoted prices in active markets for identical instruments that the Company is able to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in active markets for instruments that are similar, or quoted prices in markets that are not active for identical or similar instruments, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Reclassification of certain financial instruments may occur when observability of inputs change. There were no transfers between assets carried at fair value within Level 1 and Level 2 of the fair value heirarchy during the years ended December 31, 2021 and 2020.

There were no purchases, sales, transfers into or transfers out of assets carried at fair value and classified within Level 3 of the fair value heirarchy during the years ended December 31, 2021 and 2020.

| Description for each class of asset or liability | (Level 1) | (Level 2) | (Level 3) | Net Asset Value (NAV) | Total |
|---|---|---|---|---|---|
| a. Assets at fair value | | | | | |
| Total assets at fair value/NAV | $ - | $ - | $ - | $ - | $ - |

# NOTES TO FINANCIAL STATEMENTS

| Description for each class of asset or liability | (Level 1) | (Level 2) | (Level 3) | Net Asset Value (NAV) | Total |
|---|---|---|---|---|---|
| b. Liabilities at fair value | | | | | |
| Total Liabilities | $ - | $ - | $ - | $ - | $ - |

(2) Fair Value Measurements in (Level 3) of the Fair Value hierarchy
NONE

(3) Policies when Transfer Between Levels are Recognized
Does not apply.

(4) Description of Valuation Techniques and Inputs Used in Fair Value Measurements
Does not apply.

(5) Fair Value Disclosures.
Does not apply.

B. Fair Value Reporting Under SSAP 100 and Other Accounting Pronouncements.

There were no purchases, sales, transfers into, or transfers out of assets carried at fair value and classified within Level 3 of the fair value heirarchy during the years ended December 31, 2021 and 2020.

C. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|---|---|---|---|---|---|---|---|
| | | | | | | | |

D. Not Practicable to Estimate Fair Value
Does not apply.

E. NAV Practical Expedient Investments
Does not apply.

**NOTE 21 Other Items**
Does not apply.

**NOTE 2 Events Subsequent**
The Company evaluated all events or transactions that occurred afer December 31, 2021 through February 24, 2022, the date the financial statements were available to be issued by the Company. During this period, the Company did not have any material recognizable or non-recognizable events.

**Type I – Recognized Subsequent Events:**
**None**

**Type II – Nonrecognized Subsequent Events:**
**None**

**NOTE 23 Reinsurance**
Does not apply.

**NOTE 24 Retrospectively Rated Contracts & Contracts Subject to Redetermination**
Does not apply.

**NOTE 25 Change in Incurred Losses and Loss Adjustment Expenses**

The company writes only one line of business, "Other" (with two products written solely to credit unions: primary share insurance and excess share insurance) and sets loss reserves on a prudent basis for potential claims events. Primary insurance claims can involve specifically identified claims events and other events incurred but not reported (IBNR). The Company also sets aside unallocated loss reserves for its primary insurance book of business so that aggregate loss reserves remain within an actuarially accepted range. Excess insurance claims events are infrequent (rare) but potentially severe and as a result, upon consultation with the Company's independent actuary, the Company provides annual loss reserve additions so that cumulative loss reserves are within an actuarially accepted range.

Although the Company does not normally charge a premium under its primary isnurance program, the Company's governing Ohio statute and its primary insurance policy permit premiums to be assessed against Primary-insureds in order to ensure that the Company maintains a sufficient equity base for its insurance risk.

As a result of continuing suppressed market interest rates, the Company charged a sprecial premium assessment in 2021 and 2020 of $0.020 per $100 of each Primary-insured's total shares or 2.0 basis points. The special premium assessment generated approximately $3.4 million and $3.1 million of revenues in 2021 and 2020, respectively.

# NOTES TO FINANCIAL STATEMENTS

Since the Company has no specific excess insurance loss events identified at December 31, 2021, for which a loss reserve would normally be established, all of the Company's loss reserves related to excess insurance and its unallocated primary insurance loss reserves related to excess insurance and its unallocated primary insurance loss reserves are treated as unallocated IBNR loss reserves. For purposes of Schedule P, in any given year the cumulative unallocated IBNR loss reserves held are considered to have occurred as follows: (1) 60% in current year; (2) 30% in the previous year; and (3) 10% in the second previous year and have been allocated as such in Schedule P, which is comparable to methods used by other insurance companies with infrequent claims events. Since claims events are rare (infrequent buy potentially severe), the typical year shows favorable development. A summary of the favorable loss development for the Company's single line of buiness ("Other") for 2021 and a reconciliation of loss provision, claims payments, prior year loss development and gross losses incurred in 2021, follows (dollars in thousands):

| Year of Development | Col. 1<br>Prior Year (2020) Loss Reserves Allocated | Col. 2<br>Current Year (2021) Loss Reserves Allocated | Col. 3<br>Claims Paid/ (Recovered) in 2021 | Col. 4<br>Current Calendar Year (2021) Losses and LAE Incurred (Col 2 - Col 1) | Col. 5<br>Unfavorabe (Favorable) Development (Col 2 - Col 1 +Col 3) | Col. 6<br>Gross Losses Incurred (Recoveries) for Current Year IBNR Loss Reserves (Col 4 - Col5 - Col 5) |
|---|---|---|---|---|---|---|
| **SPECIFIC LOSS EVENTS:** | | | | | | |
| 2010 and prior | $ 20 | $ 20 | $ - | | $ - | |
| 2011 | - | - | (13) | | (13) | |
| 2012 | - | - | - | | - | |
| 2013 | - | - | - | | - | |
| 2014 | - | - | - | | - | |
| 2015 | - | - | - | | - | |
| 2016 | - | - | - | | - | |
| 2017 | - | - | - | | - | |
| 2018 | - | - | - | | - | |
| 2019 | - | - | - | | - | |
| 2020 | xxxxxxxxx | - | - | | xxxxxxxx | |
| Total Specific Loss Reserves | $ 20 | $ 20 | $ (13) | | | |
| Increase (Decrease) in Specific Loss Reserves | | | | $ - | $ (13) | $ - |
| Claims Paid/(Recoveries in 2021 | | | | (13) | | |
| LAE (Unpaid) | $ 40 | $ 40 | | | | |
| Other Changes in Development -- (Amount transferred to Allownace for Loss for Capital Assistance) | | | | | | |
| Miscellaneous | | | | | | |
| **UNALLOCATED IBNR LOSSES:** | | | | | | |
| 2019 | 1,755 | | | | (1,755) | |
| 2019 | 5,264 | 1,945 | | | (3,319) | |
| 2020 | 10,527 | 5,834 | | | (4,694) | |
| 2021 | xxxxxxxxx | 11,667 | | | xxxxxxxxx | |
| Total Unallocated Loss Reserves | $ 17,546 | $ 19,446 | | | | |
| Increase (Decrease) in Unallocated Loss Reserves | | | | 1,900 | (9,765) | 11,667 |
| Total (Including LAE of $40,000 | $ 17,606 | $ 19,506 | $ (13) | $ 1,900 | $ (9,168) | $ 11,667 |

**NOTE 26 Intercompany Pooling Arrangements**
Does not apply

**NOTE 27 Structured Settlements**
Does not apply.

**NOTE 28 Health Care Receivables**
Does not apply.

**NOTE 29 Participating Policies**
Does not apply.

**NOTE 30 Premium Deficiency Reserves**

# NOTES TO FINANCIAL STATEMENTS

The Company provides deposit insurance to participating credit unions under the Company's primary and excess contracts. Under the primary insurance contract, a deposit of 1.3% of the member's year-end share balance is required. These capitalizaiton deposits are non-interest bearing and the investment earnings therefrom are used to fund the Company's deposit insurance program in lieu of a normal premium charge. Special Premium Assessments may be charged from time to time against insured credit unions to fund claims activity during unusual times, such as in 2009 - 2013 and again in 2017, 2019, 2020, and 2021. In order to maintain the insurance fund at a regulartoy acceptable primary insurance equity ratio (currently the equity ratio is 1.61% of primary insurance fund equity to primary insured shares). Even so, the deposits for the primary and excess deposit contracts are at-risk to the insured credit unions and ultimately can act as a reserve that is available to pay claims if needed. The aggregate of capitalization deposits that are available to pay claims are $266,601,751 at December 31, 2021. Therefore the Company has determined there is not a need for a premium deficiency reserve and none has been recorded at December 31, 2021. The evaluation was completed on February 14, 2022. The Company considers investment income when evaluating the need for premium deficiency reserves.

**NOTE 31 High Deductibles**

Does not apply.

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

Does not apply.

**NOTE 33 Asbestos/Environmental Reserves**

Does not apply.

**NOTE 34 Subscriber Savings Accounts**

Does not apply.

**NOTE 35 Multiple Peril Crop Insurance**

Does not apply.

**NOTE 36 Financial Guaranty Insurance**

Does not apply.

# 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, 2 and 3.

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 a 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 [ X ] No [ ]

2.2 If yes, date of change: 09/03/2021

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017

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. 12/31/2017

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). 05/16/2019

3.4 By what department or departments?
Ohio Deparment 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 yes, complete and file the merger history data file with the NAIC.

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

| 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---|---|---|
| | | |

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

6.2 If yes, give full information:

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

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

| 1<br>Nationality | 2<br>Type of Entity |
|---|---|
| | |

# GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? ....... Yes [ ] No [ X ]

8.2 If the response to 8.1 is yes, please identify the name of the DIHC.

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

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

| 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---|---|---|---|---|---|
| | | | | | |

8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity? ..... Yes [ ] No [ X ]

8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? ..... Yes [ ] No [ ] N/A [ X ]

9\. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Deloitte & Touche, LLP, 180 E Broad St, Columbus, OH 43215

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

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

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

Mr. Alex Turrell, FCAS, MAAA, Willis Towers Watson, 175 Powder Forest Dr., Weatogue, CT 06089-9658

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 .....

12.13 Total book/adjusted carrying value ..... $ .....

12.2 If, yes provide explanation:

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

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

N/A

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

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

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

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

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.

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

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

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

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

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

# GENERAL INTERROGATORIES

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

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

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

## BOARD OF DIRECTORS

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

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

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

## FINANCIAL

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

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $
- 20.12 To stockholders not officers $
- 20.13 Trustees, supreme or grand (Fraternal Only) $

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $
- 20.22 To stockholders not officers $
- 20.23 Trustees, supreme or grand (Fraternal Only) $

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

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others $
- 21.22 Borrowed from others $
- 21.23 Leased from others $
- 21.24 Other $

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

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $
- 22.22 Amount paid as expenses $
- 22.23 Other amounts paid $

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

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

24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? Yes [ ] No [ X ]

24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

| Name of Third-Party | Is the Third-Party Agent a Related Party (Yes/No) |
|---|---|
| | |

## INVESTMENT

25.01 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 25.03) Yes [ X ] No [ ]

# GENERAL INTERROGATORIES

25.02 If no, give full and complete information relating thereto

25.03 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)

25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. $

25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. $

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

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

25.08 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 [ ] N/A [ X ]

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

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

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

25.093 Total payable for securities lending reported on the liability page. $

26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). Yes [ X ] No [ ]

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

| | | |
|---|---|---|
| 26.21 | Subject to repurchase agreements | $ |
| 26.22 | Subject to reverse repurchase agreements | $ |
| 26.23 | Subject to dollar repurchase agreements | $ |
| 26.24 | Subject to reverse dollar repurchase agreements | $ |
| 26.25 | Placed under option agreements | $ |
| 26.26 | Letter stock or securities restricted as to sale - excluding FHLB Capital Stock | $ |
| 26.27 | FHLB Capital Stock | $ 1,309,400 |
| 26.28 | On deposit with states | $ 1,191,768 |
| 26.29 | On deposit with other regulatory bodies | $ |
| 26.30 | Pledged as collateral - excluding collateral pledged to an FHLB | $ |
| 26.31 | Pledged as collateral to FHLB - including assets backing funding agreements | $ |
| 26.32 | Other | $ |

26.3 For category (26.26) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|---|---|---|
| | | |

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

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

LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

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

27.4 If the response to 27.3 is YES, does the reporting entity utilize:

27.41 Special accounting provision of SSAP No. 108 Yes [ ] No [ ]

27.42 Permitted accounting practice Yes [ ] No [ ]

27.43 Other accounting guidance Yes [ ] No [ ]

27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [ ] No [ ]

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

28.1 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 ]

28.2 If yes, state the amount thereof at December 31 of the current year. $

29. 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 [ ]

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

| 1<br>Name of Custodian(s) | 2<br>Custodian's Address |
|---|---|
| Fifth Third Trust | 21 E State St, Columbus, OH 43215 |
| US Bank Custody & Trust | 425 E Walnut St, Cincinnati, OH 45202 |
| FHLB of Cincinnati | 221 E 4th St, Ste 100, Cincinnati, OH 45202 |
| | |

# GENERAL INTERROGATORIES

29.02 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<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|---|---|---|
| | | |

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year? Yes [ ] No [ X ]

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

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|---|---|---|---|
| | | | |

29.05 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<br>Name of Firm or Individual | 2<br>Affiliation |
|---|---|
| U.S. National Association, 425 Walnut St, Cincinnati, OH 45202 | U |
| U.S. Bank Institutional Asset Mangement, 425 Walnut St, Cincinnati, OH 45202 | U |
| | |

29.0597 For those firms/individuals listed in the table for Question 29.05, 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 [ ]

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes [ X ] No [ ]

29.06 For those firms or individuals listed in the table for 29.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

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

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

30.2 If yes, complete the following schedule:

| 1<br>CUSIP # | 2<br>Name of Mutual Fund | 3<br>Book/Adjusted Carrying Value |
|---|---|---|
| 30.2999 - Total | | |

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

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

# GENERAL INTERROGATORIES

31. 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<br>Statement (Admitted) Value | 2<br>Fair Value | 3<br>Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
|---|---|---|---|
| 31.1 Bonds | 233,194,841 | 230,329,232 | (2,865,609) |
| 31.2 Preferred stocks | | | |
| 31.3 Totals | 233,194,841 | 230,329,232 | (2,865,609) |

31.4 Describe the sources or methods utilized in determining the fair values:
Custodial market values compared to independent broker market values & published quotes.

32.1 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 [ ]

32.2 If the answer to 32.1 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 [ ]

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

33.2 If no, list exceptions:

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

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

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

37. 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 37.a - 37.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 ]

# GENERAL INTERROGATORIES

## OTHER

38.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 3,000

38.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

| 1<br>Name | 2<br>Amount Paid |
|---|---|
| | |

39.1 Amount of payments for legal expenses, if any? $ 58,503

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

| 1<br>Name | 2<br>Amount Paid |
|---|---|
| Squire, Patton, Boggs (US) LLP | 36,406 |
| Walter Haverfield LLP | 19,331 |
| | |

40.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 179,033

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

| 1<br>Name | 2<br>Amount Paid |
|---|---|
| The Pennsylvania Avenue Group | 63,000 |
| Michael E Fryzel | 57,033 |
| | |
| | |

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

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

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. $

1.6 Individual policies:

Most current three years:
1.61 Total premium earned $
1.62 Total incurred claims $
1.63 Number of covered lives

All years prior to most current three years
1.64 Total premium earned $
1.65 Total incurred claims $
1.66 Number of covered lives

1.7 Group policies:

Most current three years:
1.71 Total premium earned $
1.72 Total incurred claims $
1.73 Number of covered lives

All years prior to most current three years
1.74 Total premium earned $
1.75 Total incurred claims $
1.76 Number of covered lives

2. Health Test:

| | | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|---|
| 2.1 | Premium Numerator | | |
| 2.2 | Premium Denominator | 182,912 | 176,804 |
| 2.3 | Premium Ratio (2.1/2.2) | 0.000 | 0.000 |
| 2.4 | Reserve Numerator | | |
| 2.5 | Reserve Denominator | 19,505,914 | 17,605,914 |
| 2.6 | Reserve Ratio (2.4/2.5) | 0.000 | 0.000 |

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

3.2 If yes, provide the amount of premium written for participating and/or non-participating policies during the calendar year:
3.21 Participating policies $
3.22 Non-participating policies $

4. For mutual reporting Entities and Reciprocal Exchanges Only:
4.1 Does the reporting entity issue assessable policies? Yes [ ] No [ X ]
4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [ X ]
4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? %
4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. $

5. For Reciprocal Exchanges Only:
5.1 Does the Exchange appoint local agents? Yes [ ] No [ ]
5.2 If yes, is the commission paid:
5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [ X ]
5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [ X ]
5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

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

5.5 If yes, give full information

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
N/A

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.
Gross loss exposure based on monthly financial statements from insureds, reduced by expected collections on assets to arrive at net loss reserve.

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
Company has $9 million in reinsurance and at-risk deposits aggregating $2.1 million for its excess program and can re-assess the deposits. For its primary program, the company can also assess up to 3% for each credit union insured shares and holds at-risk deposits of 1.3% ($262.3 million). Historical average claims have been 3% of failed credit unions.

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 [ ] No [ X ]

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.
Company holds $262.3 million at-risk capitalization deposits from the insureds that are available to pay claims and may be assessed under statute.

7.1 Has this 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 ratio cap, an aggregate limit or any similar provisions)? Yes [ ] No [ X ]

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

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

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

8.2 If yes, give full information

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

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No [ X ]

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

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

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

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

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

11.2 If yes, give full information

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

12.11 Unpaid losses $

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $

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

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

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

12.41 From %

12.42 To %

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

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

12.61 Letters of credit $

12.62 Collateral and other funds $

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 1,589,455,622

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.

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

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

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

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

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

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

15.2 If yes, give full information

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

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

| | 1<br>Direct Losses Incurred | 2<br>Direct Losses Unpaid | 3<br>Direct Written Premium | 4<br>Direct Premium Unearned | 5<br>Direct Premium Earned |
|---|---|---|---|---|---|
| 16.11 Home | | | | | |
| 16.12 Products | | | | | |
| 16.13 Automobile | | | | | |
| 16.14 Other* | | | | | |

* Disclose type of coverage:

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance $

17.12 Unfunded portion of Interrogatory 17.11 $

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 $

17.14 Case reserves portion of Interrogatory 17.11 $

17.15 Incurred but not reported portion of Interrogatory 17.11 $

17.16 Unearned premium portion of Interrogatory 17.11 $

17.17 Contingent commission portion of Interrogatory 17.11 $

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

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

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

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

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

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

# FIVE-YEAR HISTORICAL DATA

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

| | 1<br>2021 | 2<br>2020 | 3<br>2019 | 4<br>2018 | 5<br>2017 |
|---|---|---|---|---|---|
| **Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 & 3)** | | | | | |
| 1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) | | | | | |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26) | | | | | |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | | | | | |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 215,850 | 206,945 | 213,811 | 205,295 | 222,800 |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33) | | | | | |
| 6. Total (Line 35) | 215,850 | 206,945 | 213,811 | 205,295 | 222,800 |
| **Net Premiums Written (Page 8, Part 1B, Col. 6)** | | | | | |
| 7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) | | | | | |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26) | | | | | |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | | | | | |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | 182,912 | 176,804 | 178,810 | 174,924 | 190,253 |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33) | | | | | |
| 12. Total (Line 35) | 182,912 | 176,804 | 178,810 | 174,924 | 190,253 |
| **Statement of Income (Page 4)** | | | | | |
| 13 Net underwriting gain (loss) (Line 8) | (8,784,830) | (8,705,744) | (9,061,122) | (5,045,999) | (6,910,391) |
| 14. Net investment gain or (loss) (Line 11) | 4,093,988 | 2,914,410 | 4,957,800 | 3,747,811 | 3,048,071 |
| 15. Total other income (Line 15) | 5,765,428 | 5,776,871 | 5,080,373 | 1,271,189 | 4,978,296 |
| 16. Dividends to policyholders (Line 17) | | | | | |
| 17. Federal and foreign income taxes incurred (Line 19) | | | | 4,500 | 1,100 |
| 18. Net income (Line 20) | 1,074,586 | (14,463) | 977,050 | (31,499) | 1,114,876 |
| **Balance Sheet Lines (Pages 2 and 3)** | | | | | |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) | 351,052,431 | 314,051,039 | 279,306,777 | 265,830,560 | 257,825,583 |
| 20. Premiums and considerations (Page 2, Col. 3) | | | | | |
| 20.1 In course of collection (Line 15.1) | | | | | |
| 20.2 Deferred and not yet due (Line 15.2) | 56,700 | 56,300 | 54,650 | 52,290 | 51,750 |
| 20.3 Accrued retrospective premiums (Line 15.3) | | | | | |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26) | 22,718,012 | 21,774,479 | 23,885,622 | 19,618,017 | 22,846,261 |
| 22. Losses (Page 3, Line 1) | 19,465,914 | 17,565,914 | 15,613,914 | 14,473,914 | 16,594,583 |
| 23. Loss adjustment expenses (Page 3, Line 3) | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| 24. Unearned premiums (Page 3, Line 9) | | | | | |
| 25. Capital paid up (Page 3, Lines 30 & 31) | | | | | |
| 26. Surplus as regards policyholders (Page 3, Line 37) | 328,334,419 | 292,276,560 | 255,421,155 | 246,212,543 | 234,979,325 |
| **Cash Flow (Page 5)** | | | | | |
| 27. Net cash from operations (Line 11) | 1,885,494 | 2,256,188 | 2,633,878 | (1,851,599) | (1,872,838) |
| **Risk-Based Capital Analysis** | | | | | |
| 28. Total adjusted capital | 328,334,419 | 292,276,560 | 255,421,155 | 246,212,543 | 234,979,325 |
| 29. Authorized control level risk-based capital | 10,452,186 | 4,652,448 | 3,060,343 | 2,563,979 | 2,337,192 |
| **Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0** | | | | | |
| 30. Bonds (Line 1) | 71.0 | 59.2 | 72.6 | 76.8 | 78.9 |
| 31. Stocks (Lines 2.1 & 2.2) | 17.0 | 15.7 | 11.2 | 10.9 | 8.9 |
| 32. Mortgage loans on real estate (Lines 3.1 and 3.2) | | | | | |
| 33. Real estate (Lines 4.1, 4.2 & 4.3) | 0.3 | 0.3 | 0.1 | 0.1 | 0.2 |
| 34. Cash, cash equivalents and short-term investments (Line 5) | 11.7 | 24.8 | 16.1 | 12.1 | 12.1 |
| 35. Contract loans (Line 6) | | | | | |
| 36. Derivatives (Line 7) | | | | | |
| 37. Other invested assets (Line 8) | | | | | |
| 38. Receivables for securities (Line 9) | | | | | |
| 39. Securities lending reinvested collateral assets (Line 10) | | | | | |
| 40. Aggregate write-ins for invested assets (Line 11) | | | | | |
| 41. Cash, cash equivalents and invested assets (Line 12) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| **Investments in Parent, Subsidiaries and Affiliates** | | | | | |
| 42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1) | | | | | |
| 43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1) | | | | | |
| 44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1) | 26,864,238 | 24,359,792 | 23,609,713 | 22,939,574 | 22,214,483 |
| 45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10) | | | | | |
| 46. Affiliated mortgage loans on real estate | | | | | |
| 47. All other affiliated | | | | | |
| 48. Total of above Lines 42 to 47 | 26,864,238 | 24,359,792 | 23,609,713 | 22,939,574 | 22,214,483 |
| 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) | 8.2 | 8.3 | 9.2 | 9.3 | 9.5 |

# FIVE-YEAR HISTORICAL DATA

(Continued)

| | 1<br>2021 | 2<br>2020 | 3<br>2019 | 4<br>2018 | 5<br>2017 |
|---|---|---|---|---|---|
| **Capital and Surplus Accounts (Page 4)** | | | | | |
| 51. Net unrealized capital gains (losses) (Line 24) | 5,839,952 | 2,650,748 | 1,744,502 | 387,926 | 96,029 |
| 52. Dividends to stockholders (Line 35) | | | | | |
| 53. Change in surplus as regards policyholders for the year (Line 38) | 36,057,859 | 36,855,404 | 9,208,611 | 11,233,220 | (3,206,240) |
| **Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)** | | | | | |
| 54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) | | | | | |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26) | | | | | |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | | | | | |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | (13,246) | (11,981) | (14,780) | 202,561 | 3,223,648 |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33) | | | | | |
| 59. Total (Line 35) | (13,246) | (11,981) | (14,780) | 202,561 | 3,223,648 |
| **Net Losses Paid (Page 9, Part 2, Col. 4)** | | | | | |
| 60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) | | | | | |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26) | | | | | |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) | | | | | |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) | (13,246) | (11,981) | (14,780) | 202,561 | 3,223,648 |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33) | | | | | |
| 65. Total (Line 35) | (13,246) | (11,981) | (14,780) | 202,561 | 3,223,648 |
| **Operating Percentages (Page 4) (Line 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) | 1,031.5 | 1,097.3 | 629.3 | (1,096.5) | (0.4) |
| 68. Loss expenses incurred (Line 3) | 152.7 | 276.6 | 208.0 | 232.2 | 204.9 |
| 69. Other underwriting expenses incurred (Line 4) | 3,718.6 | 3,650.0 | 4,330.2 | 3,849.0 | 3,527.7 |
| 70. Net underwriting gain (loss) (Line 8) | (4,802.8) | (4,924.0) | (5,067.5) | (2,884.7) | (3,632.2) |
| **Other Percentages** | | | | | |
| 71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0) | 566.6 | 382.7 | 1,489.0 | 3,122.3 | 911.0 |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) | 1,184.2 | 1,373.9 | 837.3 | (864.3) | 204.5 |
| 73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| **One Year Loss Development ($000 omitted)** | | | | | |
| 74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11) | (9,768) | (8,587) | (8,232) | (10,591) | (9,214) |
| 75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0) | (3.3) | (3.4) | (3.3) | (4.5) | (3.9) |
| **Two Year Loss Development ($000 omitted)** | | | | | |
| 76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) | (13,662) | (12,726) | (14,828) | (14,376) | (22,890) |
| 77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0) | (5.3) | (5.2) | (6.3) | (6.0) | (10.4) |

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

If no, please explain:

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

($000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned | | | Loss and Loss Expense Payments | | | | | | | | 12 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | Loss Payments | | Defense and Cost Containment Payments | | Adjusting and Other Payments | | 10 | 11 | Number of Claims Reported Direct and Assumed |
| | Direct and Assumed | Ceded | Net (1 - 2) | 4 Direct and Assumed | 5 Ceded | 6 Direct and Assumed | 7 Ceded | 8 Direct and Assumed | 9 Ceded | Salvage and Subrogation Received | Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) | |
| 1. Prior | XXX | XXX | XXX | | | | | | | | | XXX |
| 2. 2012 | 271 | 40 | 231 | 1,254 | | | | | | | 1,254 | XXX |
| 3. 2013 | 248 | 39 | 209 | | | | | | | | | XXX |
| 4. 2014 | 251 | 40 | 211 | 236 | | | | | | | 236 | XXX |
| 5. 2015 | 228 | 38 | 190 | | | | | | | | | XXX |
| 6. 2016 | 246 | 36 | 210 | | | | | | | | | XXX |
| 7. 2017 | 223 | 33 | 190 | | | | | | | | | XXX |
| 8. 2018 | 205 | 30 | 175 | | | | | | | | | XXX |
| 9. 2019 | 214 | 35 | 179 | | | | | | | | | XXX |
| 10. 2020 | 207 | 30 | 177 | | | | | | | | | XXX |
| 11. 2021 | 216 | 33 | 183 | | | | | | | | | XXX |
| 12. Totals | XXX | XXX | XXX | 1,490 | | | | | | | 1,490 | XXX |

| | Losses Unpaid | | | | Defense and Cost Containment Unpaid | | | | Adjusting and Other Unpaid | | 23 | 24 | 25 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Case Basis | | Bulk + IBNR | | Case Basis | | Bulk + IBNR | | | | | | |
| | 13 Direct and Assumed | 14 Ceded | 15 Direct and Assumed | 16 Ceded | 17 Direct and Assumed | 18 Ceded | 19 Direct and Assumed | 20 Ceded | 21 Direct and Assumed | 22 Ceded | Salvage and Subrogation Anticipated | Total Net Losses and Expenses Unpaid | Number of Claims Outstanding Direct and Assumed |
| 1. Prior | 20 | | | | | | | | | | 10 | 20 | XXX |
| 2. 2012 | | | | | | | | | | | | | XXX |
| 3. 2013 | | | | | | | | | | | | | XXX |
| 4. 2014 | | | | | | | | | | | | | XXX |
| 5. 2015 | | | | | | | | | | | | | XXX |
| 6. 2016 | | | | | | | | | | | 10 | | XXX |
| 7. 2017 | | | | | | | | | | | 340 | | XXX |
| 8. 2018 | | | | | | | | | | | 644 | | XXX |
| 9. 2019 | | | 1,944 | | | | | | | | 979 | 1,944 | XXX |
| 10. 2020 | | | 5,834 | | | | | | | | 1,087 | 5,834 | XXX |
| 11. 2021 | | | 11,668 | | | | | | 40 | | 1,330 | 11,708 | XXX |
| 12. Totals | 20 | | 19,446 | | | | | | 40 | | 4,400 | 19,506 | XXX |

| | Total Losses and Loss Expenses Incurred | | | Loss and Loss Expense Percentage (Incurred /Premiums Earned) | | | Nontabular Discount | | 34 | Net Balance Sheet Reserves After Discount | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 26 Direct and Assumed | 27 Ceded | 28 Net | 29 Direct and Assumed | 30 Ceded | 31 Net | 32 Loss | 33 Loss Expense | Inter-Company Pooling Participation Percentage | 35 Losses Unpaid | 36 Loss Expenses Unpaid |
| 1. Prior | XXX | XXX | XXX | XXX | XXX | XXX | | | XXX | 20 | |
| 2. 2012 | 1,254 | | 1,254 | 462.7 | | 542.9 | | | | | |
| 3. 2013 | | | | | | | | | | | |
| 4. 2014 | 236 | | 236 | 94.0 | | 111.8 | | | | | |
| 5. 2015 | | | | | | | | | | | |
| 6. 2016 | | | | | | | | | | | |
| 7. 2017 | | | | | | | | | | | |
| 8. 2018 | | | | | | | | | | | |
| 9. 2019 | 1,944 | | 1,944 | 908.4 | | 1,086.0 | | | | 1,944 | |
| 10. 2020 | 5,834 | | 5,834 | 2,819.1 | | 3,297.1 | | | | 5,834 | |
| 11. 2021 | 11,708 | | 11,708 | 5,420.4 | | 6,397.8 | | | | 11,668 | 40 |
| 12. Totals | XXX | XXX | XXX | XXX | XXX | XXX | | | XXX | 19,466 | 40 |

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) 1 2012 | 2 2013 | 3 2014 | 4 2015 | 5 2016 | 6 2017 | 7 2018 | 8 2019 | 9 2020 | 10 2021 | DEVELOPMENT 11 One Year | 12 Two Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. Prior | 29,034 | 25,860 | 14,029 | 164 | (6,808) | (6,854) | (6,951) | (6,966) | (6,978) | (6,978) | | (12) |
| 2. 2012 | 7,641 | 5,470 | 2,836 | 1,254 | 1,254 | 1,254 | 1,254 | 1,254 | 1,254 | 1,254 | | |
| 3. 2013 | XXX | 8,941 | 4,907 | 1,697 | | | | | | | | |
| 4. 2014 | XXX | XXX | 10,264 | 5,606 | 2,055 | 236 | 236 | 236 | 236 | 236 | | |
| 5. 2015 | XXX | XXX | XXX | 10,433 | 4,620 | 1,628 | | | | | | |
| 6. 2016 | XXX | XXX | XXX | XXX | 9,239 | 4,882 | 1,445 | | | | | |
| 7. 2017 | XXX | XXX | XXX | XXX | XXX | 9,765 | 4,336 | 1,559 | | | | (1,559) |
| 8. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | 8,673 | 4,678 | 1,755 | | (1,755) | (4,678) |
| 9. 2019 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 9,357 | 5,264 | 1,944 | (3,320) | (7,413) |
| 10. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 10,527 | 5,834 | (4,693) | XXX |
| 11. 2021 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 11,668 | XXX | XXX |
| | | | | | | | | | | 12. Totals | (9,768) | (13,662) |

# 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) 1 2012 | 2 2013 | 3 2014 | 4 2015 | 5 2016 | 6 2017 | 7 2018 | 8 2019 | 9 2020 | 10 2021 | 11 Number of Claims Closed With Loss Payment | 12 Number of Claims Closed Without Loss Payment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. Prior | 000 | 3,150 | 7,609 | (6,256) | (10,728) | (7,174) | (6,971) | (6,986) | (6,998) | (6,998) | XXX | XXX |
| 2. 2012 | | | | 1,254 | 1,254 | 1,254 | 1,254 | 1,254 | 1,254 | 1,254 | XXX | XXX |
| 3. 2013 | XXX | | | | | | | | | | XXX | XXX |
| 4. 2014 | XXX | XXX | | 15 | 15 | 236 | 236 | 236 | 236 | 236 | XXX | XXX |
| 5. 2015 | XXX | XXX | XXX | | | | | | | | XXX | XXX |
| 6. 2016 | XXX | XXX | XXX | XXX | | | | | | | XXX | XXX |
| 7. 2017 | XXX | XXX | XXX | XXX | XXX | | | | | | XXX | XXX |
| 8. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | | | | | XXX | XXX |
| 9. 2019 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | | XXX | XXX |
| 10. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | XXX | XXX |
| 11. 2021 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 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) 1 2012 | 2 2013 | 3 2014 | 4 2015 | 5 2016 | 6 2017 | 7 2018 | 8 2019 | 9 2020 | 10 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. Prior | 4,694 | 1,490 | | | | | | | | |
| 2. 2012 | 7,041 | 4,470 | 1,636 | | | | | | | |
| 3. 2013 | XXX | 8,941 | 4,907 | 1,697 | | | | | | |
| 4. 2014 | XXX | XXX | 9,814 | 5,091 | 1,540 | | | | | |
| 5. 2015 | XXX | XXX | XXX | 10,183 | 4,620 | 1,628 | | | | |
| 6. 2016 | XXX | XXX | XXX | XXX | 9,239 | 4,882 | 1,445 | | | |
| 7. 2017 | XXX | XXX | XXX | XXX | XXX | 9,765 | 4,336 | 1,559 | | |
| 8. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | 8,673 | 4,678 | 1,755 | |
| 9. 2019 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 9,357 | 5,264 | 1,944 |
| 10. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 10,527 | 5,834 |
| 11. 2021 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 11,668 |

# SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

| | 1 | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken | | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|---|
| States, Etc. | Active Status (a) | 2 Direct Premiums Written | 3 Direct Premiums Earned | Dividends Paid or Credited to Policyholders on Direct Business | Direct Losses Paid (Deducting Salvage) | Direct Losses Incurred | Direct Losses Unpaid | Finance and Service Charges Not Included in Premiums | Direct Premiums Written for Federal Purchasing Groups (Included in Column 2) |
| 1. Alabama AL | E | | | | | | | | |
| 2. Alaska AK | N | | | | | | | | |
| 3. Arizona AZ | E | | | | | | | | |
| 4. Arkansas AR | N | | | | | | | | |
| 5. California CA | E | 215,850 | 215,850 | | (13,246) | (13,246) | | | |
| 6. Colorado CO | N | | | | | | | | |
| 7. Connecticut CT | N | | | | | | | | |
| 8. Delaware DE | N | | | | | | | | |
| 9. District of Columbia DC | N | | | | | | | | |
| 10. Florida FL | N | | | | | | | | |
| 11. Georgia GA | N | | | | | | | | |
| 12. Hawaii HI | N | | | | | | | | |
| 13. Idaho ID | L | | | | | | | | |
| 14. Illinois IL | L | | | | | | | | |
| 15. Indiana IN | E | | | | | | | | |
| 16. Iowa IA | N | | | | | | | | |
| 17. Kansas KS | N | | | | | | | | |
| 18. Kentucky KY | N | | | | | | | | |
| 19. Louisiana LA | N | | | | | | | | |
| 20. Maine ME | L | | | | | | | | |
| 21. Maryland MD | N | | | | | | | | |
| 22. Massachusetts MA | N | | | | | | | | |
| 23. Michigan MI | N | | | | | | | | |
| 24. Minnesota MN | N | | | | | | | | |
| 25. Mississippi MS | N | | | | | | | | |
| 26. Missouri MO | N | | | | | | | | |
| 27. Montana MT | L | | | | | | | | |
| 28. Nebraska NE | N | | | | | | | | |
| 29. Nevada NV | E | | | | | | | | |
| 30. New Hampshire NH | L | | | | | | | | |
| 31. New Jersey NJ | N | | | | | | | | |
| 32. New Mexico NM | N | | | | | | | | |
| 33. New York NY | N | | | | | | | | |
| 34. North Carolina NC | N | | | | | | | | |
| 35. North Dakota ND | N | | | | | | | | |
| 36. Ohio OH | L | | | | | | 20,000 | | |
| 37. Oklahoma OK | N | | | | | | | | |
| 38. Oregon OR | N | | | | | | | | |
| 39. Pennsylvania PA | N | | | | | | | | |
| 40. Rhode Island RI | N | | | | | | | | |
| 41. South Carolina SC | N | | | | | | | | |
| 42. South Dakota SD | N | | | | | | | | |
| 43. Tennessee TN | N | | | | | | | | |
| 44. Texas TX | E | | | | | | | | |
| 45. Utah UT | N | | | | | | | | |
| 46. Vermont VT | N | | | | | | | | |
| 47. Virginia VA | N | | | | | | | | |
| 48. Washington WA | N | | | | | | | | |
| 49. West Virginia WV | N | | | | | | | | |
| 50. Wisconsin WI | N | | | | | | | | |
| 51. Wyoming WY | N | | | | | | | | |
| 52. American Samoa AS | N | | | | | | | | |
| 53. Guam GU | N | | | | | | | | |
| 54. Puerto Rico PR | N | | | | | | | | |
| 55. U.S. Virgin Islands VI | N | | | | | | | | |
| 56. Northern Mariana Islands MP | N | | | | | | | | |
| 57. Canada CAN | N | | | | | | | | |
| 58. Aggregate other alien OT | XXX | | | | | 1,900,000 | 19,445,914 | | |
| 59. Totals | XXX | 215,850 | 215,850 | | (13,246) | 1,886,754 | 19,465,914 | | |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 58001. Unassigned | XXX | | | | | 1,900,000 | 19,445,914 | | |
| 58002. | XXX | | | | | | | | |
| 58003. | XXX | | | | | | | | |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | XXX | | | | | | | | |
| 58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above) | XXX | | | | | 1,900,000 | 19,445,914 | | |

(a) Active Status Counts:

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

E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI) ........ 6

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

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

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

N - None of the above - Not allowed to write business in the state ........ 45

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

American Mutual Share Insurance Corporation

23-7376679
(Parent)

Excess Share Insurance Corporation

31-1383517
(Subsidiary)

# OVERFLOW PAGE FOR WRITE-INS

# NONE