

The amended pages reflect an adjustment in the valuation of affiliated common stock.



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021

OF THE CONDITION AND AFFAIRS OF THE

MOTORISTS MUTUAL INSURANCE COMPANY

NAIC Group Code02910291NAIC Company Code14621Employer's ID Number31-4259550
(Current)(Prior)

Organized under the Laws ofOhio, State of Domicile or Port of EntryOH
Country of DomicileUnited States of America

Incorporated/Organized11/08/1928Commenced Business11/27/1928

Statutory Home Office471 EAST BROAD STREETCOLUMBUS, OH, US 43215
(Street and Number)(City or Town, State, Country and Zip Code)

Main Administrative Office471 EAST BROAD STREET
(Street and Number)
COLUMBUS, OH, US 43215614-225-8211
(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Mail Address471 EAST BROAD STREETCOLUMBUS, OH, US 43215
(Street and Number or P.O. Box)(City or Town, State, Country and Zip Code)

Primary Location of Books and Records471 EAST BROAD STREET
(Street and Number)
COLUMBUS, OH, US 43215614-225-8211
(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Internet Website AddressENCOVA.COM

Statutory Statement ContactAMY E KUHLMAN614-225-8285
(Name)(Area Code) (Telephone Number)
ACCOUNTING@ENCOVA.COM614-225-8330
(E-mail Address)(FAX Number)

OFFICERS

PRESIDENT & CHIEF
EXECUTIVE OFFICERTHOMAS JOSEPH OBROKTA JR.
SECRETARYMARCHELLE ELAINE MOORE

TREASURERJAMES CHRISTOPHER HOWAT

OTHER
GREGORY ARTHUR BURTONJOHN CHRISTOPHER KESSLERTERESA MARIE KING
ANTHONY LASKAWILLIAM JOSEPH MCGEE JR.MARCHELLE ELAINE MOORE
MARK LAURENCE PEACOCK

DIRECTORS OR TRUSTEES
JEFFREY LEIGH BENINTENDIGRADY BRENDAN CAMPBELLJAMES CHRISTOPHER HOWAT
THOMAS JOSEPH OBROKTA JR.MATTHEW CARL WILCOX

State ofOHSS
County ofFRANKLIN

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.

THOMAS JOSEPH OBROKTA JR.
PRESIDENT & CHIEF EXECUTIVE OFFICER

MARCHELLE ELAINE MOORE
SECRETARY

JAMES CHRISTOPHER HOWAT
TREASURER

a. Is this an original filing? Yes [] No [X]
b. If no,
1. State the amendment number.....1
2. Date filed03/23/2022
3. Number of pages attached..... 11

Subscribed and sworn to before me this
10th day of February 2022

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	756,493,474		756,493,474	716,561,867
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks	521,448,110		521,448,110	256,877,746
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	34,754,145		34,754,145	33,627,832
4.2 Properties held for the production of income (less \$0 encumbrances)	1,735,644		1,735,644	1,753,961
4.3 Properties held for sale (less \$0 encumbrances)			0	0
5. Cash (\$32,969,451 , Schedule E - Part 1), cash equivalents (\$57,430,047 , Schedule E - Part 2) and short-term investments (\$, Schedule DA)	90,399,498		90,399,498	58,486,753
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	74,475,979	23,952,066	50,523,912	115,690,525
9. Receivable for securities	15,000		15,000	18,029
10. Securities lending reinvested collateral assets (Schedule DL)	0		0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,479,321,850	23,952,066	1,455,369,783	1,183,016,713
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	4,973,825		4,973,825	4,906,142
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	77,809,092	9,021	77,800,071	12,848,074
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	22,381,298	2,072,927	20,308,371	23,931,350
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	52,449,003		52,449,003	24,324,400
16.2 Funds held by or deposited with reinsured companies	379,538,126		379,538,126	372,694,841
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	5,893,189
18.2 Net deferred tax asset	33,255,229	1,246,643	32,008,586	40,810,215
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	70,992,983	67,597,020	3,395,963	2,283,158
21. Furniture and equipment, including health care delivery assets (\$)	3,983,105	3,983,105	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	7,811,723		7,811,723	124,698,423
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	61,544,015	12,318,048	49,225,967	50,526,920
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,194,060,249	111,178,830	2,082,881,418	1,845,933,425
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	2,194,060,249	111,178,830	2,082,881,418	1,845,933,425
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. ICOLI cash surrender value	47,902,996		47,902,996	49,028,226
2502. Prepaid expenses	10,148,364	10,148,364	0	0
2503. Agency Loans	2,123,404	2,123,404	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	1,369,251	46,280	1,322,971	1,498,694
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	61,544,015	12,318,048	49,225,967	50,526,920

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	544,188,127	531,167,441
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	58,492,921	3,789,474
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	92,701,133	90,745,645
4. Commissions payable, contingent commissions and other similar charges	13,404,326	13,832,850
5. Other expenses (excluding taxes, licenses and fees)	35,441,697	33,778,380
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,767,515	3,674,379
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	1,904,147	
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$	15,371,000	30,371,000
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$344,297,043 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	165,010,935	161,430,579
10. Advance premium	1,673,033	895,236
11. Dividends declared and unpaid:		
11.1 Stockholders	0	
11.2 Policyholders	0	(4,760)
12. Ceded reinsurance premiums payable (net of ceding commissions)	61,361,527	5,987,909
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	213,386,124	292,725,987
14. Amounts withheld or retained by company for account of others	4,321,953	3,779,405
15. Remittances and items not allocated	323,555	316,983
16. Provision for reinsurance (including \$0 certified) (Schedule F, Part 3, Column 78)	743,787	55,540
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	
18. Drafts outstanding	0	
19. Payable to parent, subsidiaries and affiliates	24,886,485	81,707,017
20. Derivatives	0	0
21. Payable for securities	833,450	1,196,062
22. Payable for securities lending	0	
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	38,131,158	48,056,506
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	1,274,942,872	1,303,505,633
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	1,274,942,872	1,303,505,633
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	5,000,000	
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	207,918,966	
35. Unassigned funds (surplus)	595,019,600	542,427,791
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)	807,938,566	542,427,791
38. TOTALS (Page 2, Line 28, Col. 3)	2,082,881,438	1,845,933,424
DETAILS OF WRITE-INS		
2501. Retiree benefit obligations	33,952,718	47,768,940
2502. Miscellaneous liabilities	3,151,658	(152,087)
2503. Reinsurance assumed overhead payable	967,335	486,446
2598. Summary of remaining write-ins for Line 25 from overflow page	59,446	(46,793)
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	38,131,158	48,056,506
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	351,422,609	347,765,991
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	176,712,465	182,848,238
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	53,011,406	52,248,499
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	110,289,519	111,406,077
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	340,013,391	346,502,814
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	11,409,217	1,263,177
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	37,126,586	28,828,391
10. Net realized capital gains or (losses) less capital gains tax of \$7,885,668 (Exhibit of Capital Gains (Losses))	29,669,473	(2,989,629)
11. Net investment gain (loss) (Lines 9 + 10)	66,796,059	25,838,762
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$1,254,426)	(1,254,426)	(1,213,048)
13. Finance and service charges not included in premiums	612,409	1,165,913
14. Aggregate write-ins for miscellaneous income	(1,060,819)	813,299
15. Total other income (Lines 12 through 14)	(1,702,836)	766,164
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	76,502,441	27,868,103
17. Dividends to policyholders	1,279,384	397,932
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)	75,223,057	27,470,171
19. Federal and foreign income taxes incurred	95,828	(1,410,279)
20. Net income (Line 18 minus Line 19)(to Line 22)	75,127,229	28,880,450
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	542,427,792	524,467,503
22. Net income (from Line 20)	75,127,229	28,880,450
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$1,379,565	22,392,387	36,002,102
25. Change in net unrealized foreign exchange capital gain (loss)	38,365	55,743
26. Change in net deferred income tax	(7,422,064)	(14,266,855)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(356,780)	(11,819,060)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(688,247)	(13,380)
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)	5,000,000	
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in	207,918,966	0
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)	0	0
37. Aggregate write-ins for gains and losses in surplus	(36,499,057)	(20,878,711)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	265,510,799	17,960,289
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	807,938,591	542,427,792
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)	0	0
1401. Change in ICOLI cash surrender value	(1,125,231)	5,667,569
1402. Miscellaneous income or expense	64,412	(4,854,270)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	(1,060,819)	813,299
3701. Miscellaneous gains / losses	(15,499,057)	(20,878,711)
3702. Surplus note forgiveness	(16,000,000)	
3703. Reclass for organizational restructure	(5,000,000)	
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	(36,499,057)	(20,878,711)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

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

	SSAP #	F/S Page	F/S Line #	2021	2020
NET INCOME					
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 75,127,229	\$ 28,880,450
(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	\$ 75,127,229	\$ 28,880,450
SURPLUS					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 807,938,547	\$ 542,427,791
(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	\$ 807,938,547	\$ 542,427,791

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

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

C. Accounting Policy

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

- (1) Basis for Short-Term Investments

Short-term investments consist of class 1 money market mutual funds, agencies, and treasury bonds. Short term investments are stated at amortized cost.
- (2) Basis for Bonds and Amortization Schedule

Bonds not back by other loans are stated at amortized cost using the scientific amortization method.
- (3) Basis for Common Stocks

Common Stocks are valued at market. However, investments in stocks of uncombined subsidiaries and affiliates in which the company has an interest of 20% or more are valued using the equity basis.
- (4) Basis for Preferred Stocks

Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32: Investments in Preferred Stock.
- (5) Basis for Mortgage Loans

The Company did not have any mortgage loans.
- (6) Basis for Loan-Backed Securities and Adjustment Methodology

Loan-backed securities are stated in accordance with the guidance provided in SSAP No. 43R: Loan-backed and Structured Securities. The restrospective adjustment method is used to value these securities.
- (7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities

The Company owns 100% of the common stock of Motorists Commercial Mutual Insurance Company, a property/casualty insurer; 100% of the common stock of MICO Insurance Company, a property/casualty insurer; 100% of the common stock of Encova Service Corporation, a software services and staffing company; and 100% of Consumers Insurance USA, Inc., a property/casualty insurer. Motorists Commercial Mutual Insurance Company, MICO Insurance Company and Consumers Insurance USA, Inc. are valued on an equity basis as described in Part 5, Section 2ciB1 of the Securities Valuation Handbook. Encova Service Corporation is valued on an equity basis as described in Part 5, Section 2ciB2 of the Securities Valuation Handbook.
- (8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities

The Company has investments in limited partnerships and limited liability companies. In accordance with SSAP No. 48: Joint Ventures, Partnerships and Limited Liability Companies, the investments are recorded using the equity method of accounting based on the underlying audited U.S. GAAP equity values of the holdings. The company also has partnership investments in low income housing tax credit properties. In accordance with SSAP No. 93: Accounting for Low Income Housing Tax Credit Property Investments, the investments are reported at amortized cost.
- (9) Accounting Policies for Derivatives

The Company does not hold any derivative instruments.
- (10) Anticipated Investment Income Used in Premium Deficiency Calculation

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53: Property/Casualty Contracts -Premiums.
- (11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses

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

The Encova Insurance Group standardized its thresholds for capitalization across all member companies. The Group also implemented updates for software licenses and maintenance agreements that allow amortization over service periods for material transactions.
- (13) Method Used to Estimate Pharmaceutical Rebate Receivables

The Company has no pharmaceutical rebate receivables to report.

D. Going Concern

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2 Accounting Changes and Corrections of Errors
Not Applicable

NOTE 3 Business Combinations and Goodwill
A. Statutory Purchase Method

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

1	2	3	4	5
Purchased Entity	Acquisition Date	Cost of Acquired Entity	Original Amount of Goodwill	Original Amount of Admitted Goodwill
Consumers Insurance Group, Inc.	08/31/2014	\$ 32,371,923	\$ 17,174,689	\$ 17,174,689
Total	XXX	\$ 32,371,923	\$ 17,174,689	\$ 17,174,689

1	6	7	8	9
Purchased Entity	Admitted Goodwill as of the Reporting Date	Amount of Goodwill Amortized During the Reporting Period	Book Value of SCA	Admitted Goodwill as a % of SCA BACV, Gross of Admitted Goodwill Col. 6/Col. 8
Consumers Insurance Group, Inc.	\$ 4,579,917	\$ 1,717,469	\$ 40,705,344	11.3% 0.0%
Total	\$ 4,579,917	\$ 1,717,469	\$ 40,705,344	XXX

- B. Statutory Merger
Not Applicable
- C. Impairment Loss
Not Applicable
- D. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill

(1) Capital & Surplus

Less:

- (2) Admitted Positive Goodwill
(3) Admitted EDP Equipment & Operating System Software
(4) Admitted Net Deferred Taxes

- (5) Adjusted Capital and Surplus (Line 1-2-3-4)
(6) Limitation on amount of goodwill (adjusted capital and surplus times 10% goodwill limitation [Line 5*10%])
(7) Current period reported Admitted Goodwill
(8) Current Period Admitted Goodwill as a % of prior period Adjusted Capital and Surplus (Line 7/Line 5)

Calculation of Limitation Using Prior Quarter Numbers	Current Reporting Period
\$ 814,207,180	XXX
\$ 4,579,917	XXX
\$ 3,395,963	XXX
\$ 32,008,586	XXX
\$ 774,222,714	XXX
\$ 77,422,271	XXX
XXX	\$ 32,008,586
XXX	4.1%

NOTE 4 Discontinued Operations

- A. Discontinued Operation Disposed of or Classified as Held for Sale
Not Applicable
- B. Change in Plan of Sale of Discontinued Operation
Not Applicable
- C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal
Not Applicable
- D. Equity Interest Retained in the Discontinued Operation After Disposal
Not Applicable

NOTE 5 Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans
Not Applicable
- B. Debt Restructuring
Not Applicable
- C. Reverse Mortgages
Not Applicable
- D. Loan-Backed Securities
(1) Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from market data vendors or borker dealer values.
- (2)-(3) Not Applicable
- (4) At December 31, 2021, the estimated fair value and gross unrealized losses for loan-backed securities, aggregated 'by length of time the securities have been in a continuous loss position were as follows:
- a)The aggregated amount of unrealized losses:
- | | |
|------------------------|--------------|
| 1. Less than 12 Months | \$ 2,229,570 |
| 2. 12 Months or Longer | \$ 97,751 |
- b)The aggregate related fair value of securities with unrealized losses:
- | | |
|------------------------|----------------|
| 1. Less than 12 Months | \$ 116,136,346 |
| 2. 12 Months or Longer | \$ 2,426,611 |
- (5) The company performed an analysis of loan-backed securities and determined that exposure to credit risk was not a factor and did not warrant any other-than-temporary impairments.
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions
Not Applicable

NOTES TO FINANCIAL STATEMENTS

- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing
Not Applicable
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Not Applicable
- H. Repurchase Agreements Transactions Accounted for as a Sale
Not Applicable
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Not Applicable
- J. Real Estate

(1) The Company did not recognize any impairment losses for investments in real estate during the periods reported.

(2) The Company did not sell or reclassify any real estate investments during the reporting period.

(3) There were no properties held for sale as of December 31, 2021.

(4) The Company did not engage in retail land sales operations during the periods reported.

(5) The Company did not hold any real estate investments with participating mortgage loan features during the periods reported.
- K. Low Income Housing tax Credits (LIHTC)

(1) As of December 31, 2021, the company's LIHTC investments did not have any remaining enexpired tax credits. There is not a required holding period for the LIHTC investments.

(2) There was \$523,622 in recognixed losses during the current year and \$371,609 in the prior year.

(3) The remaning LIHTC investments total \$217,352 as of December 31,2021

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

(5) Not applicable

(6) Not applicable

(7) Not applicable

L. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6	7
	1	2	3	4	5		
	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	\$ 4,172,000				\$ 4,172,000	\$ 3,866,400	\$ 305,600
j. On deposit with states	\$ 1,981,451				\$ 1,981,451	\$ 1,951,643	\$ 29,808
k. On deposit with other regulatory bodies					\$ -	\$ -	\$ -
l. Pledged collateral to FHLB (including assets backing funding agreements)	\$34,955,821				\$34,955,821	\$44,119,803	\$(9,163,982)
m. Pledged as collateral not captured in other categories					\$ -	\$ -	\$ -
n. Other restricted assets	\$ 8,106,011				\$ 8,106,011	\$ 8,104,944	\$ 1,067
o. Total Restricted Assets	\$49,215,283	\$ -	\$ -	\$ -	\$49,215,283	\$58,042,790	\$(8,827,507)

(a) Subset of Column 1

(b) Subset of Column 3

NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	Current Year			
	8	9	Percentage	
			10	11
	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		\$ 4,172,000	0.190%	0.200%
j. On deposit with states		\$ 1,981,451	0.090%	0.095%
k. On deposit with other regulatory bodies		\$ -	0.000%	0.000%
l. Pledged collateral to FHLB (including assets backing funding agreements)		\$34,955,821	1.593%	1.678%
m. Pledged as collateral not captured in other categories		\$ -	0.000%	0.000%
n. Other restricted assets		\$ 8,106,011	0.369%	0.389%
o. Total Restricted Assets	\$ -	\$49,215,283	2.243%	2.363%

(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)
Not Applicable

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

Description of Assets	Gross (Admitted & Nonadmitted) Restricted							8	Percentage	
	Current Year					6	7		9	10
	1	2	3	4	5					
	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
COMM 2018-COR3 A2	\$ 2,513,350				\$ 2,513,350	\$ 2,515,711	\$ (2,361)	\$ 2,513,350	0.115%	0.121%
TOTALENERGIES CAPITAL INT	\$ 4,990,544				\$ 4,990,544	\$ 4,986,632	\$ 3,912	\$ 4,990,544	0.227%	0.240%
UNIVERSITY TOLEDO OHIO G	\$ 250,000				\$ 250,000	\$ 250,000	\$ -	\$ 250,000	0.011%	0.012%
WFCM 2018-C47 A3	\$ 352,117				\$ 352,117	\$ 352,601	\$ (484)	\$ 352,117	0.016%	0.017%
Total (c)	\$ 8,106,011	\$ -	\$ -	\$ -	\$ 8,106,011	\$ 8,104,944	\$ 1,067	\$ 8,106,011	0.369%	0.389%

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

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements
Not Applicable

M. Working Capital Finance Investments
Not Applicable

N. Offsetting and Netting of Assets and Liabilities
Not Applicable

O. 5GI Securities
Not Applicable

P. Short Sales
Not Applicable

Q. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
1. Number of CUSIPs	3	
2. Aggregate Amount of Investment Income	\$ 336,779	

R. Reporting Entity's Share of Cash Pool by Asset Type
Not Applicable

NOTE 6 Joint Ventures, Partnerships and Limited Liability Companies
Not Applicable

NOTE 7 Investment Income
Not Applicable

NOTES TO FINANCIAL STATEMENTS

NOTE 8 Derivative Instruments
Not Applicable

NOTE 9 Income Taxes

A. Deferred Tax Assets/(Liabilities)

1. The components of the net deferred tax assets/(liabilities)

	2021			2020			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
(a) Gross Deferred Tax Assets	\$70,754,944	\$ 69,976	\$70,824,920	\$77,643,880	\$ 809,380	\$78,453,260	\$(6,888,936)	\$ (739,404)	\$(7,628,340)
(b) Statutory Valuation Allowance Adjustment									
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$70,754,944	\$ 69,976	\$70,824,920	\$77,643,880	\$ 809,380	\$78,453,260	\$(6,888,936)	\$ (739,404)	\$(7,628,340)
(d) Deferred Tax Assets Nonadmitted	\$ 1,246,643	\$ -	\$ 1,246,643	\$ 3,545,297	\$ -	\$ 3,545,297	\$(2,298,654)	\$ -	\$(2,298,654)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$69,508,301	\$ 69,976	\$69,578,277	\$74,098,583	\$ 809,380	\$74,907,963	\$(4,590,282)	\$ (739,404)	\$(5,329,686)
(f) Deferred Tax Liabilities	\$14,916,891	\$22,652,800	\$37,569,691	\$12,085,109	\$22,012,639	\$34,097,748	\$ 2,831,782	\$ 640,161	\$ 3,471,943
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$54,591,410	\$ (22,582,824)	\$32,008,586	\$62,013,474	\$ (21,203,259)	\$40,810,215	\$(7,422,064)	\$(1,379,565)	\$(8,801,629)

2. Admission Calculation Components SSAP No. 101

	2021			2020			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 1,234,578	\$ 5,603,997	\$ 6,838,575			\$ -	\$ 1,234,578	\$ 5,603,997	\$ 6,838,575
(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)	\$25,170,011	\$ -	\$25,170,011	\$40,810,213	\$ -	\$40,810,213	\$ (15,640,202)	\$ -	\$ (15,640,202)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$25,170,011	\$ -	\$25,170,011	\$40,810,213	\$ -	\$40,810,213	\$ (15,640,202)	\$ -	\$ (15,640,202)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	\$96,694,834	XXX	XXX	\$81,806,068	XXX	XXX	\$14,888,766
(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.	\$37,499,715	\$ 69,976	\$37,569,691	\$33,288,369	\$ 809,380	\$34,097,749	\$ 4,211,346	\$ (739,404)	\$ 3,471,942
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$63,904,304	\$ 5,673,973	\$69,578,277	\$74,098,582	\$ 809,380	\$74,907,962	\$ (10,194,278)	\$ 4,864,593	\$(5,329,685)

3. Other Admissibility Criteria

	2021	2020
a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	909.000%	767.000%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 644,632,230	\$ 545,373,788

4. Impact of Tax Planning Strategies

	2021		2020		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col. 1 - 3) Ordinary	(6) (Col. 2 - 4) Capital
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.						
1. Adjusted Gross DTAs amount from Note 9A1(c)	\$ 70,754,944	\$ 69,976	\$ 77,643,880	\$ 809,380	\$ (6,888,936)	\$ (739,404)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies						
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 69,508,301	\$ 69,976	\$ 74,098,583	\$ 809,380	\$ (4,590,282)	\$ (739,404)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies						

b. Do the Company's tax-planning strategies include the use of reinsurance? Yes [] No [X]

B. Deferred Tax Liabilities that are not recognized
Not Applicable

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

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

(1) 2021	(2) 2020	(3) (Col. 1 - 2) Change
\$ (1,047,092)	\$ (1,410,279)	\$ 363,187
\$ (1,047,092)	\$ (1,410,279)	\$ 363,187
\$ 7,885,668	\$ (729,563)	\$ 8,615,231
\$ 1,142,920		\$ 1,142,920
\$ 7,981,496	\$ (2,139,842)	\$ 10,121,338

NOTES TO FINANCIAL STATEMENTS

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
- (12) Tax credit carry-forward
- (13) Other (including items <5% of total ordinary tax assets)

(99) Subtotal

(b) Statutory valuation allowance adjustment

(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)

(1)	(2)	(3)
2021	2020	(Col. 1 - 2) Change
\$ 16,989,694	\$ 16,828,453	\$ 161,241
\$ 7,000,727	\$ 6,817,684	\$ 183,043
\$ 3,344,541	\$ 2,644,206	\$ 700,335
\$ 4,292,844	\$ 4,848,295	\$ (555,451)
\$ 16,196,662	\$ 16,769,809	\$ (573,147)
\$ 22,722,188	\$ 22,528,118	\$ 194,070
	\$ 7,031,351	\$ (7,031,351)
\$ 208,288	\$ 175,964	\$ 32,324
\$ 70,754,944	\$ 77,643,880	\$ (6,888,936)
\$ 1,246,643	\$ 3,545,297	\$ (2,298,654)
\$ 69,508,301	\$ 74,098,583	\$ (4,590,282)
\$ 69,976	\$ 809,380	\$ (739,404)
\$ 69,976	\$ 809,380	\$ (739,404)
\$ 69,976	\$ 809,380	\$ (739,404)
\$ 69,976	\$ 809,380	\$ (739,404)
\$ 69,578,277	\$ 74,907,963	\$ (5,329,686)

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)

(1)	(2)	(3)
2021	2020	(Col. 1 - 2) Change
\$ 6,989	\$ 31,667	\$ (24,678)
\$ 13,911,538	\$ 10,849,920	\$ 3,061,618
\$ 998,364	\$ 1,203,522	\$ (205,158)
\$ 14,916,891	\$ 12,085,109	\$ 2,831,782
\$ 22,652,800	\$ 22,012,639	\$ 640,161
\$ 22,652,800	\$ 22,012,639	\$ 640,161
\$ 37,569,691	\$ 34,097,748	\$ 3,471,943
\$ 32,008,586	\$ 40,810,215	\$ (8,801,629)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

Among the more significant book to tax adjustments were the following:

Provision computed at statutory rate
Change in nonadmitted assets
CI Tax exempt interest income deduction
CI Dividends received deduction
CI COLI
Non-deductible expenses
Other
Total statutory income taxes

Federal and foreign income taxes incurred
Realized capital gains (losses) tax
Change in net deferred income taxes
Total statutory income taxes

2021	
Amount	Effective Tax Rate (%)
\$ 17,373,163	21.0%
\$ (194,071)	-0.2%
\$ (534,634)	-0.7%
\$ (237,233)	-0.3%
\$ 236,298	0.3%
\$ 497,075	0.6%
\$ 1,301,018	1.6%
\$ 18,441,616	22.3%
\$ 7,981,496	9.7%
\$ -	%
\$ 10,460,120	12.6%
\$ 18,441,616	22.3%

E. Operating Loss and Tax Carry Forwards and Protective Tax Deposits

(1) At December 31, 2021, the Company did not have any operating loss or tax credit carry forwards.

(2) The following is income tax expense for current and preceding years that is available for recoupment in the event of future net losses:

Year Generated	Ordinary	Capital
2021	\$ 1,234,578	\$ 5,603,997

(3) The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

NOTES TO FINANCIAL STATEMENTS

F. Consolidated Federal Income Tax Return

(1) The Company's Federal income tax return is consolidated with the following entities:

AlleghenyPoint Insurance Company
BrickStreet Mutual Insurance Company
Consumers Insurance USA, Inc.
Encova Insurance Agency, Inc
Encova Service Corporation
Iowa American Insurance Company
Iowa Mutual Insurance Company
MCM Insurance Agency Inc of MA
MICO Insurance Company
Motorists Commercial Mutual Insurance Company
NorthStone Insurance Company
Phenix Mutual Fire Insurance Company
PinnaclePoint Insurance Company
SummitPoint Insurance Company
Wilson Mutual Insurance Company

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

G. Federal or Foreign Federal Income Tax Loss Contingencies

As of December 31, 2021, the Company had no unrecognized tax benefits.

H. Repatriation Transition Tax (RTT)

The Company is not subject to the Repatriation Transition Tax.

I. Alternative Minimum Tax (AMT) Credit

Not Applicable

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

A. Nature of the Relationship Involved

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

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

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

B. Transactions

On December 31, 2021, Encova Holdings, Inc. transferred ownership of Motorists Commercial Mutual Insurance Company to the Company through a dividend transaction. Also on December 31, 2021, the Company transferred 70% ownership in Encova Life Insurance Company to Motorists Commercial Mutual Insurance Company through a dividend transaction. No other assets were transferred by the Company.

On November 30, 2021, the Company made a capital contribution to MICO Insurance company of \$20.0 million.

Effective June 30, 2021, the Company's surplus notes held with Iowa Mutual Insurance Company and Wilson Mutual Insurance Company were forgiven and terminated without repayment required. There was a \$16,000,000 reduction to the Company's surplus due to derecognizing the asset held for each note and offsetting the activity in unassigned surplus.

Effective January 1, 2021, \$5,000,000 was reclassified out of unassigned surplus into common stock with the issuance of 1,000 shares to Encova Holdings, Inc. at a par value of \$5,000.

Encova Service Corporation has a balance of \$(22,890,589) million from its parent through an intercompany loan agreement. The balances, which were both recorded by Motorists Mutual as non-admitted assets, were used to fund the subsidiary's development of software applications and services. Encova Service Corporation has also initiated charges \$4,386,091 to Motorists Mutual for utilization of its developed software and other services.

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

Not Applicable

D. Amounts Due From or To Related Parties

As of December 31, 2021 and 2020, the Company reported net amounts due from/(due to) affiliates of \$(24,886,485) and \$42,991,406 respectively. All amounts were settled within 60 days.

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

See Note A

F. Guarantees or Undertakings

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

G. Nature of the Control Relationship

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

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

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

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

The Company had one affiliated investment in Motorists Commercial Mutual Insurance Company (MCMIC) that exceeded 10% of the Company's admitted assets during the period reported. MCMIC's affiliate value of \$263,272,870 was 12.6% of the Company's admitted assets of \$2,082,881,418. MCMIC is valued on an equity basis as described in Part 5, Section 2ciB1 of the Securities Valuation Handbook.

MCMIC's assets and liabilities as of 12/31/2021 were \$824,242,758. The net income was \$263,272,870.

NOTES TO FINANCIAL STATEMENTS

- J. Investments in Impaired SCAs
The Company did not recognize any impairment write-downs for investments in subsidiary, controlled, or affiliated entities during the periods reported.
- K. Investment in Foreign Insurance Subsidiary
The Company did not have any investments in foreign insurance subsidiaries during the periods reported.
- L. Investment in Downstream Noninsurance Holding Company
The Company did not have any investments in downstream non-insurance holding companies.
- M. All SCA Investments
The Company held SCA Investments during the periods reported.

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

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

(2) NAIC Filing Response Information

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

* S1 - Sub-1, S2 - Sub-2 or RDF - Resubmission of Disallowed Filing
** I - Immaterial or M - Material

- N. Investment in Insurance SCAs
The Company did not hold any insurance SCA investments that departed from the NAIC statutory accounting practices and procedures.
- O. SCA or SSAP 48 Entity Loss Tracking
Not Applicable

NOTES TO FINANCIAL STATEMENTS

NOTE 11 Debt

A. Debt, Including Capital Notes

The Company has entered into monthly fixed rate advances from FHLB. Total advances of \$15,371,000 have been taken since the inception of the fixed rate advances in November 2018. The latest fixed rate is a rate of 0.21% for a 4 week period. Interest in the amount of \$31,450.32 was charged in 2021.

B. FHLB (Federal Home Loan Bank) Agreements

(1) Nature of the FHLB Agreement

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

(2) FHLB Capital Stock

a. Aggregate Totals

	1	2	3
	Total 2+3	General Account	Protected Cell Accounts
1. Current Year			
(a) Membership Stock - Class A			
(b) Membership Stock - Class B	\$ 1,854,252	\$ 1,854,252	
(c) Activity Stock	\$ 691,695	\$ 691,695	
(d) Excess Stock	\$ 1,626,053	\$ 1,626,053	
(e) Aggregate Total (a+b+c+d)	\$ 4,172,000	\$ 4,172,000	\$ -
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	\$ 50,000,000	XXX	XXX
2. Prior Year-end			
(a) Membership Stock - Class A			
(b) Membership Stock - Class B	\$ 2,805,218	\$ 2,805,218	\$ -
(c) Activity Stock	\$ 1,061,182	\$ 1,061,182	\$ -
(d) Excess Stock			
(e) Aggregate Total (a+b+c+d)	\$ 3,866,400	\$ 3,866,400	\$ -
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	\$ 50,000,000	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			
	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	3	4	5	6
			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						
2. Class B	\$ 1,854,252	\$ 1,854,252				

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)	\$ 39,296,359	\$ 34,955,821	\$ 15,371,000
2. Current Year General Account Total Collateral Pledged	\$ 39,296,359	\$ 34,955,821	\$ 15,371,000
3. Current Year Protected Cell Account Total Collateral Pledged			
4. Prior Year-end Total General and Protected Cell Account Total Collateral Pledged	\$ 49,062,388	\$ 44,119,803	\$ 30,371,000

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

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

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

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

b. Maximum Amount Pledged During Reporting Period

	1	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)	\$ 48,159,763	\$ 43,263,262	\$ 30,371,000
2. Current Year General Account Maximum Collateral Pledged	\$ 48,159,763	\$ 43,263,262	\$ 30,371,000
3. Current Year Protected Cell Account Maximum Collateral Pledged			
4. Prior Year-end Total General and Protected Cell Account Maximum Collateral Pledged	\$ 50,762,479	\$ 51,323,627	\$ 9,498,000

NOTES TO FINANCIAL STATEMENTS

(4) Borrowing from FHLB

a. Amount as of Reporting Date

	1	2	3	4
	Total 2+3	General Account	Protected Cell Account	Funding Agreements Reserves Established
1. Current Year				
(a) Debt	\$ 15,371,000	\$ 15,371,000		XXX
(b) Funding Agreements				
(c) Other				XXX
(d) Aggregate Total (a+b+c)	\$ 15,371,000	\$ 15,371,000	\$ -	\$ -
2. Prior Year end				
(a) Debt	\$ 30,371,000	\$ 30,371,000	\$ -	XXX
(b) Funding Agreements				
(c) Other				XXX
(d) Aggregate Total (a+b+c)	\$ 30,371,000	\$ 30,371,000	\$ -	\$ -

b. Maximum Amount During Reporting Period (Current Year)

	1	2	3
	Total 2+3	General Account	Protected Cell Account
1. Debt	\$ 30,371,000	\$ 30,371,000	\$ -
2. Funding Agreements			
3. Other			
4. Aggregate Total (1+2+3)	\$ 30,371,000	\$ 30,371,000	\$ -

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

c. FHLB - Prepayment Obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt	No
2. Funding Agreements	No
3. Other	No

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

A. Defined Benefit Plan

(1) Change in benefit obligation

a. Pension Benefits

	Overfunded		Underfunded	
	2021	2020	2021	2020
1. Benefit obligation at beginning of year	\$ -	\$ -	\$ 80,961,365	\$ 70,650,621
2. Service cost				
3. Interest cost		0	1,539,154	2,005,014
4. Contribution by plan participants				
5. Actuarial gain (loss)		0	-3,495,522	9,487,928
6. Foreign currency exchange rate changes				
7. Benefits paid		0	-1,272,009	-1,182,198
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$ -	\$ -	\$ 77,732,988	\$ 80,961,365

b. Postretirement Benefits

	Overfunded		Underfunded	
	2021	2020	2021	2020
1. Benefit obligation at beginning of year	\$ 18,421,764	\$ 19,036,645	\$ -	
2. Service cost	128,160	124,084		
3. Interest cost	316,590	503,136		
4. Contribution by plan participants	863,739	1,073,893		
5. Actuarial gain (loss)	-10,427,567	118,796		
6. Foreign currency exchange rate changes				
7. Benefits paid	-1,676,366	-2,434,790		
8. Plan amendments	28,345			
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$ 7,654,665	\$ 18,421,764	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

c. Special or Contractual Benefits Per SSAP No. 11						
	Overfunded		Underfunded			
	2021	2020	2021	2020		
1. Benefit obligation at beginning of year	\$ -	\$ -	\$ 36,246,378	\$ 34,543,508		
2. Service cost						
3. Interest cost		\$ -	621,683	931,266		
4. Contribution by plan participants						
5. Actuarial gain (loss)		\$ -	-727,282	2,953,367		
6. Foreign currency exchange rate changes						
7. Benefits paid		\$ -	-2,188,060	-2,181,763		
8. Plan amendments						
9. Business combinations, divestitures, curtailments, settlements and special termination benefits						
10. Benefit obligation at end of year	\$ -	\$ -	\$ 33,952,719	\$ 36,246,378		
	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2021	2020	2021	2020	2021	2020
(2) Change in plan assets						
a. Fair value of plan assets at beginning of year	\$ 68,604,998	\$ 60,646,523	\$ 20,280,080	\$ 18,714,676	\$ -	\$ -
b. Actual return on plan assets	1,249,681	9,140,673	307,836	2,975,469		0
c. Foreign currency exchange rate changes						
d. Reporting entity contribution		0	-12,029	-49,168		0
e. Plan participants' contributions		0	863,739	1,073,893		0
f. Benefits paid	-1,272,009	-1,182,198	-1,676,366	-2,434,790		0
g. Business combinations, divestitures and settlements						
h. Fair value of plan assets at end of year	\$ 68,582,670	\$ 68,604,998	\$ 19,763,260	\$ 20,280,080	\$ -	\$ -
(3) Funded status						
	Pension Benefits		Postretirement Benefits			
	2021	2020	2021	2020		
a. Components:						
1. Prepaid benefit costs						
2. Overfunded plan assets						
3. Accrued benefit costs						
4. Liability for pension benefits						
b. Assets and liabilities recognized:						
1. Assets (nonadmitted)						
2. Liabilities recognized			\$ (9,150,318)	\$ (12,356,367)	\$ 12,108,595	\$ 1,858,316
c. Unrecognized liabilities						
	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2021	2020	2021	2020	2021	2020
(4) Components of net periodic benefit cost						
a. Service cost		\$ -	\$ 128,160	\$ 124,084		\$ -
b. Interest cost	1,539,154	2,005,014	316,590	503,136		0
c. Expected return on plan assets	-2,389,575	-2,819,555	-698,565	-853,136		0
d. Transition asset or obligation						
e. Gains and losses	-2,355,628	3,166,810	10,036,838	-2,003,537		0
f. Prior service cost or credit		0	-287,546	-291,887		0
g. Gain or loss recognized due to a settlement or curtailment						
h. Total net periodic benefit cost	\$ (3,206,049)	\$ 2,352,269	\$ 9,495,477	\$ (2,521,340)	\$ -	\$ -
(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost						
	Pension Benefits		Postretirement Benefits			
	2021	2020	2021	2020		
a. Items not yet recognized as a component of net periodic cost - prior year	\$ -	\$ -	\$ (593,822)	\$ (885,709)		
b. Net transition asset or obligation recognized						
c. Net prior service cost or credit arising during the period				28,345		
d. Net prior service cost or credit recognized				287,546		291,887
e. Net gain and loss arising during the period			-2,355,628	3,166,810	10,036,838	-2,003,537
f. Net gain and loss recognized			2,355,628	-3,166,810	-10,036,838	2,003,537
g. Items not yet recognized as a component of net periodic cost - current year	\$ -	\$ -	\$ -	\$ -	\$ (277,931)	\$ (593,822)
(6) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost						
	Pension Benefits		Postretirement Benefits			
	2021	2020	2021	2020		
a. Net transition asset or obligation						
b. Net prior service cost or credit			\$ -	\$ -	\$ (277,931)	\$ (593,822)
c. Net recognized gains and losses						

NOTES TO FINANCIAL STATEMENTS

(7) Weighted-average assumptions used to determine net periodic benefit cost as of the end of current period:
The Company has three retiree medical plan options. For measurement purposes, the 2021 assumed annual rate of increase in the per capital cost of covered health care benefits was 6.3% for retirees under age 65, 0% for retirees 65 and older not in the MAPD plan and 3.0% for retirees 65 and older in the MAPD Plan. The rate was assumed to decrease over time until an ultimate increase rate of 4.5% is attained in 2028 for retirees other than those covered by the MAPD Plan.

	2021	2020
a. Weighted average discount rate	2.340%	3.110%
b. Expected long-term rate of return on plan assets	3.520%	4.700%
c. Rate of compensation increase		
d. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)		

Weighted average assumptions used to determine projected benefit obligations as of end of current period:

	2021	2020
e. Weighted average discount rate	2.690%	2.340%
f. Rate of compensation increase		
g. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)		

(8) Accumulated Benefit Obligation for Defined Benefit Pension Plans
The amount of accumulated benefit obligation for defined benefit pension plans as of December 31, 2021 and 2020 was \$77,732,988 and \$80,961,998, respectively.

(9) For Postretirement Benefits Other Than Pensions, the Assumed Health Care Cost Trend Rate(s)
Employer retiree healthcare costs assume a 3% increase for all future years to reflect the maximum employer increase in premiums.

	Amount
a. 2022	\$ 2,484,517
b. 2023	\$ 2,533,766
c. 2024	\$ 2,768,108
d. 2025	\$ 3,094,916
e. 2026	\$ 3,414,125
f. 2027 through 2031	\$ 20,554,831

(11) Estimate of Contributions Expected to be Paid to the Plan.
In 2022, the Company intends to make contributions to the pension plan, postretirement plan and postemployment plans in the amounts of \$0, \$81,986 and \$2,178,524, respectively.

(12) Amounts and Types of Securities Included in Plan Assets
As of December 31, 2021, none of the Company's securities or those of related parties were included in plan assets. The Company or related parties did not issue insurance contracts covering plan participant benefits, and there were no significant transactions between the plan and the Company or related parties during the period.

(13) Alternative Method Used to Amortize Prior Service Amounts or Net Gains and Losses
The Company did not use an alternate amortization method to amortize prior service amounts. Beginning in 2017, the Company moved to a mark-to-market approach for recognizing net gains and losses.

(14) Substantive Comment Used to Account for Benefit Obligation
The Company did not use any substantive commitments as a basis for accounting for the benefit obligations.

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

(16) Significant Change in the Benefit Obligation or Plan Assets
All significant changes in the Company's benefit obligation and assets are presented in the disclosure.

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

(18) Full Transition Surplus Impact of SSAP 102
The Company adopted SSAP No. 92, Accounting for Postretirement Benefits Other than Pensions and SSAP No. 102, Accounting for Pensions as of January 31, 2013 and elected to recognize the surplus impact using the deferral method. As of December 31, 2020, there was no remaining transition

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

C. The fair value of each class of plan assets

(1) Fair Value Measurements of Plan Assets at Reporting Date

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
Cash and cash equivalents	\$ 954,027			\$ 954,027
Small cap	1,776,398			1,776,398
Large cap	5,290,356			5,290,356
International equity	3,356,853			3,356,853
Pooled separate acct/commingled	0	76,968,295		76,968,295
Total Plan Assets	\$ 11,377,634	\$ 76,968,295	\$ -	\$ 88,345,929

(2) Information about the valuation technique(s) and inputs used to measure fair value and discussion of changes in valuation techniques and inputs, if any,
The company uses the market approach

D. Basis Used to Determine Expected Long-Term Rate-of-Return on Assets Assumption
The expected long-term rate of return for the plan's total assets is based on the expected return of each category, weighted based on the median of the target allocation for each class.

NOTES TO FINANCIAL STATEMENTS

- E. Defined Contribution Plan
The Company sponsors an Incentive Savings Plan under Section 401(k) of the Internal Revenue Code sponsored by its parent, Motorists Mutual Insurance Company covering substantially all of its employees. The Plan matches employee contributions of 5% and 7% of total eligible compensation for 2021 and 2020, respectively. Employer contributions are immediately vested. The Company contributions to the plan were \$4,883,812 and \$7,367,302 for 2021 and 2020, respectively. All of the expenses associated with this Plan are allocated to the Group via the cost allocation model. The Company also participates two Non-qualified Supplemental Retirement Plans, sponsored by BrickStreet Insurance, for selected employees. One plan provides for contributions at the Group's discretion on a yearly basis. The other was composed of a single contribution for selected employees. Employees vest at age 60 or when certain vesting events occur. The Company participates a long term incentive deferred compensation plan, sponsored by BrickStreet Insurance, that provides for deferred bonuses for selected executives and other employees. Employees are credited with deferred amounts when the Group hits certain targets and, if they remain with the Group for the required time periods, the amounts will be paid out. All of the expenses associated with this Plan are allocated to the Group via the cost allocation model.
- F. Multiemployer Plans
Not Applicable
- G. Consolidated/Holding Company Plans
The company's subsidiaries and affiliates participated in defined benefit plans sponsored by the company during the years reported. Plan costs were allocated to the participating affiliates and subsidiaries based on cost sharing and/or intercompany pooling arrangements. See Note 2 for periodic pension plan costs and mark-to-market adjustments for the company and its property/casualty affiliates.
- H. Postemployment Benefits and Compensated Absences
The Company's financial records include adequate accruals for all postemployment benefit obligations and compensated absences.
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

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

(2) Effects of the Subsidy in Measuring the Net Postretirement Benefit Cost
The results of that measurement were included in the Company's 2004 financial records. The Act had no impact on the statutory expense for the periods

(3) Disclosure of Gross Benefit Payments
Not Applicable

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

- A. Number of Share and Par or State Value of Each Class
As of December 31, 2021, the Company had 1,000 capital stock shares authorized, issued, and outstanding, with a par value of \$5,000.
- B. Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues
Not Applicable
- C. Dividend Restrictions
Not Applicable
- D. Dates and Amounts of Dividends Paid
Not Applicable
- E. Profits that may be Paid as Ordinary Dividends to Stockholds
Not Applicable
- F. Restrictions Places on Unassigned Funds (Surplus)
Not Applicable
- G. Amount of Advances to Surplus not Repaid
Not Applicable
- H. Amount of Stock Held for Special Purposes
Not Applicable
- I. Reasons for Changes in Balance of Special Surplus Funds from Prior Period
Not Applicable
- J. The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is \$125,127,096.
- K. The Company Issued the Following Surplus Debentures or Similar Obligations
Not Applicable
- L. The Impact of Any Restatement Due to Prior Quasi-Reorganizations is as Follows
Not Applicable
- M. Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization
Not Applicable

NOTES TO FINANCIAL STATEMENTS

NOTE 14 Liabilities, Contingencies and Assessments

A. Contingent Commitments

(1) Total contingent liabilities:

The Company makes commitments to fund partnership investments in the normal course of business. The amount of these unfunded commitments is \$12,360,746 as of December 31, 2021.

(2) Detail of other contingent commitments

(1)	(2)	(3)	(4)	(5)
Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted.	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted
Commercial bank loan guarantee for three agencies with various terms, extending to 2028		Expense	\$ 1,295,248	All loans are current in payments of principal and interest. The likelihood of the company having to make any payments is remote.
Adams Street 2012 Global Fund LP		Joint Venture	\$ 2,177,600	All current capital calls have been funded.
Arcmont Direct Lending Fund III (USD) Special Limited Partnership		Joint Venture	\$ 8,042,724	All current capital calls have been funded.
HarbourVest Partners, LLC		Joint Venture	\$ 1,927,922	All current capital calls have been funded.
Park Street Capital Private Equity Fund LP		Joint Venture	\$ 212,500	All current capital calls have been funded.
Total	\$ -	XXX	\$ 13,655,994	XXX

(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.)	\$ 13,655,994
b. Current Liability Recognized in F/S:	
1. Noncontingent Liabilities	
2. Contingent Liabilities	
c. Ultimate Financial Statement Impact if action under the guarantee is required:	
1. Investments in SCA	
2. Joint Venture	\$ 12,360,746
3. Dividends to Stockholders (capital contribution)	
4. Expense	\$ 1,295,248
5. Other	
6. Total (Should equal (3)a.)	\$ 13,655,994

B. Assessments

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

The Company is subject to guaranty fund and other assessments by the states in which it conducts business. Guaranty fund assessments are accrued upon notification of the insolvency. Other assessments are recognized 1) when assessed by a state, 2) when premiums are written for premium-based assessments, or 3) when losses are incurred for loss based assessments. Incurred assessments are subject to the intercompany pooling arrangement described in Note 26. The company's net paid guaranty fund assessments totaled \$147,723.26 and \$60,868.25 for the years ended December 31, 2021 and 2020, respectively. The company's net accrued liabilities for guaranty funds were \$321,358.76 and \$300,144.89 as of December 31, 2021 and 2020, respectively. Per the accounting practices and procedures prescribed by the company's state of domicile, receivables for premium tax credits are not reflected in the accompanying financial statements.

(2) Assessments

Not Applicable

(3) Undiscounted and Discounted Guaranty Fund Assessments

Not Applicable

C. Gain Contingencies

Not Applicable

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

Direct

(1) The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits

(2) Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period

(3) Indicate whether claim count information is disclosed per claim or per claimant

E. Product Warranties

(1)-(2) Not Applicable

F. Joint and Several Liabilities

Not Applicable

G. All Other Contingencies

Not Applicable

NOTES TO FINANCIAL STATEMENTS

NOTE 15 Leases

- A. Lessee Operating Lease:
- (1) The Company has allocated expenses related to leases of building space, vehicles, and various office equipment. The Company recognized expense for the years ending December 31, 2021 and 2020 of \$470,667 and \$367,389, respectively.
- (2) a. At December 31, 2021, the minimum aggregate rental commitments are as follows:
- | | |
|----------|------------------|
| | Operating Leases |
| 1. 2022 | \$ 5,480,486 |
| 2. 2023 | \$ 4,495,959 |
| 3. 2024 | \$ 3,611,367 |
| 4. 2025 | \$ 222,145 |
| 5. 2026 | \$ 228,810 |
| 6. Total | \$ 14,557,839 |
- (3) For Sale-Leaseback Transactions
- Not applicable
- B. Lessor Leases
- Not applicable

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

Not Applicable

NOTE 17 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales
- Not Applicable
- B. Transfer and Servicing of Financial Assets
- Not Applicable
- C. Wash Sales
- Not Applicable

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

Not Applicable

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

Not Applicable

NOTE 20 Fair Value Measurements

- A. Fair Value Measurements
- (1) Fair Value Measurements at Reporting Date
- SSAP No. 100, Fair Value Measurements, clarifies the definition of estimated fair value and establishes a hierarchy for measuring estimated fair value. The hierarchy established by this standard consists of three levels to indicate the quality of the estimated fair value measurements as described below:
- Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: Unadjusted quoted prices for identical assets or liabilities in active markets that are readily and regularly obtainable.
- Level 2 - Significant Other Observable Inputs: Quoted prices in markets that are not active or inputs that are observable either directly or indirectly. These inputs can include quoted prices for similar but not identical assets or liabilities other than quoted prices in Level 1.
- Level 3 - Significant Unobservable Inputs: Unobservable inputs that are supported by little or no market activity and are significant to the determination of estimated fair value of assets or liabilities. Unobservable inputs reflect the entity's assumptions about the assumptions that market participants would use in pricing the asset or liability.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Common Stocks, unaffiliated	\$ 178,636,518	\$ 2,685	\$ 5,778,697		\$ 184,417,901
Total assets at fair value/NAV	\$ 178,636,518	\$ 2,685	\$ 5,778,697	\$ -	\$ 184,417,901

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 at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

(2) Fair Value Measurements in (Level 3) of the Fair Value hierarchy

Description	Beginning Balance at 01/01/2021	Transfers into Level 3	Transfers out of Level 3	total gains and (losses) included in Net Income	total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2021
a. Assets										
Common Stocks, unaffiliated	\$ 4,966,710				\$ 811,991			\$ (3)		\$ 5,778,697
Total Assets	\$ 4,966,710	\$ -	\$ -	\$ -	\$ 811,991	\$ -	\$ -	\$ (3)	\$ -	\$ 5,778,697

Description	Beginning Balance at 01/01/2021	Transfers into Level 3	Transfers out of Level 3	(losses) included in Net Income	(losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2021
b. Liabilities										
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

- (3)

Policies when Transfers Between Levels are Recognized

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1, 2 or 3. The Company had no transfers into or out of any of the levels during the years ended December 31, 2021 and 2020.
- (4)

Description of Valuation Techniques and Inputs Used in Fair Value Measurement

Common Stocks, unaffiliated- According to statutory accounting rules, common stocks are reported at fair value.
- (5)

Fair Value Disclosures

Not Applicable

- B.

Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Not Applicable

- C.

Fair Value Level

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

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 786,295,509	\$ 756,493,474		\$ 786,295,509			
Common Stocks, unaffiliated	\$ 184,417,901	\$ 184,417,901	\$ 178,636,518	2,685	5,778,697		

Bonds and Common Stocks
Bonds, Cash, and Short-term Investments

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

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

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

The estimated fair value of cash approximates carrying value and is classified as Level 1 given the nature of cash.

- D.

Not Practicable to Estimate Fair Value

Not Applicable
- E.

NAV Practical Expedient Investments

Not Applicable

NOTE 21 Other Items

- A.

Unusual or Infrequent Items

Not Applicable
- B.

Troubled Debt Restructuring: Debtors

Not Applicable
- C.

Other Disclosures

Not Applicable
- D.

Business Interruption Insurance Recoveries

Not Applicable
- E.

State Transferable and Non-transferable Tax Credits

Not Applicable
- F.

Subprime Mortgage Related Risk Exposure

(1)

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

The Company does not engage in subprime residential mortgage lending.

The Company's exposure to subprime lending is limited to investments within the fixed maturity investment portfolio which contains securities collateralized by mortgages that might have characteristics of subprime lending such as adjustable rate mortgages and alternative documentation mortgages. Currently the Company has no exposure to subprime loans within the fixed maturity investment portfolio.

(2)

Direct exposure through investments in subprime mortgage loans.

Not Applicable

NOTES TO FINANCIAL STATEMENTS

(3) Direct exposure through other investments.

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 380,646	\$ 379,298	\$ 382,402	
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investment in SCAs *				
f. Other assets				
g. Total	\$ 380,646	\$ 379,298	\$ 382,402	\$ -

* These investments comprise of the companies invested assets.

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.
Not Applicable

G. Insurance-Linked Securities (ILS) Contracts
Not Applicable

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

	Amount	Percent
(1) Amount of admitted balance that could be realized from an investment vehicle	\$ 47,902,995	
(2) Percentage Bonds		0%
(3) Percentage Stocks		89.59%
(4) Percentage Mortgage Loans		0%
(5) Percentage Real Estate		0%
(6) Percentage Cash and Short-Term Investments		10.31%
(7) Percentage Derivatives		0%
(8) Percentage Other Invested Assets		0.10%

NOTE 22 Events Subsequent

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

Subsequent events have been considered through February 24, 2022 for these statutory financial statements which are to be issued on March 1, 2022.

A. Federal Affordable Care Act (YES/NO)? Yes [] No [X]

	2021	2020
B. ACA Fee Assessment Payable for the Upcoming Year	\$ -	\$ -
C. ACA Fee Assessment Paid	\$ -	\$ -
D. Premium Written Subject to ACA 9010 Assessment	\$ -	\$ -
E. Total Adjusted Capital Before Surplus Adjustment (Five-Year Historical Line 28)	\$ 814,207,180	\$ 542,427,791
F. Total Adjusted Capital After Surplus Adjustment (Five-Year Historical Line 28 minus 22B above)	\$ 814,207,180	\$ 542,427,791
G. Authorized Control Level (Five-Year Historical Line 29)	\$ 89,576,558	\$ 70,719,737

H. (YES/NO)? Yes [] No [X]

NOTE 23 Reinsurance

A. Unsecured Reinsurance Recoverables
Individual Reinsurers with Unsecured Reinsurance Recoverables Exceeding 3% of Policyholder Surplus

Individual Reinsurers Who Are Members of a Group

Group Code	FEIN	Reinsurer Name	Unsecured Amount
12372	20-2394166	BrickStreet Mutual Insurance Company	\$ 1,068,032,145
13331	41-0299900	Motorists Commercial Mutual Ins Company	\$ 229,181,898
10204	62-1590861	Consumers Insurance USA Inc	\$ 46,726,406
14338	42-0333120	Iowa Mutual Insurance Company	\$ 37,826,138
19950	39-0739760	Wilson Mutual Insurance Company	\$ 37,826,138
23175	02-0178290	Phenix Mutual Fire Insurance Company	\$ 35,601,072
00000	AA-9991159	Michigan Catastrophic Claims Association	\$ 28,641,284

B. Reinsurance Recoverable in Dispute
Not Applicable

C. Reinsurance Assumed and Ceded
(1)

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 455,361,585	\$ 56,705,894	\$ 344,282,073	\$ 43,633,929	\$ 111,079,512	\$ 13,071,965
b. All Other	\$ 4,799,547	\$ 920,770	\$ 14,970	\$ 943,790	\$ 4,784,577	\$ (23,020)
c. Total	\$ 460,161,132	\$ 57,626,664	\$ 344,297,043	\$ 44,577,719	\$ 115,864,089	\$ 13,048,945
d. Direct Unearned Premium Reserve						\$ 49,146,846

NOTES TO FINANCIAL STATEMENTS

(2)

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 1,450,792			\$ 1,450,792
b. Sliding Scale Adjustments				
c. Other Profit Commission Arrangements				
d. TOTAL	\$ 1,450,792	\$ -	\$ -	\$ 1,450,792

(3) Not Applicable

- D. Uncollectible Reinsurance
Not Applicable
- E. Commutation of Reinsurance Reflected in Income and Expenses.
Not Applicable
- F. Retroactive Reinsurance
Not Applicable
- G. Reinsurance Accounted for as a Deposit
Not Applicable
- H. Disclosures for the Transfer of Property and Casualty Run-off Agreements
Not Applicable
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
Not Applicable
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation
Not Applicable
- K. Reinsurance Credit
Not Applicable

NOTE 24 Retrospectively Rated Contracts & Contracts Subject to Redetermination

- F. Risk Sharing Provisions of the Affordable Care Act provisions (YES/NO)?

Yes [] No [X]
- (2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year
Not applicable
- (3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance.
Not applicable
- (4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year
Not applicable
- (5) ACA Risk Corridors Receivable as of Reporting Date
Not applicable

NOTE 25 Change in Incurred Losses and Loss Adjustment Expenses

Reserves for the Company's incurred losses and loss adjustment expenses (after intercompany pooling) are attributable to insured events of prior years, which reflect favorable development totaling \$81,188,111. The development can be attributed primarily to the re-estimation of unpaid losses and loss adjustment expenses in the workers' compensation, commercial auto liability, private passenger auto liability, commercial multi perils, auto physical damage, products liability and other lines of business. The changes reflected in these lines were generally the result of recent development trends. There were not any premium adjustments made as a result of this loss and loss adjustment expense development.

NOTE 26 Intercompany Pooling Arrangements

- A. Identification of the Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

	NAIC Company Code	Pooling Percentage
Lead Entity and all Affiliated Entities		
Motorists Mutual Insurance Company (Lead Entity)	14621	32.4%
BrickStreet Mutual Insurance Company	12372	48.0%
Motorists Commercial Mutual Insurance Company	13331	10.3%
Consumers Insurance USA, Inc.	10204	2.1%
Iowa Mutual Insurance Company	14338	1.7%
Wilson Mutual Insurance Company	19950	1.7%
Phenix Mutual Fire Insurance Company	23175	1.6%
PinnaclePoint Insurance Company	15137	0.8%
SummitPoint Insurance Company	15136	0.8%
Iowa American Insurance Company	31577	0.6%
MICO Insurance Company	40932	%
NorthStone Insurance Company	13045	%
AlleghenyPoint Insurance Company	13016	%
- B. Description of Lines and Types of Business Subject to the Pooling Agreement
The pooling arrangement covered premiums, losses and underwriting expenses for all lines during the year. Related finance and service charge income, agent and premium balance charge-offs, deficiency reserves, and policyholder dividends were also subject to the pooling arrangement.
- C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement
Each Company recognized facultative and treaty reinsurance cessions with unaffiliated reinsurers prior to the administration of the intercompany pooling agreement.
- D. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers
As the lead insurer, Motorists Mutual assumed all net premiums, losses, loss adjustment expenses, and underwriting expenses and then ceded each pool participant its share of the pool.

NOTES TO FINANCIAL STATEMENTS

- E. Explanation of Discrepancies Between Entries of Pooled Business
There are no discrepancies between any entries regarding pooled business on the assumed and ceded reinsurance schedules of other pooled participants.
- F. Description of Intercompany Sharing
Underwriting-related balance sheet items such as premiums receivable, installments, reinsurance assumed premium receivables and loss payables, reinsurance ceded premium payables and loss receivables, general expense receivables and payables, funds held balances, advanced premiums, and outstanding drafts were also pooled.
- G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool
As of December 31, 2021, the lead company reported an aggregate pooling-related balance of \$23,714,417 payable to the other pool participants.

NOTE 27 Structured Settlements

	Loss Reserves Eliminated by Annuities	Unrecorded Loss Contin- gencies
A. Reserves No Longer Carried	\$ 3,494,122	\$ 3,484,145
B. Annuities Which Equal or Exceed 1% of Policyholders' Surplus As of December 31, 2021, there were not any amounts in excess of 1% of the company's surplus due for annuities from any one life insurance company associated with purchased annuities for which the company did not receive a release of liability from the claimant.		

NOTE 28 Health Care Receivables

Not Applicable

NOTE 29 Participating Policies

Not Applicable

NOTE 30 Premium Deficiency Reserves

As of December 31, 2021 the Company reported no premium deficiency reserves.

(1) Liability carried for premium deficiency reserves	\$ -
(2) Date of the most recent evaluation of this liability	01/21/2022
(3) Was anticipated investment income utilized in the calculation?	Yes [X] No []

NOTE 31 High Deductibles

Not Applicable

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

Not Applicable

NOTE 33 Asbestos/Environmental Reserves

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

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

(1) Direct

	2017	2018	2019	2020	2021
a. Beginning reserves:	\$ 3,622,877	\$ 3,425,381	\$ 2,966,122	\$ 3,861,485	\$ 5,712,163
b. Incurred losses and loss adjustment expense:	\$ 168,263	\$ (227,991)	\$ 1,086,191	\$ 2,508,917	\$ (564,920)
c. Calendar year payments for losses and loss adjustment expenses:	\$ 365,759	\$ 231,268	\$ 190,828	\$ 658,239	\$ 2,272,938
d. Ending reserves:	\$ 3,425,381	\$ 2,966,122	\$ 3,861,485	\$ 5,712,163	\$ 2,874,305

(2) Assumed Reinsurance

	2017	2018	2019	2020	2021
a. Beginning reserves:	\$ 712,478	\$ 1,067,854	\$ 1,034,255	\$ 1,017,101	\$ 827,523
b. Incurred losses and loss adjustment expense:	\$ 440,916	\$ (215)	\$ 19,500	\$ (155,944)	\$ 1,105
c. Calendar year payments for losses and loss adjustment expenses:	\$ 85,540	\$ 33,384	\$ 36,654	\$ 33,634	\$ 22,704
d. Ending reserves:	\$ 1,067,854	\$ 1,034,255	\$ 1,017,101	\$ 827,523	\$ 805,924

(3) Net of Ceded Reinsurance

	2017	2018	2019	2020	2021
a. Beginning reserves:	\$ 4,331,050	\$ 4,484,929	\$ 3,990,699	\$ 4,857,712	\$ 5,324,724
b. Incurred losses and loss adjustment expense:	\$ 604,732	\$ (231,073)	\$ 1,095,385	\$ 1,158,693	\$ (563,978)
c. Calendar year payments for losses and loss adjustment expenses:	\$ 450,853	\$ 263,157	\$ 228,372	\$ 691,681	\$ 1,719,502
d. Ending reserves:	\$ 4,484,929	\$ 3,990,699	\$ 4,857,712	\$ 5,324,724	\$ 3,041,244

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

(1) Direct Basis:	\$ 1,702,428
(2) Assumed Reinsurance Basis:	\$ 583,952
(3) Net of Ceded Reinsurance Basis:	\$ 2,283,048

NOTES TO FINANCIAL STATEMENTS

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

(1) Direct Basis:	\$	424,124
(2) Assumed Reinsurance Basis:	\$	31,155
(3) Net of Ceded Reinsurance Basis:	\$	453,613

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

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

(1) Direct

	2017	2018	2019	2020	2021
a. Beginning reserves:	\$ 1,418,652	\$ 1,630,273	\$ 1,267,354	\$ 1,135,472	\$ 740,259
b. Incurred losses and loss adjustment expense:	\$ 338,690	\$ (214,614)	\$ (63,227)	\$ (229,170)	\$ (319,172)
c. Calendar year payments for losses and loss adjustment expenses:	\$ 127,069	\$ 148,305	\$ 68,655	\$ 166,043	\$ 12,643
d. Ending reserves:	\$ 1,630,273	\$ 1,267,354	\$ 1,135,472	\$ 740,259	\$ 408,444

(2) Assumed Reinsurance

	2017	2018	2019	2020	2021
a. Beginning reserves:	\$ 95,360	\$ 156,933	\$ 228,336	\$ 213,037	\$ 294,362
b. Incurred losses and loss adjustment expense:	\$ 81,213	\$ 88,629	\$ 400	\$ 94,546	\$ (56,714)
c. Calendar year payments for losses and loss adjustment expenses:	\$ 19,640	\$ 17,226	\$ 15,699	\$ 13,221	\$ 14,785
d. Ending reserves:	\$ 156,933	\$ 228,336	\$ 213,037	\$ 294,362	\$ 222,863

(3) Net of Ceded Reinsurance

	2017	2018	2019	2020	2021
a. Beginning reserves:	\$ 1,501,697	\$ 1,733,638	\$ 1,391,459	\$ 1,252,685	\$ 928,101
b. Incurred losses and loss adjustment expense:	\$ 368,366	\$ (179,156)	\$ (47,337)	\$ (150,212)	\$ (337,272)
c. Calendar year payments for losses and loss adjustment expenses:	\$ 136,425	\$ 163,023	\$ 91,437	\$ 174,372	\$ 26,340
d. Ending reserves:	\$ 1,733,638	\$ 1,391,459	\$ 1,252,685	\$ 928,101	\$ 564,489

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

(1) Direct Basis:	\$	351,301
(2) Assumed Reinsurance Basis:	\$	181,428
(3) Net of Ceded Reinsurance Basis:	\$	472,585

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

(1) Direct Basis:	\$	114,913
(2) Assumed Reinsurance Basis:	\$	49,512
(3) Net of Ceded Reinsurance Basis:	\$	134,353

NOTE 34 Subscriber Savings Accounts
Not Applicable

NOTE 35 Multiple Peril Crop Insurance
Not Applicable

NOTE 36 Financial Guaranty Insurance
Not Applicable

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

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

	1 2021	2 2020	3 2019	4 2018	5 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)	709,532,617	700,908,446	733,118,827	890,714,324	362,619,497
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	113,858,801	119,485,014	141,747,730	157,690,298	162,040,460
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	255,126,252	243,756,815	217,766,741	197,103,654	204,026,304
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(7)	(8,411)	666,735	1,030,135	1,160,774
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	19,799,541	15,270,006	13,498,399	8,294,031	7,272,621
6. Total (Line 35)	1,098,317,204	1,079,411,870	1,106,798,431	1,254,832,443	737,119,656
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)	229,822,910	226,278,573	235,486,911	231,375,857	243,775,690
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	36,735,463	38,491,213	45,468,314	25,324,821	109,857,608
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	82,029,529	78,109,428	68,511,692	25,396,382	135,321,489
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(3)	(2,995)	215,716	148,276	794,313
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	6,415,051	4,947,482	4,373,481	2,521,821	4,981,745
12. Total (Line 35)	355,002,950	347,823,701	354,056,115	284,767,157	494,730,845
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	11,409,217	1,263,178	(7,122,309)	17,838,927	(127,919,257)
14. Net investment gain or (loss) (Line 11)	66,796,059	25,838,762	40,611,082	48,669,132	30,945,473
15. Total other income (Line 15)	(1,702,836)	766,164	11,051,100	(5,717,973)	10,655,491
16. Dividends to policyholders (Line 17)	1,279,384	397,932	908,275	2,200,089	2,760,795
17. Federal and foreign income taxes incurred (Line 19)	95,828	(1,410,279)	650,861	(4,686,042)	3,270,930
18. Net income (Line 20)	75,127,229	28,880,450	42,980,738	63,276,040	(92,350,018)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	2,082,881,418	1,845,933,424	1,753,260,974	1,612,580,695	1,370,810,725
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	77,800,071	12,848,074	53,080,836	48,394,901	22,082,182
20.2 Deferred and not yet due (Line 15.2)	20,308,371	23,931,350	77,052,540	117,201,076	123,999,858
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	1,274,942,872	1,303,505,633	1,228,793,463	1,162,725,747	910,144,826
22. Losses (Page 3, Line 1)	544,188,127	531,167,441	511,170,241	500,780,495	338,314,315
23. Loss adjustment expenses (Page 3, Line 3)	92,701,133	90,745,645	89,156,870	91,051,094	84,784,538
24. Unearned premiums (Page 3, Line 9)	165,010,935	161,430,579	161,372,870	156,011,014	223,358,065
25. Capital paid up (Page 3, Lines 30 & 31)	5,000,000	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 37)	807,938,566	542,427,791	524,467,508	449,854,944	460,665,899
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	84,624,318	13,405,460	43,711,109	91,063,126	(58,166,546)
Risk-Based Capital Analysis					
28. Total adjusted capital	807,938,547	542,427,791	524,467,508	453,150,090	464,841,655
29. Authorized control level risk-based capital	89,567,611	70,719,737	73,410,092	65,750,830	79,308,314
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)	52.0	60.6	59.7	61.5	56.3
31. Stocks (Lines 2.1 & 2.2)	35.8	21.7	26.3	23.8	27.7
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	2.5	3.0	3.0	2.9	3.0
34. Cash, cash equivalents and short-term investments (Line 5)	6.2	4.9	1.1	1.9	2.2
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	3.5	9.8	9.9	9.8	10.7
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.1
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)		0	0	0	0
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	337,030,193	104,695,050	100,418,822	94,191,032	100,091,524
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)		0	0	0	0
46. Affiliated mortgage loans on real estate					
47. All other affiliated		16,000,000	0	16,000,000	16,000,000
48. Total of above Lines 42 to 47	337,030,193	120,695,050	100,418,822	110,191,032	116,091,524
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)	41.7	22.3	19.1	24.5	25.2

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE MOTORISTS MUTUAL INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2021	2 2020	3 2019	4 2018	5 2017
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	22,392,387	36,002,102	36,990,792	(51,313,795)	6,171,637
52. Dividends to stockholders (Line 35)		0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	265,510,799	17,960,289	74,612,560	(10,810,956)	(83,593,130)
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)	340,576,187	332,320,685	353,522,922	(637,744,938)	189,163,160
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	61,779,769	62,410,174	83,435,933	82,344,707	89,564,563
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	93,777,917	123,487,458	116,098,341	98,310,820	130,144,674
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(9,745)	296,419	302,001	688,153	263,637
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	8,915,467	9,365,056	7,924,704	5,462,382	5,093,404
59. Total (Line 35)	505,039,595	527,879,793	561,283,901	(450,938,876)	414,229,438
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)	108,749,131	102,067,569	111,980,447	(61,880,520)	127,404,349
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	20,007,873	19,631,588	26,958,072	31,460,016	61,342,240
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	30,040,521	38,021,562	36,264,681	48,359,696	86,308,185
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(3,157)	96,040	97,848	400,823	180,591
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	2,888,611	3,034,278	2,567,604	10,487,128	3,488,982
65. Total (Line 35)	161,682,979	162,851,038	177,868,653	28,827,143	278,724,347
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)	50.3	52.6	54.0	54.3	66.3
68. Loss expenses incurred (Line 3)	15.1	15.0	15.1	13.9	17.2
69. Other underwriting expenses incurred (Line 4)	31.4	32.0	33.0	26.7	42.4
70. Net underwriting gain (loss) (Line 8)	3.2	0.4	(2.0)	5.1	(25.9)
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)	31.5	31.8	29.4	35.0	40.2
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	65.4	67.6	69.0	68.2	83.5
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)	43.9	64.1	67.5	63.3	107.4
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)	(69,040)	(34,716)	(23,064)	(58,526)	28,009
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)	(12.7)	(6.6)	(5.1)	(12.7)	5.1
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)	(98,802)	(57,071)	(90,545)	(59,288)	11,178
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)	(18.8)	(12.7)	(19.7)	(10.9)	2.0

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: