



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

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

Safe Auto Insurance Company

NAIC Group Code

0008

4940

NAIC Company Code

25405

Employer's ID Number

31-1379882

(Current)

(Prior)

Organized under the Laws of

Ohio

State of Domicile or Port of Entry

OH

Country of Domicile

United States of America

Incorporated/Organized

05/28/1993

Commenced Business

08/25/1993

Statutory Home Office

4 Easton Oval

Columbus, OH, US 43219

(Street and Number)

(City or Town, State, Country and Zip Code)

Main Administrative Office

4 Easton Oval

Columbus, OH, US 43219

(Street and Number)

(City or Town, State, Country and Zip Code)

614-231-0200

(Area Code) (Telephone Number)

Mail Address

4 Easton Oval

Columbus, OH, US 43219

(Street and Number or P.O. Box)

(City or Town, State, Country and Zip Code)

Primary Location of Books and Records

4 Easton Oval

Columbus, OH, US 43219

(Street and Number)

(City or Town, State, Country and Zip Code)

614-231-0200

(Area Code) (Telephone Number)

Internet Website Address

www.safeauto.com

Statutory Statement Contact

Donald Jerome Bolar

336-435-2000

(Name)

(Area Code) (Telephone Number)

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336-435-0236

(E-mail Address)

(FAX Number)

OFFICERS

Chairman of the Board,  
President & Chief  
Operating Officer

Peter Andrew Rendall #

Senior Vice President &  
Treasurer

Marilyn Victoria Hirsch #

Executive Vice President &  
Secretary

Rhonda Smith Ferguson #

Chief Accounting Officer

Donald Jerome Bolar #

OTHER

George Harvey Hall Jr. #, Chief Claims Officer

Michael Stuart Goldstein #, Senior Vice President, Tax

Christina Hwang #, Senior Vice President

Patrick James Macellaro #, Vice President & Chief  
Financial Officer

DIRECTORS OR TRUSTEES

Rhonda Smith Ferguson #

John Charles Pintozzi #

Peter Andrew Rendall #

Mario Rizzo #

Glenn Thomas Shapiro #

State of

North Carolina

County of

Forsyth

SS

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

Peter Andrew Rendall

Rhonda Smith Ferguson

Donald Jerome Bolar

Chairman of the Board, President & Chief

Executive Vice President & Secretary

Chief Accounting Officer

Operating Officer

Subscribed and sworn to before me this

day of

a. Is this an original filing? .....

Yes [ X ] No [ ]

b. If no,

1. State the amendment number.....

2. Date filed .....

3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

ASSETS

|                                                                                                                                                                               | Current Year |                         |                                           | Prior Year                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------|-------------------------------------------|-----------------------------|
|                                                                                                                                                                               | 1<br>Assets  | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) | 4<br>Net Admitted<br>Assets |
| 1. Bonds (Schedule D) .....                                                                                                                                                   | 3,118,792    |                         | 3,118,792                                 | 167,094,055                 |
| 2. Stocks (Schedule D):                                                                                                                                                       |              |                         |                                           |                             |
| 2.1 Preferred stocks .....                                                                                                                                                    |              |                         |                                           |                             |
| 2.2 Common stocks .....                                                                                                                                                       | 13,941,473   |                         | 13,941,473                                | 689,500                     |
| 3. Mortgage loans on real estate (Schedule B):                                                                                                                                |              |                         |                                           |                             |
| 3.1 First liens .....                                                                                                                                                         |              |                         |                                           |                             |
| 3.2 Other than first liens .....                                                                                                                                              |              |                         |                                           |                             |
| 4. Real estate (Schedule A):                                                                                                                                                  |              |                         |                                           |                             |
| 4.1 Properties occupied by the company (less \$<br>encumbrances) .....                                                                                                        | 20,731,849   |                         | 20,731,849                                | 21,432,364                  |
| 4.2 Properties held for the production of income (less<br>\$ ..... encumbrances) .....                                                                                        |              |                         |                                           |                             |
| 4.3 Properties held for sale (less \$ .....<br>encumbrances) .....                                                                                                            |              |                         |                                           |                             |
| 5. Cash (\$ .....20,138,577, Schedule E - Part 1), cash equivalents<br>(\$ .....10,112,860, Schedule E - Part 2) and short-term<br>investments (\$ ..... , Schedule DA) ..... | 30,251,437   |                         | 30,251,437                                | 89,857,028                  |
| 6. Contract loans (including \$ ..... premium notes) .....                                                                                                                    |              |                         |                                           |                             |
| 7. Derivatives (Schedule DB) .....                                                                                                                                            |              |                         |                                           |                             |
| 8. Other invested assets (Schedule BA) .....                                                                                                                                  | 7,446,673    | 7,446,673               |                                           | 12,143,527                  |
| 9. Receivable for securities .....                                                                                                                                            | 296,846      |                         | 296,846                                   |                             |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....                                                                                                       |              |                         |                                           |                             |
| 11. Aggregate write-ins for invested assets .....                                                                                                                             |              |                         |                                           |                             |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....                                                                                                                 | 75,787,070   | 7,446,673               | 68,340,397                                | 291,216,474                 |
| 13. Title plants less \$ ..... charged off (for Title insurers<br>only) .....                                                                                                 |              |                         |                                           |                             |
| 14. Investment income due and accrued .....                                                                                                                                   | 26,132       |                         | 26,132                                    | 1,246,352                   |
| 15. Premiums and considerations:                                                                                                                                              |              |                         |                                           |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....                                                                                              | 1,769,296    |                         | 1,769,296                                 | 15,692,180                  |
| 15.2 Deferred premiums and agents' balances and installments booked but<br>deferred and not yet due (including \$ .....<br>earned but unbilled premiums) .....                | 60,850,404   |                         | 60,850,404                                | 48,330,888                  |
| 15.3 Accrued retrospective premiums (\$ ..... ) and<br>contracts subject to redetermination (\$ ..... ) .....                                                                 |              |                         |                                           |                             |
| 16. Reinsurance:                                                                                                                                                              |              |                         |                                           |                             |
| 16.1 Amounts recoverable from reinsurers .....                                                                                                                                | 14,019,545   |                         | 14,019,545                                | 7,288,377                   |
| 16.2 Funds held by or deposited with reinsured companies .....                                                                                                                |              |                         |                                           |                             |
| 16.3 Other amounts receivable under reinsurance contracts .....                                                                                                               |              |                         |                                           |                             |
| 17. Amounts receivable relating to uninsured plans .....                                                                                                                      |              |                         |                                           |                             |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....                                                                                            | 7,848,816    |                         | 7,848,816                                 |                             |
| 18.2 Net deferred tax asset .....                                                                                                                                             | 339,161      | 339,161                 |                                           | 6,605,814                   |
| 19. Guaranty funds receivable or on deposit .....                                                                                                                             |              |                         |                                           |                             |
| 20. Electronic data processing equipment and software .....                                                                                                                   | 639,417      | 639,417                 |                                           | 24,557                      |
| 21. Furniture and equipment, including health care delivery assets<br>(\$ ..... ) .....                                                                                       | 15,949       | 15,949                  |                                           |                             |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....                                                                                              |              |                         |                                           |                             |
| 23. Receivables from parent, subsidiaries and affiliates .....                                                                                                                |              |                         |                                           | 3,715,249                   |
| 24. Health care (\$ ..... ) and other amounts receivable .....                                                                                                                |              |                         |                                           |                             |
| 25. Aggregate write-ins for other than invested assets .....                                                                                                                  |              |                         |                                           | 23,430,220                  |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 12 to 25) .....                                                       | 161,295,790  | 8,441,200               | 152,854,590                               | 397,550,111                 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell<br>Accounts .....                                                                                          |              |                         |                                           |                             |
| 28. Total (Lines 26 and 27)                                                                                                                                                   | 161,295,790  | 8,441,200               | 152,854,590                               | 397,550,111                 |
| DETAILS OF WRITE-INS                                                                                                                                                          |              |                         |                                           |                             |
| 1101. ....                                                                                                                                                                    |              |                         |                                           |                             |
| 1102. ....                                                                                                                                                                    |              |                         |                                           |                             |
| 1103. ....                                                                                                                                                                    |              |                         |                                           |                             |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....                                                                                                     |              |                         |                                           |                             |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)                                                                                                                  |              |                         |                                           |                             |
| 2501. Company owned life insurance (COLI) .....                                                                                                                               |              |                         |                                           | 23,364,324                  |
| 2502. Miscellaneous receivables .....                                                                                                                                         |              |                         |                                           | 65,896                      |
| 2503. ....                                                                                                                                                                    |              |                         |                                           |                             |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....                                                                                                     |              |                         |                                           |                             |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)                                                                                                                  |              |                         |                                           | 23,430,220                  |

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

|                                                                                                                                                                                                                                                                                                                                  | 1<br>Current Year | 2<br>Prior Year |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8) .....                                                                                                                                                                                                                                                                                     |                   | 120,200,363     |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....                                                                                                                                                                                                                          |                   | 41,977          |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....                                                                                                                                                                                                                                                                   |                   | 15,575,600      |
| 4. Commissions payable, contingent commissions and other similar charges .....                                                                                                                                                                                                                                                   |                   | 379,863         |
| 5. Other expenses (excluding taxes, licenses and fees) .....                                                                                                                                                                                                                                                                     |                   | 16,837,351      |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....                                                                                                                                                                                                                                                   |                   | 5,184,565       |
| 7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....                                                                                                                                                                                                                       |                   |                 |
| 7.2 Net deferred tax liability .....                                                                                                                                                                                                                                                                                             | 857,174           |                 |
| 8. Borrowed money \$ ..... and interest thereon \$ .....                                                                                                                                                                                                                                                                         |                   | 3,056,744       |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....79,241,000 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) ..... |                   | 76,982,387      |
| 10. Advance premium .....                                                                                                                                                                                                                                                                                                        |                   |                 |
| 11. Dividends declared and unpaid:                                                                                                                                                                                                                                                                                               |                   |                 |
| 11.1 Stockholders .....                                                                                                                                                                                                                                                                                                          |                   |                 |
| 11.2 Policyholders .....                                                                                                                                                                                                                                                                                                         |                   |                 |
| 12. Ceded reinsurance premiums payable (net of ceding commissions) .....                                                                                                                                                                                                                                                         | 101,999,514       | 25,331,024      |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20) .....                                                                                                                                                                                                                                       |                   |                 |
| 14. Amounts withheld or retained by company for account of others .....                                                                                                                                                                                                                                                          |                   |                 |
| 15. Remittances and items not allocated .....                                                                                                                                                                                                                                                                                    |                   | 4,285           |
| 16. Provision for reinsurance (including \$ ..... certified) (Schedule F, Part 3, Column 78) .....                                                                                                                                                                                                                               |                   |                 |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates .....                                                                                                                                                                                                                                                |                   |                 |
| 18. Drafts outstanding .....                                                                                                                                                                                                                                                                                                     |                   |                 |
| 19. Payable to parent, subsidiaries and affiliates .....                                                                                                                                                                                                                                                                         | 4,520,464         | 9,273,111       |
| 20. Derivatives .....                                                                                                                                                                                                                                                                                                            |                   |                 |
| 21. Payable for securities .....                                                                                                                                                                                                                                                                                                 |                   |                 |
| 22. Payable for securities lending .....                                                                                                                                                                                                                                                                                         |                   |                 |
| 23. Liability for amounts held under uninsured plans .....                                                                                                                                                                                                                                                                       |                   |                 |
| 24. Capital notes \$ ..... and interest thereon \$ .....                                                                                                                                                                                                                                                                         |                   |                 |
| 25. Aggregate write-ins for liabilities .....                                                                                                                                                                                                                                                                                    |                   | 2,297,630       |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....                                                                                                                                                                                                                                            | 107,377,152       | 275,164,900     |
| 27. Protected cell liabilities .....                                                                                                                                                                                                                                                                                             |                   |                 |
| 28. Total liabilities (Lines 26 and 27) .....                                                                                                                                                                                                                                                                                    | 107,377,152       | 275,164,900     |
| 29. Aggregate write-ins for special surplus funds .....                                                                                                                                                                                                                                                                          |                   |                 |
| 30. Common capital stock .....                                                                                                                                                                                                                                                                                                   | 2,500,000         | 2,500,000       |
| 31. Preferred capital stock .....                                                                                                                                                                                                                                                                                                |                   |                 |
| 32. Aggregate write-ins for other than special surplus funds .....                                                                                                                                                                                                                                                               |                   |                 |
| 33. Surplus notes .....                                                                                                                                                                                                                                                                                                          |                   |                 |
| 34. Gross paid in and contributed surplus .....                                                                                                                                                                                                                                                                                  | 53,389,352        | 54,400,000      |
| 35. Unassigned funds (surplus) .....                                                                                                                                                                                                                                                                                             | (10,411,914)      | 65,485,211      |
| 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) .....                                                                                                                                                                                                                                           | 45,477,438        | 122,385,211     |
| 38. TOTALS (Page 2, Line 28, Col. 3)                                                                                                                                                                                                                                                                                             | 152,854,590       | 397,550,111     |
| DETAILS OF WRITE-INS                                                                                                                                                                                                                                                                                                             |                   |                 |
| 2501. Funds set aside for escheatment .....                                                                                                                                                                                                                                                                                      |                   | 2,240,930       |
| 2502. Other liabilities .....                                                                                                                                                                                                                                                                                                    |                   | 56,700          |
| 2503. ....                                                                                                                                                                                                                                                                                                                       |                   |                 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....                                                                                                                                                                                                                                                        |                   |                 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)                                                                                                                                                                                                                                                                     |                   | 2,297,630       |
| 2901. ....                                                                                                                                                                                                                                                                                                                       |                   |                 |
| 2902. ....                                                                                                                                                                                                                                                                                                                       |                   |                 |
| 2903. ....                                                                                                                                                                                                                                                                                                                       |                   |                 |
| 2998. Summary of remaining write-ins for Line 29 from overflow page .....                                                                                                                                                                                                                                                        |                   |                 |
| 2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)                                                                                                                                                                                                                                                                     |                   |                 |
| 3201. ....                                                                                                                                                                                                                                                                                                                       |                   |                 |
| 3202. ....                                                                                                                                                                                                                                                                                                                       |                   |                 |
| 3203. ....                                                                                                                                                                                                                                                                                                                       |                   |                 |
| 3298. Summary of remaining write-ins for Line 32 from overflow page .....                                                                                                                                                                                                                                                        |                   |                 |
| 3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)                                                                                                                                                                                                                                                                     |                   |                 |

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

STATEMENT OF INCOME

|                                                                                                                                                                  | 1<br>Current Year | 2<br>Prior Year |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|
| UNDERWRITING INCOME                                                                                                                                              |                   |                 |
| 1. Premiums earned (Part 1, Line 35, Column 4).....                                                                                                              | 232,652,755       | 306,808,197     |
| DEDUCTIONS:                                                                                                                                                      |                   |                 |
| 2. Losses incurred (Part 2, Line 35, Column 7) .....                                                                                                             | 142,407,228       | 189,600,683     |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....                                                                                           | 24,631,511        | 29,992,973      |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....                                                                                        | 82,343,449        | 105,230,603     |
| 5. Aggregate write-ins for underwriting deductions .....                                                                                                         |                   |                 |
| 6. Total underwriting deductions (Lines 2 through 5) .....                                                                                                       | 249,382,188       | 324,824,259     |
| 7. Net income of protected cells .....                                                                                                                           |                   |                 |
| 8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7) .....                                                                                       | (16,729,433)      | (18,016,062)    |
| INVESTMENT INCOME                                                                                                                                                |                   |                 |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....                                                                                | 7,340,252         | 5,715,218       |
| 10. Net realized capital gains or (losses) less capital gains tax of \$ .....2,315,293 (Exhibit of Capital<br>Gains (Losses) ) .....                             | 8,709,928         | (172,034)       |
| 11. Net investment gain (loss) (Lines 9 + 10) .....                                                                                                              | 16,050,180        | 5,543,184       |
| OTHER INCOME                                                                                                                                                     |                   |                 |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered<br>\$ ..... amount charged off \$ .....3,318,505 ) .....                      | (3,318,505)       | (4,838,222)     |
| 13. Finance and service charges not included in premiums .....                                                                                                   | 16,396,418        | 15,124,152      |
| 14. Aggregate write-ins for miscellaneous income .....                                                                                                           | 4,285,238         | 2,462,232       |
| 15. Total other income (Lines 12 through 14) .....                                                                                                               | 17,363,151        | 12,748,162      |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes<br>(Lines 8 + 11 + 15) .....     | 16,683,898        | 275,284         |
| 17. Dividends to policyholders .....                                                                                                                             |                   |                 |
| 18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes<br>(Line 16 minus Line 17) ..... | 16,683,898        | 275,284         |
| 19. Federal and foreign income taxes incurred .....                                                                                                              | (4,638,550)       | 554,071         |
| 20. Net income (Line 18 minus Line 19)(to Line 22) .....                                                                                                         | 21,322,448        | (278,787)       |
| CAPITAL AND SURPLUS ACCOUNT                                                                                                                                      |                   |                 |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....                                                                   | 122,385,212       | 120,510,096     |
| 22. Net income (from Line 20) .....                                                                                                                              | 21,322,448        | (278,787)       |
| 23. Net transfers (to) from Protected Cell accounts .....                                                                                                        |                   |                 |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....                                                                        | 193,066           | 278,230         |
| 25. Change in net unrealized foreign exchange capital gain (loss) .....                                                                                          |                   |                 |
| 26. Change in net deferred income tax .....                                                                                                                      | (7,907,546)       | 983,853         |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) .....                                                                          | (6,566,554)       | 891,820         |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....                                                                         |                   |                 |
| 29. Change in surplus notes .....                                                                                                                                |                   |                 |
| 30. Surplus (contributed to) withdrawn from protected cells .....                                                                                                |                   |                 |
| 31. Cumulative effect of changes in accounting principles .....                                                                                                  |                   |                 |
| 32. Capital changes:                                                                                                                                             |                   |                 |
| 32.1 Paid in .....                                                                                                                                               |                   |                 |
| 32.2 Transferred from surplus (Stock Dividend) .....                                                                                                             |                   |                 |
| 32.3 Transferred to surplus .....                                                                                                                                |                   |                 |
| 33. Surplus adjustments:                                                                                                                                         |                   |                 |
| 33.1 Paid in .....                                                                                                                                               | (1,010,648)       |                 |
| 33.2 Transferred to capital (Stock Dividend) .....                                                                                                               |                   |                 |
| 33.3 Transferred from capital .....                                                                                                                              |                   |                 |
| 34. Net remittances from or (to) Home Office .....                                                                                                               |                   |                 |
| 35. Dividends to stockholders .....                                                                                                                              | (82,938,540)      |                 |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1) .....                                                                        |                   |                 |
| 37. Aggregate write-ins for gains and losses in surplus .....                                                                                                    |                   |                 |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....                                                                          | (76,907,774)      | 1,875,116       |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....                                                    | 45,477,438        | 122,385,212     |
| DETAILS OF WRITE-INS                                                                                                                                             |                   |                 |
| 0501. ....                                                                                                                                                       |                   |                 |
| 0502. ....                                                                                                                                                       |                   |                 |
| 0503. ....                                                                                                                                                       |                   |                 |
| 0598. Summary of remaining write-ins for Line 5 from overflow page .....                                                                                         |                   |                 |
| 0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above) .....                                                                                                |                   |                 |
| 1401. Other service fee income .....                                                                                                                             | 65,784            |                 |
| 1402. NSF fees .....                                                                                                                                             | 283,968           |                 |
| 1403. Cancel fee revenue .....                                                                                                                                   | 656,907           |                 |
| 1498. Summary of remaining write-ins for Line 14 from overflow page .....                                                                                        | 3,278,579         | 2,462,232       |
| 1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....                                                                                               | 4,285,238         | 2,462,232       |
| 3701. ....                                                                                                                                                       |                   |                 |
| 3702. ....                                                                                                                                                       |                   |                 |
| 3703. ....                                                                                                                                                       |                   |                 |
| 3798. Summary of remaining write-ins for Line 37 from overflow page .....                                                                                        |                   |                 |
| 3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above) .....                                                                                               |                   |                 |

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

CASH FLOW

|                                                                                                                   | 1             | 2           |
|-------------------------------------------------------------------------------------------------------------------|---------------|-------------|
|                                                                                                                   | Current Year  | Prior Year  |
| Cash from Operations                                                                                              |               |             |
| 1. Premiums collected net of reinsurance .....                                                                    | 227,048,106   | 326,636,766 |
| 2. Net investment income .....                                                                                    | 9,491,685     | 7,228,163   |
| 3. Miscellaneous income .....                                                                                     | 17,363,151    | 12,748,162  |
| 4. Total (Lines 1 through 3) .....                                                                                | 253,902,942   | 346,613,091 |
| 5. Benefit and loss related payments .....                                                                        | 269,380,736   | 181,209,938 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                      |               |             |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....                                        | 144,952,339   | 133,933,225 |
| 8. Dividends paid to policyholders .....                                                                          |               |             |
| 9. Federal and foreign income taxes paid (recovered) net of \$ .....2,315,293 tax on capital gains (losses) ..... | 6,029,849     | 154,454     |
| 10. Total (Lines 5 through 9) .....                                                                               | 420,362,924   | 315,297,617 |
| 11. Net cash from operations (Line 4 minus Line 10) .....                                                         | (166,459,982) | 31,315,474  |
| Cash from Investments                                                                                             |               |             |
| 12. Proceeds from investments sold, matured or repaid:                                                            |               |             |
| 12.1 Bonds .....                                                                                                  | 236,342,287   | 42,310,872  |
| 12.2 Stocks .....                                                                                                 |               |             |
| 12.3 Mortgage loans .....                                                                                         |               |             |
| 12.4 Real estate .....                                                                                            | 41,286        |             |
| 12.5 Other invested assets .....                                                                                  | 5,731,944     | 5,000,000   |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....                             |               |             |
| 12.7 Miscellaneous proceeds .....                                                                                 |               |             |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) .....                                                         | 242,115,517   | 47,310,872  |
| 13. Cost of investments acquired (long-term only):                                                                |               |             |
| 13.1 Bonds .....                                                                                                  | 61,595,870    |             |
| 13.2 Stocks .....                                                                                                 |               |             |
| 13.3 Mortgage loans .....                                                                                         |               |             |
| 13.4 Real estate .....                                                                                            |               |             |
| 13.5 Other invested assets .....                                                                                  |               |             |
| 13.6 Miscellaneous applications .....                                                                             |               |             |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) .....                                                        | 61,595,870    |             |
| 14. Net increase (decrease) in contract loans and premium notes .....                                             |               |             |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....                                     | 180,519,647   | 47,310,872  |
| Cash from Financing and Miscellaneous Sources                                                                     |               |             |
| 16. Cash provided (applied):                                                                                      |               |             |
| 16.1 Surplus notes, capital notes .....                                                                           |               |             |
| 16.2 Capital and paid in surplus, less treasury stock .....                                                       | (12,061,460)  |             |
| 16.3 Borrowed funds .....                                                                                         |               | 3,056,744   |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities .....                                 |               |             |
| 16.5 Dividends to stockholders .....                                                                              | 82,938,540    |             |
| 16.6 Other cash provided (applied) .....                                                                          | 21,334,744    | (5,085,175) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....   | (73,665,256)  | (2,028,431) |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS                                               |               |             |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....         | (59,605,591)  | 76,597,915  |
| 19. Cash, cash equivalents and short-term investments:                                                            |               |             |
| 19.1 Beginning of year .....                                                                                      | 89,857,029    | 13,259,114  |
| 19.2 End of period (Line 18 plus Line 19.1) .....                                                                 | 30,251,438    | 89,857,029  |

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

|  |  |  |
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|--|--|--|

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1 - PREMIUMS EARNED

| Line of Business     |                                                                     | 1<br>Net Premiums<br>Written per<br>Column 6, Part 1B | 2<br>Unearned Premiums<br>Dec. 31 Prior Year -<br>per Col. 3,<br>Last Year's Part 1 | 3<br>Unearned Premiums<br>Dec. 31 Current<br>Year - per Col. 5<br>Part 1A | 4<br>Premiums Earned<br>During Year<br>(Cols. 1 + 2 - 3) |
|----------------------|---------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------|
| 1.                   | Fire .....                                                          |                                                       |                                                                                     |                                                                           |                                                          |
| 2.                   | Allied lines .....                                                  |                                                       |                                                                                     |                                                                           |                                                          |
| 3.                   | Farmowners multiple peril .....                                     |                                                       |                                                                                     |                                                                           |                                                          |
| 4.                   | Homeowners multiple peril .....                                     |                                                       |                                                                                     |                                                                           |                                                          |
| 5.                   | Commercial multiple peril .....                                     |                                                       |                                                                                     |                                                                           |                                                          |
| 6.                   | Mortgage guaranty .....                                             |                                                       |                                                                                     |                                                                           |                                                          |
| 8.                   | Ocean marine .....                                                  |                                                       |                                                                                     |                                                                           |                                                          |
| 9.                   | Inland marine .....                                                 |                                                       |                                                                                     |                                                                           |                                                          |
| 10.                  | Financial guaranty .....                                            |                                                       |                                                                                     |                                                                           |                                                          |
| 11.1                 | Medical professional liability - occurrence .....                   |                                                       |                                                                                     |                                                                           |                                                          |
| 11.2                 | Medical professional liability - claims-made .....                  |                                                       |                                                                                     |                                                                           |                                                          |
| 12.                  | Earthquake .....                                                    |                                                       |                                                                                     |                                                                           |                                                          |
| 13.                  | Group accident and health .....                                     |                                                       |                                                                                     |                                                                           |                                                          |
| 14.                  | Credit accident and health (group and individual) .....             |                                                       |                                                                                     |                                                                           |                                                          |
| 15.                  | Other accident and health .....                                     |                                                       |                                                                                     |                                                                           |                                                          |
| 16.                  | Workers' compensation .....                                         |                                                       |                                                                                     |                                                                           |                                                          |
| 17.1                 | Other liability - occurrence .....                                  |                                                       |                                                                                     |                                                                           |                                                          |
| 17.2                 | Other liability - claims-made .....                                 |                                                       |                                                                                     |                                                                           |                                                          |
| 17.3                 | Excess workers' compensation .....                                  |                                                       |                                                                                     |                                                                           |                                                          |
| 18.1                 | Products liability - occurrence .....                               |                                                       |                                                                                     |                                                                           |                                                          |
| 18.2                 | Products liability - claims-made .....                              |                                                       |                                                                                     |                                                                           |                                                          |
| 19.1, 19.2           | Private passenger auto liability .....                              | 111,832,475                                           | 55,803,549                                                                          |                                                                           | 167,636,024                                              |
| 19.3, 19.4           | Commercial auto liability .....                                     |                                                       |                                                                                     |                                                                           |                                                          |
| 21.                  | Auto physical damage .....                                          | 43,837,893                                            | 21,178,838                                                                          |                                                                           | 65,016,731                                               |
| 22.                  | Aircraft (all perils) .....                                         |                                                       |                                                                                     |                                                                           |                                                          |
| 23.                  | Fidelity .....                                                      |                                                       |                                                                                     |                                                                           |                                                          |
| 24.                  | Surety .....                                                        |                                                       |                                                                                     |                                                                           |                                                          |
| 26.                  | Burglary and theft .....                                            |                                                       |                                                                                     |                                                                           |                                                          |
| 27.                  | Boiler and machinery .....                                          |                                                       |                                                                                     |                                                                           |                                                          |
| 28.                  | Credit .....                                                        |                                                       |                                                                                     |                                                                           |                                                          |
| 29.                  | International .....                                                 |                                                       |                                                                                     |                                                                           |                                                          |
| 30.                  | Warranty .....                                                      |                                                       |                                                                                     |                                                                           |                                                          |
| 31.                  | Reinsurance - nonproportional assumed property .....                |                                                       |                                                                                     |                                                                           |                                                          |
| 32.                  | Reinsurance - nonproportional assumed liability .....               |                                                       |                                                                                     |                                                                           |                                                          |
| 33.                  | Reinsurance - nonproportional assumed financial lines .....         |                                                       |                                                                                     |                                                                           |                                                          |
| 34.                  | Aggregate write-ins for other lines of business .....               |                                                       |                                                                                     |                                                                           |                                                          |
| 35.                  | TOTALS                                                              | 155,670,368                                           | 76,982,387                                                                          |                                                                           | 232,652,755                                              |
| DETAILS OF WRITE-INS |                                                                     |                                                       |                                                                                     |                                                                           |                                                          |
| 3401.                | .....                                                               |                                                       |                                                                                     |                                                                           |                                                          |
| 3402.                | .....                                                               |                                                       |                                                                                     |                                                                           |                                                          |
| 3403.                | .....                                                               |                                                       |                                                                                     |                                                                           |                                                          |
| 3498.                | Summary of remaining write-ins for Line 34 from overflow page ..... |                                                       |                                                                                     |                                                                           |                                                          |
| 3499.                | Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)              |                                                       |                                                                                     |                                                                           |                                                          |

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1A - RECAPITULATION OF ALL PREMIUMS

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1B - PREMIUMS WRITTEN

| Line of Business     |                                                                     | 1                   | Reinsurance Assumed |                     | Reinsurance Ceded |                   | 6                                       |
|----------------------|---------------------------------------------------------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-----------------------------------------|
|                      |                                                                     | Direct Business (a) | 2                   | 3                   | 4                 | 5                 | Net Premiums Written<br>Cols. 1+2+3-4-5 |
|                      |                                                                     |                     | From Affiliates     | From Non-Affiliates | To Affiliates     | To Non-Affiliates |                                         |
| 1.                   | Fire .....                                                          |                     |                     |                     |                   |                   |                                         |
| 2.                   | Allied lines .....                                                  |                     |                     |                     |                   |                   |                                         |
| 3.                   | Farmowners multiple peril .....                                     |                     |                     |                     |                   |                   |                                         |
| 4.                   | Homeowners multiple peril .....                                     |                     |                     |                     |                   |                   |                                         |
| 5.                   | Commercial multiple peril .....                                     |                     |                     |                     |                   |                   |                                         |
| 6.                   | Mortgage guaranty .....                                             |                     |                     |                     |                   |                   |                                         |
| 8.                   | Ocean marine .....                                                  |                     |                     |                     |                   |                   |                                         |
| 9.                   | Inland marine .....                                                 |                     |                     |                     |                   |                   |                                         |
| 10.                  | Financial guaranty .....                                            |                     |                     |                     |                   |                   |                                         |
| 11.1                 | Medical professional liability - occurrence .....                   |                     |                     |                     |                   |                   |                                         |
| 11.2                 | Medical professional liability - claims-made .....                  |                     |                     |                     |                   |                   |                                         |
| 12.                  | Earthquake .....                                                    |                     |                     |                     |                   |                   |                                         |
| 13.                  | Group accident and health .....                                     |                     |                     |                     |                   |                   |                                         |
| 14.                  | Credit accident and health (group and individual) .....             |                     |                     |                     |                   |                   |                                         |
| 15.                  | Other accident and health .....                                     |                     |                     |                     |                   |                   |                                         |
| 16.                  | Workers' compensation .....                                         |                     |                     |                     |                   |                   |                                         |
| 17.1                 | Other liability - occurrence .....                                  |                     |                     |                     |                   |                   |                                         |
| 17.2                 | Other liability - claims-made .....                                 |                     |                     |                     |                   |                   |                                         |
| 17.3                 | Excess workers' compensation .....                                  |                     |                     |                     |                   |                   |                                         |
| 18.1                 | Products liability - occurrence .....                               |                     |                     |                     |                   |                   |                                         |
| 18.2                 | Products liability - claims-made .....                              |                     |                     |                     |                   |                   |                                         |
| 19.1, 19.2           | Private passenger auto liability .....                              | 231,671,370         | 5,883,199           |                     | 125,722,094       |                   | 111,832,475                             |
| 19.3, 19.4           | Commercial auto liability .....                                     |                     |                     |                     |                   |                   |                                         |
| 21.                  | Auto physical damage .....                                          | 92,817,451          | 2,371,505           |                     | 51,343,355        | 7,708             | 43,837,893                              |
| 22.                  | Aircraft (all perils) .....                                         |                     |                     |                     |                   |                   |                                         |
| 23.                  | Fidelity .....                                                      |                     |                     |                     |                   |                   |                                         |
| 24.                  | Surety .....                                                        |                     |                     |                     |                   |                   |                                         |
| 26.                  | Burglary and theft .....                                            |                     |                     |                     |                   |                   |                                         |
| 27.                  | Boiler and machinery .....                                          |                     |                     |                     |                   |                   |                                         |
| 28.                  | Credit .....                                                        |                     |                     |                     |                   |                   |                                         |
| 29.                  | International .....                                                 |                     |                     |                     |                   |                   |                                         |
| 30.                  | Warranty .....                                                      |                     |                     |                     |                   |                   |                                         |
| 31.                  | Reinsurance - nonproportional assumed property .....                | XXX                 |                     |                     |                   |                   |                                         |
| 32.                  | Reinsurance - nonproportional assumed liability .....               | XXX                 |                     |                     |                   |                   |                                         |
| 33.                  | Reinsurance - nonproportional assumed financial lines .....         | XXX                 |                     |                     |                   |                   |                                         |
| 34.                  | Aggregate write-ins for other lines of business .....               |                     |                     |                     |                   |                   |                                         |
| 35.                  | TOTALS                                                              | 324,488,821         | 8,254,704           |                     | 177,065,449       | 7,708             | 155,670,368                             |
| DETAILS OF WRITE-INS |                                                                     |                     |                     |                     |                   |                   |                                         |
| 3401.                | .....                                                               |                     |                     |                     |                   |                   |                                         |
| 3402.                | .....                                                               |                     |                     |                     |                   |                   |                                         |
| 3403.                | .....                                                               |                     |                     |                     |                   |                   |                                         |
| 3498.                | Summary of remaining write-ins for Line 34 from overflow page ..... |                     |                     |                     |                   |                   |                                         |
| 3499.                | Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)              |                     |                     |                     |                   |                   |                                         |

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - LOSSES PAID AND INCURRED

|                      |                                                                     | Losses Paid Less Salvage |                     |                       |                                | 5                                                 | 6                            | 7                                              | 8                                                                                  |
|----------------------|---------------------------------------------------------------------|--------------------------|---------------------|-----------------------|--------------------------------|---------------------------------------------------|------------------------------|------------------------------------------------|------------------------------------------------------------------------------------|
|                      |                                                                     | 1                        | 2                   | 3                     | 4                              |                                                   |                              |                                                |                                                                                    |
| Line of Business     |                                                                     | Direct Business          | Reinsurance Assumed | Reinsurance Recovered | Net Payments (Cols. 1 + 2 -3 ) | Net Losses Unpaid Current Year (Part 2A , Col. 8) | Net Losses Unpaid Prior Year | Losses Incurred Current Year (Cols. 4 + 5 - 6) | Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1) |
| 1.                   | Fire .....                                                          |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 2.                   | Allied lines .....                                                  |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 3.                   | Farmowners multiple peril .....                                     |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 4.                   | Homeowners multiple peril .....                                     |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 5.                   | Commercial multiple peril .....                                     |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 6.                   | Mortgage guaranty .....                                             |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 8.                   | Ocean marine .....                                                  |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 9.                   | Inland marine .....                                                 |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 10.                  | Financial guaranty .....                                            |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 11.1                 | Medical professional liability - occurrence .....                   |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 11.2                 | Medical professional liability - claims-made .....                  |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 12.                  | Earthquake .....                                                    |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 13.                  | Group accident and health .....                                     |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 14.                  | Credit accident and health (group and individual) .....             |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 15.                  | Other accident and health .....                                     |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 16.                  | Workers' compensation .....                                         |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 17.1                 | Other liability - occurrence .....                                  |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 17.2                 | Other liability - claims-made .....                                 |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 17.3                 | Excess workers' compensation .....                                  |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 18.1                 | Products liability - occurrence .....                               |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 18.2                 | Products liability - claims-made .....                              |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 19.1, 19.2           | Private passenger auto liability .....                              | 144,622,806              | 107,615,364         | 51,627,632            | 200,610,538                    |                                                   | 107,224,413                  | 93,386,125                                     | 55.7                                                                               |
| 19.3, 19.4           | Commercial auto liability .....                                     |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 21.                  | Auto physical damage .....                                          | 80,416,324               | 13,223,471          | 31,642,742            | 61,997,053                     |                                                   | 12,975,950                   | 49,021,103                                     | 75.4                                                                               |
| 22.                  | Aircraft (all perils) .....                                         |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 23.                  | Fidelity .....                                                      |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 24.                  | Surety .....                                                        |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 26.                  | Burglary and theft .....                                            |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 27.                  | Boiler and machinery .....                                          |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 28.                  | Credit .....                                                        |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 29.                  | International .....                                                 |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 30.                  | Warranty .....                                                      |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 31.                  | Reinsurance - nonproportional assumed property .....                | XXX                      |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 32.                  | Reinsurance - nonproportional assumed liability .....               | XXX                      |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 33.                  | Reinsurance - nonproportional assumed financial lines .....         | XXX                      |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 34.                  | Aggregate write-ins for other lines of business .....               |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 35.                  | TOTALS                                                              | 225,039,130              | 120,838,835         | 83,270,374            | 262,607,591                    |                                                   | 120,200,363                  | 142,407,228                                    | 61.2                                                                               |
| DETAILS OF WRITE-INS |                                                                     |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 3401.                | .....                                                               |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 3402.                | .....                                                               |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 3403.                | .....                                                               |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 3498.                | Summary of remaining write-ins for Line 34 from overflow page ..... |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |
| 3499.                | Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)              |                          |                     |                       |                                |                                                   |                              |                                                |                                                                                    |

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

| Line of Business                                                          | Reported Losses |                     |                                |                                                              | Incurred But Not Reported |                     |                   | 8                                       | 9                                   |
|---------------------------------------------------------------------------|-----------------|---------------------|--------------------------------|--------------------------------------------------------------|---------------------------|---------------------|-------------------|-----------------------------------------|-------------------------------------|
|                                                                           | 1               | 2                   | 3                              | 4                                                            | 5                         | 6                   | 7                 |                                         |                                     |
|                                                                           | Direct          | Reinsurance Assumed | Deduct Reinsurance Recoverable | Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3) | Direct                    | Reinsurance Assumed | Reinsurance Ceded | Net Losses Unpaid (Cols. 4 + 5 + 6 - 7) | Net Unpaid Loss Adjustment Expenses |
| 1. Fire .....                                                             |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 2. Allied lines .....                                                     |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 3. Farmowners multiple peril .....                                        |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 4. Homeowners multiple peril .....                                        |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 5. Commercial multiple peril .....                                        |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 6. Mortgage guaranty .....                                                |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 8. Ocean marine .....                                                     |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 9. Inland marine .....                                                    |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 10. Financial guaranty .....                                              |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 11.1 Medical professional liability - occurrence .....                    |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 11.2 Medical professional liability - claims-made .....                   |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 12. Earthquake .....                                                      |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 13. Group accident and health .....                                       |                 |                     |                                |                                                              |                           |                     |                   | (a) .....                               |                                     |
| 14. Credit accident and health (group and individual) .....               |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 15. Other accident and health .....                                       |                 |                     |                                |                                                              |                           |                     |                   | (a) .....                               |                                     |
| 16. Workers' compensation .....                                           |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 17.1 Other liability - occurrence .....                                   |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 17.2 Other liability - claims-made .....                                  |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 17.3 Excess workers' compensation .....                                   |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 18.1 Products liability - occurrence .....                                |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 18.2 Products liability - claims-made .....                               |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 19.1, 19.2 Private passenger auto liability .....                         | 79,504,193      |                     | 79,504,193                     |                                                              | 17,830,183                |                     | 17,830,183        |                                         |                                     |
| 19.3, 19.4 Commercial auto liability .....                                |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 21. Auto physical damage .....                                            | 23,446,346      |                     | 23,446,346                     |                                                              | (3,817,872)               |                     | (3,817,872)       |                                         |                                     |
| 22. Aircraft (all perils) .....                                           |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 23. Fidelity .....                                                        |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 24. Surety .....                                                          |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 26. Burglary and theft .....                                              |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 27. Boiler and machinery .....                                            |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 28. Credit .....                                                          |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 29. International .....                                                   |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 30. Warranty .....                                                        |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 31. Reinsurance - nonproportional assumed property .....                  | XXX             |                     |                                |                                                              | XXX                       |                     |                   |                                         |                                     |
| 32. Reinsurance - nonproportional assumed liability .....                 | XXX             |                     |                                |                                                              | XXX                       |                     |                   |                                         |                                     |
| 33. Reinsurance - nonproportional assumed financial lines .....           | XXX             |                     |                                |                                                              | XXX                       |                     |                   |                                         |                                     |
| 34. Aggregate write-ins for other lines of business .....                 |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 35. TOTALS .....                                                          | 102,950,539     |                     | 102,950,539                    |                                                              | 14,012,311                |                     | 14,012,311        |                                         |                                     |
| DETAILS OF WRITE-INS .....                                                |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 3401. ....                                                                |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 3402. ....                                                                |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 3403. ....                                                                |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 3498. Summary of remaining write-ins for Line 34 from overflow page ..... |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |
| 3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....        |                 |                     |                                |                                                              |                           |                     |                   |                                         |                                     |

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 3 - EXPENSES

|                                                                                            | 1                           | 2                              | 3                      | 4               |
|--------------------------------------------------------------------------------------------|-----------------------------|--------------------------------|------------------------|-----------------|
|                                                                                            | Loss Adjustment<br>Expenses | Other Underwriting<br>Expenses | Investment<br>Expenses | Total           |
| 1. Claim adjustment services:                                                              |                             |                                |                        |                 |
| 1.1 Direct .....                                                                           | 12,220,451                  |                                |                        | 12,220,451      |
| 1.2 Reinsurance assumed .....                                                              | 27,056                      |                                |                        | 27,056          |
| 1.3 Reinsurance ceded .....                                                                | 4,318,307                   |                                |                        | 4,318,307       |
| 1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....                                   | 7,929,200                   |                                |                        | 7,929,200       |
| 2. Commission and brokerage:                                                               |                             |                                |                        |                 |
| 2.1 Direct excluding contingent .....                                                      |                             | 4,187,504                      |                        | 4,187,504       |
| 2.2 Reinsurance assumed, excluding contingent .....                                        |                             |                                |                        |                 |
| 2.3 Reinsurance ceded, excluding contingent .....                                          |                             | 1,309,694                      |                        | 1,309,694       |
| 2.4 Contingent - direct .....                                                              |                             | 148,800                        |                        | 148,800         |
| 2.5 Contingent - reinsurance assumed .....                                                 |                             |                                |                        |                 |
| 2.6 Contingent - reinsurance ceded .....                                                   |                             | 141,617                        |                        | 141,617         |
| 2.7 Policy and membership fees .....                                                       |                             |                                |                        |                 |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....           |                             | 2,884,993                      |                        | 2,884,993       |
| 3. Allowances to managers and agents .....                                                 |                             |                                |                        |                 |
| 4. Advertising .....                                                                       |                             | 30,708,070                     |                        | 30,708,070      |
| 5. Boards, bureaus and associations .....                                                  |                             | 104,836                        |                        | 104,836         |
| 6. Surveys and underwriting reports .....                                                  |                             | 3,604,898                      |                        | 3,604,898       |
| 7. Audit of assureds' records .....                                                        |                             |                                |                        |                 |
| 8. Salary and related items:                                                               |                             |                                |                        |                 |
| 8.1 Salaries .....                                                                         | 9,237,794                   | 20,785,340                     |                        | 30,023,134      |
| 8.2 Payroll taxes .....                                                                    | 737,473                     | 1,790,334                      |                        | 2,527,807       |
| 9. Employee relations and welfare .....                                                    | 1,297,621                   | 2,759,739                      |                        | 4,057,360       |
| 10. Insurance .....                                                                        |                             |                                |                        |                 |
| 11. Directors' fees .....                                                                  |                             |                                |                        |                 |
| 12. Travel and travel items .....                                                          | 2,187                       | 13,381                         |                        | 15,568          |
| 13. Rent and rent items .....                                                              | 345,786                     | 1,504,315                      |                        | 1,850,101       |
| 14. Equipment .....                                                                        | 10,311                      | 544,809                        |                        | 555,120         |
| 15. Cost or depreciation of EDP equipment and software .....                               | 1,279,471                   | 6,495,730                      |                        | 7,775,201       |
| 16. Printing and stationery .....                                                          | 37,062                      | 1,116,659                      |                        | 1,153,721       |
| 17. Postage, telephone and telegraph, exchange and express .....                           | 357,303                     | 1,976,142                      |                        | 2,333,445       |
| 18. Legal and auditing .....                                                               | 22,872                      | 341,232                        |                        | 364,104         |
| 19. Totals (Lines 3 to 18) .....                                                           | 13,327,880                  | 71,745,485                     |                        | 85,073,365      |
| 20. Taxes, licenses and fees:                                                              |                             |                                |                        |                 |
| 20.1 State and local insurance taxes deducting guaranty association<br>credits of \$ ..... |                             | 6,170,438                      |                        | 6,170,438       |
| 20.2 Insurance department licenses and fees .....                                          |                             | 217,190                        |                        | 217,190         |
| 20.3 Gross guaranty association assessments .....                                          |                             |                                |                        |                 |
| 20.4 All other (excluding federal and foreign income and real estate) .....                |                             | (1,802,559)                    |                        | (1,802,559)     |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....                      |                             | 4,585,069                      |                        | 4,585,069       |
| 21. Real estate expenses .....                                                             |                             |                                |                        |                 |
| 22. Real estate taxes .....                                                                |                             |                                |                        |                 |
| 23. Reimbursements by uninsured plans .....                                                |                             |                                |                        |                 |
| 24. Aggregate write-ins for miscellaneous expenses .....                                   | 3,374,431                   | 3,127,902                      | 181,814                | 6,684,147       |
| 25. Total expenses incurred .....                                                          | 24,631,511                  | 82,343,449                     | 181,814                | (a) 107,156,774 |
| 26. Less unpaid expenses - current year .....                                              |                             |                                |                        |                 |
| 27. Add unpaid expenses - prior year .....                                                 | 15,575,600                  |                                |                        | 15,575,600      |
| 28. Amounts receivable relating to uninsured plans, prior year .....                       |                             |                                |                        |                 |
| 29. Amounts receivable relating to uninsured plans, current year .....                     |                             |                                |                        |                 |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)                                     | 40,207,111                  | 82,343,449                     | 181,814                | 122,732,374     |
| <b>DETAILS OF WRITE-INS</b>                                                                |                             |                                |                        |                 |
| 2401. Memberships and subscriptions .....                                                  | 350                         | 1,001,939                      |                        | 1,002,289       |
| 2402. Professional services .....                                                          | 3,348,501                   | 4,367,897                      |                        | 7,716,398       |
| 2403. Other operating expenses .....                                                       | 25,580                      | (2,139,543)                    |                        | (2,113,963)     |
| 2498. Summary of remaining write-ins for Line 24 from overflow page .....                  |                             | (102,391)                      | 181,814                | 79,423          |
| 2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)                               | 3,374,431                   | 3,127,902                      | 181,814                | 6,684,147       |

(a) Includes management fees of \$ 11,492,279 to affiliates and \$ to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

EXHIBIT OF NET INVESTMENT INCOME

|                      |                                                                           | 1                     | 2                  |
|----------------------|---------------------------------------------------------------------------|-----------------------|--------------------|
|                      |                                                                           | Collected During Year | Earned During Year |
| 1.                   | U.S. Government bonds .....                                               | (a) .....83,271       | .....80,697        |
| 1.1                  | Bonds exempt from U.S. tax .....                                          | (a) .....1,164,461    | .....624,341       |
| 1.2                  | Other bonds (unaffiliated) .....                                          | (a) .....2,512,173    | .....1,834,354     |
| 1.3                  | Bonds of affiliates .....                                                 | (a) .....             | .....              |
| 2.1                  | Preferred stocks (unaffiliated) .....                                     | (b) .....             | .....              |
| 2.11                 | Preferred stocks of affiliates .....                                      | (b) .....             | .....              |
| 2.2                  | Common stocks (unaffiliated) .....                                        | .....10,305           | .....10,305        |
| 2.21                 | Common stocks of affiliates .....                                         | .....                 | .....              |
| 3.                   | Mortgage loans .....                                                      | (c) .....             | .....              |
| 4.                   | Real estate .....                                                         | (d) .....1,481,500    | .....1,481,500     |
| 5                    | Contract loans .....                                                      | .....                 | .....              |
| 6                    | Cash, cash equivalents and short-term investments .....                   | (e) .....8,151        | .....8,440         |
| 7                    | Derivative instruments .....                                              | (f) .....             | .....              |
| 8.                   | Other invested assets .....                                               | .....4,159,649        | .....4,159,649     |
| 9.                   | Aggregate write-ins for investment income .....                           | .....                 | .....              |
| 10.                  | Total gross investment income .....                                       | 9,419,509             | 8,199,286          |
| 11.                  | Investment expenses .....                                                 |                       | (g) .....181,814   |
| 12.                  | Investment taxes, licenses and fees, excluding federal income taxes ..... |                       | (g) .....          |
| 13.                  | Interest expense .....                                                    |                       | (h) .....          |
| 14.                  | Depreciation on real estate and other invested assets .....               |                       | (i) .....677,220   |
| 15.                  | Aggregate write-ins for deductions from investment income .....           |                       | .....              |
| 16.                  | Total deductions (Lines 11 through 15) .....                              |                       | .....859,034       |
| 17.                  | Net investment income (Line 10 minus Line 16) .....                       |                       | 7,340,252          |
| DETAILS OF WRITE-INS |                                                                           |                       |                    |
| 0901.                | .....                                                                     |                       |                    |
| 0902.                | .....                                                                     |                       |                    |
| 0903.                | .....                                                                     |                       |                    |
| 0998.                | Summary of remaining write-ins for Line 9 from overflow page .....        |                       |                    |
| 0999.                | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....             |                       |                    |
| 1501.                | .....                                                                     |                       |                    |
| 1502.                | .....                                                                     |                       |                    |
| 1503.                | .....                                                                     |                       |                    |
| 1598.                | Summary of remaining write-ins for Line 15 from overflow page .....       |                       |                    |
| 1599.                | Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....            |                       |                    |

- (a) Includes \$ .....80,181 accrual of discount less \$ .....334,174 amortization of premium and less \$ .....33,191 paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ .....677,220 depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

|                      |                                                                       | 1                                            | 2                             | 3                                                        | 4                                              | 5                                                               |
|----------------------|-----------------------------------------------------------------------|----------------------------------------------|-------------------------------|----------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------|
|                      |                                                                       | Realized Gain (Loss)<br>On Sales or Maturity | Other Realized<br>Adjustments | Total Realized Capital<br>Gain (Loss)<br>(Columns 1 + 2) | Change in<br>Unrealized Capital<br>Gain (Loss) | Change in Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
| 1.                   | U.S. Government bonds .....                                           | (90,372)                                     | .....                         | (90,372)                                                 | .....                                          | .....                                                           |
| 1.1                  | Bonds exempt from U.S. tax .....                                      | .....                                        | .....                         | .....                                                    | .....                                          | .....                                                           |
| 1.2                  | Other bonds (unaffiliated) .....                                      | 11,115,584                                   | .....                         | 11,115,584                                               | (51)                                           | .....                                                           |
| 1.3                  | Bonds of affiliates .....                                             | .....                                        | .....                         | .....                                                    | .....                                          | .....                                                           |
| 2.1                  | Preferred stocks (unaffiliated) .....                                 | .....                                        | .....                         | .....                                                    | .....                                          | .....                                                           |
| 2.11                 | Preferred stocks of affiliates .....                                  | .....                                        | .....                         | .....                                                    | .....                                          | .....                                                           |
| 2.2                  | Common stocks (unaffiliated) .....                                    | .....                                        | .....                         | .....                                                    | .....                                          | .....                                                           |
| 2.21                 | Common stocks of affiliates .....                                     | .....                                        | .....                         | .....                                                    | 193,053                                        | .....                                                           |
| 3.                   | Mortgage loans .....                                                  | .....                                        | .....                         | .....                                                    | .....                                          | .....                                                           |
| 4.                   | Real estate .....                                                     | .....                                        | .....                         | .....                                                    | .....                                          | .....                                                           |
| 5.                   | Contract loans .....                                                  | .....                                        | .....                         | .....                                                    | .....                                          | .....                                                           |
| 6.                   | Cash, cash equivalents and short-term investments .....               | .....                                        | .....                         | .....                                                    | .....                                          | .....                                                           |
| 7.                   | Derivative instruments .....                                          | .....                                        | .....                         | .....                                                    | .....                                          | .....                                                           |
| 8.                   | Other invested assets .....                                           | .....                                        | .....                         | .....                                                    | .....                                          | .....                                                           |
| 9.                   | Aggregate write-ins for capital gains (losses) .....                  | .....                                        | 17                            | 17                                                       | .....                                          | .....                                                           |
| 10.                  | Total capital gains (losses) .....                                    | 11,025,212                                   | 17                            | 11,025,229                                               | 193,002                                        | .....                                                           |
| DETAILS OF WRITE-INS |                                                                       |                                              |                               |                                                          |                                                |                                                                 |
| 0901.                | .....                                                                 |                                              |                               |                                                          |                                                |                                                                 |
| 0902.                | Realized Gain/Loss - US Treasury Bills .....                          | .....                                        | 17                            | 17                                                       | .....                                          | .....                                                           |
| 0903.                | .....                                                                 |                                              |                               |                                                          |                                                |                                                                 |
| 0998.                | Summary of remaining write-ins for Line 9 from<br>overflow page ..... |                                              |                               |                                                          |                                                |                                                                 |
| 0999.                | Totals (Lines 0901 thru 0903 plus 0998) (Line 9,<br>above) .....      |                                              | 17                            | 17                                                       |                                                |                                                                 |

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

EXHIBIT OF NON-ADMITTED ASSETS

|                                                                                                                         | 1                                        | 2                                      | 3                                                          |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------------|
|                                                                                                                         | Current Year Total<br>Nonadmitted Assets | Prior Year Total<br>Nonadmitted Assets | Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) .....                                                                                             |                                          |                                        |                                                            |
| 2. Stocks (Schedule D):                                                                                                 |                                          |                                        |                                                            |
| 2.1 Preferred stocks .....                                                                                              |                                          |                                        |                                                            |
| 2.2 Common stocks .....                                                                                                 |                                          |                                        |                                                            |
| 3. Mortgage loans on real estate (Schedule B):                                                                          |                                          |                                        |                                                            |
| 3.1 First liens .....                                                                                                   |                                          |                                        |                                                            |
| 3.2 Other than first liens .....                                                                                        |                                          |                                        |                                                            |
| 4. Real estate (Schedule A):                                                                                            |                                          |                                        |                                                            |
| 4.1 Properties occupied by the company .....                                                                            |                                          |                                        |                                                            |
| 4.2 Properties held for the production of income .....                                                                  |                                          |                                        |                                                            |
| 4.3 Properties held for sale .....                                                                                      |                                          |                                        |                                                            |
| 5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments<br>(Schedule DA) ..... |                                          |                                        |                                                            |
| 6. Contract loans .....                                                                                                 |                                          |                                        |                                                            |
| 7. Derivatives (Schedule DB) .....                                                                                      |                                          |                                        |                                                            |
| 8. Other invested assets (Schedule BA) .....                                                                            | 7,446,673                                |                                        | (7,446,673)                                                |
| 9. Receivables for securities .....                                                                                     |                                          |                                        |                                                            |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....                                                 |                                          |                                        |                                                            |
| 11. Aggregate write-ins for invested assets .....                                                                       |                                          |                                        |                                                            |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....                                                           | 7,446,673                                |                                        | (7,446,673)                                                |
| 13. Title plants (for Title insurers only) .....                                                                        |                                          |                                        |                                                            |
| 14. Investment income due and accrued .....                                                                             |                                          |                                        |                                                            |
| 15. Premiums and considerations:                                                                                        |                                          |                                        |                                                            |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....                                        |                                          |                                        |                                                            |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....                     |                                          |                                        |                                                            |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination .....                                      |                                          |                                        |                                                            |
| 16. Reinsurance:                                                                                                        |                                          |                                        |                                                            |
| 16.1 Amounts recoverable from reinsurers .....                                                                          |                                          |                                        |                                                            |
| 16.2 Funds held by or deposited with reinsured companies .....                                                          |                                          |                                        |                                                            |
| 16.3 Other amounts receivable under reinsurance contracts .....                                                         |                                          |                                        |                                                            |
| 17. Amounts receivable relating to uninsured plans .....                                                                |                                          |                                        |                                                            |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....                                      |                                          |                                        |                                                            |
| 18.2 Net deferred tax asset .....                                                                                       | 339,161                                  |                                        | (339,161)                                                  |
| 19. Guaranty funds receivable or on deposit .....                                                                       |                                          |                                        |                                                            |
| 20. Electronic data processing equipment and software .....                                                             | 639,417                                  | 1,335,411                              | 695,994                                                    |
| 21. Furniture and equipment, including health care delivery assets .....                                                | 15,949                                   | 183,732                                | 167,783                                                    |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....                                        |                                          |                                        |                                                            |
| 23. Receivables from parent, subsidiaries and affiliates .....                                                          |                                          |                                        |                                                            |
| 24. Health care and other amounts receivable .....                                                                      |                                          |                                        |                                                            |
| 25. Aggregate write-ins for other than invested assets .....                                                            |                                          | 355,503                                | 355,503                                                    |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts<br>(Lines 12 to 25) ..... | 8,441,200                                | 1,874,646                              | (6,566,554)                                                |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                                       |                                          |                                        |                                                            |
| 28. Total (Lines 26 and 27) .....                                                                                       | 8,441,200                                | 1,874,646                              | (6,566,554)                                                |
| DETAILS OF WRITE-INS                                                                                                    |                                          |                                        |                                                            |
| 1101. ....                                                                                                              |                                          |                                        |                                                            |
| 1102. ....                                                                                                              |                                          |                                        |                                                            |
| 1103. ....                                                                                                              |                                          |                                        |                                                            |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....                                               |                                          |                                        |                                                            |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)                                                            |                                          |                                        |                                                            |
| 2501. Accounts receivable due from employees .....                                                                      |                                          | 767                                    | 767                                                        |
| 2502. Prepaid expenses .....                                                                                            |                                          | 354,736                                | 354,736                                                    |
| 2503. ....                                                                                                              |                                          |                                        |                                                            |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....                                               |                                          |                                        |                                                            |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)                                                            |                                          | 355,503                                | 355,503                                                    |

ANNUAL STATEMENT FOR THE YEAR 2021 OF SAFE AUTO INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

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

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

|                                                                                                       | SSAP # | F/S<br>Page # | F/S<br>Line # | 2021          | 2020           |
|-------------------------------------------------------------------------------------------------------|--------|---------------|---------------|---------------|----------------|
| <b>Net Income</b>                                                                                     |        |               |               |               |                |
| (1) The Company's state basis (Page 4, Line 20, Columns 1 & 2)                                        | xxx    | xxx           | xxx           | \$ 21,322,448 | \$ (278,788)   |
| (2) State prescribed practices that increase/(decrease) NAIC statutory accounting principles ("SAP"): |        |               |               |               | -              |
| (3) State permitted practices that increase/(decrease) NAIC SAP:                                      |        |               |               |               | -              |
| (4) NAIC SAP (1-2-3=4)                                                                                | xxx    | xxx           | xxx           | \$ 21,322,448 | \$ (278,788)   |
| <b>Surplus</b>                                                                                        |        |               |               |               |                |
| (5) The Company's state basis (Page 3, Line 37, Columns 1 & 2)                                        | xxx    | xxx           | xxx           | \$ 45,477,438 | \$ 122,385,211 |
| (6) State prescribed practices that increase/(decrease) NAIC SAP:                                     |        |               |               |               | -              |
| (7) State permitted practices that increase/(decrease) NAIC SAP:                                      |        |               |               |               | -              |
| (8) NAIC SAP (5-6-7=8)                                                                                | xxx    | xxx           | xxx           | \$ 45,477,438 | \$ 122,385,211 |

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

C. Listed below is a summary of the accounting policies that materially affect the financial statements.

Investments

Bonds with an NAIC designation of 1 or 2, including loan-backed and structured securities ("LBASS") and excluding Securities Valuation Office ("SVO")-identified investments, are reported at amortized cost using the effective yield method. Bonds with an NAIC designation of 3 through 6 are reported at the lower of amortized cost or fair value, with the difference reflected in unassigned surplus as an unrealized capital loss. In general, LBASS utilize a multi-step process for determining carrying value and NAIC designation in accordance with SSAP No. 43R, *Loan-backed and Structured Securities*. The Company's bond portfolio also includes SVO-identified investments, which are reported at fair value. Changes in the fair value of SVO-identified investments are recorded as a change in net unrealized capital gains (losses), which is a component of unassigned surplus.

Redeemable preferred stocks are reported at cost, amortized cost or the lower of cost, amortized cost or fair value, depending on the assigned NAIC designation. Perpetual preferred stocks are reported at fair value or the lower of cost or fair value depending on the assigned NAIC designation. Unaffiliated common stocks are reported at fair value. For preferred stocks reported at fair value and unaffiliated common stocks, the differences between amortized cost or cost and fair value are recorded as a change in net unrealized capital gains (losses), which is a component of unassigned surplus.

Common stock investments in insurance subsidiaries domiciled in the United States are recorded based on the underlying statutory equity of the subsidiary. Common stock investments in foreign insurance subsidiaries are recorded based on the underlying accounting principles generally accepted in the United States of America ("GAAP") equity from audited GAAP financial statements adjusted for items described in SSAP No. 97, *Investments in Subsidiary, Controlled and Affiliated Entities*.

Investments in real estate are reported at depreciated cost less encumbrances or the lower of depreciated cost or fair value, less encumbrances and estimated cost to sell the property.

Cash equivalents are reported at fair value or amortized cost. Cash equivalents reported at amortized cost are readily convertible into known amounts of cash and so near their maturity that they present an insignificant risk of change in value because of changes in interest rates.

Short-term investments are reported at amortized cost.

Other invested assets consist of investments in joint ventures, partnerships, limited liability companies, low income housing tax credit ("LIHTC") property investments, collateral loans and surplus notes. Investments in joint ventures, partnerships and limited liability companies are generally reported based on the underlying audited GAAP equity of the investee, with undistributed earnings or losses reflected in unassigned surplus as a change in net unrealized capital gains and losses and, are generally recognized on a delay due to the availability of financial statements. Surplus notes are reported at amortized cost or the lower of amortized cost or fair value depending on the NAIC designation.

Investment income primarily consists of interest, dividends, income from limited partnership interests, rental income from real estate and amortization of any premium or discount. Interest is recognized on an accrual basis using the effective yield method and dividends are recorded at the ex-dividend date. Interest income for LBASS is determined considering estimated pay-downs, including prepayments, obtained from third-party data sources and internal estimates. Actual prepayment experience is periodically reviewed, and effective yields are recalculated when differences arise between the prepayments originally anticipated and the actual prepayments received and currently anticipated. For LBASS of high credit quality with fixed interest rates, the effective yield is recalculated on a retrospective basis. For all others, the effective yield is recalculated on a prospective basis. In periods subsequent to the recognition of an other-than-temporary impairment ("OTTI") on a bond, including LBASS, the difference between the new amortized cost basis and the cash flows expected to be collected is accreted as interest income. Accrual of income is suspended for other-than-temporarily impaired bonds when the timing and amount of cash flows expected to be received is not reasonably estimable. Accrual of income is suspended for mortgage loans and bank loans that are in default or when the full and timely collection of principal and interest payments is not probable. Cash receipts on investments on nonaccrual status are generally recorded as a reduction of carrying value. Cash distributions received from investments in joint ventures, partnerships and limited liability companies are recognized in investment income to the extent that they are not in excess of the undistributed accumulated earnings attributable to the investee and the unrealized gain would be reversed. Any distributions that are in excess of the undistributed accumulated earnings attributable to the investee reduce the carrying amount of the investment.

## NOTES TO FINANCIAL STATEMENTS

Realized capital gains and losses include gains and losses on investment sales and write-downs in value due to other than temporary declines in fair value. Realized capital gains and losses on investment sales are determined on a specific identification basis.

The Company has a comprehensive portfolio monitoring process to identify and evaluate each bond, including LBASS, and common and preferred stock, whose carrying value may be other-than-temporarily impaired. For each bond, excluding LBASS, in an unrealized loss position (fair value is less than amortized cost), the Company assesses whether management with the appropriate authority has made a decision to sell the bond prior to its maturity at an amount below its carrying value. If the decision has been made to sell the bond, the bond's decline in fair value is considered other than temporary and the Company recognizes a realized capital loss equal to the difference between the amortized cost and the fair value of the bond at the balance sheet date the assessment is made. If the Company has not made the decision to sell the bond, but it is probable the Company will not be able to collect all amounts due according to contractual terms, the bond's decline in value is considered other-than-temporarily impaired, and a write-down of the amortized cost to fair value is required. For securities with an NAIC designation of 3 through 6, unrealized losses that are not deemed other-than-temporarily impaired are reflected in the Company's unassigned surplus.

For LBASS, the Company assesses whether management with the appropriate authority has made a decision to sell each LBASS in an unrealized loss position or does not have the intent and ability to retain the LBASS for a period of time sufficient to recover the amortized cost basis. If either situation exists, the security's decline in value is considered other-than-temporarily impaired and the security is written down as a realized capital loss to fair value. If management has not made the decision to sell the LBASS and management intends to hold the security for a period of time sufficient to recover the amortized cost basis, the Company analyzes the present value of the discounted cash flows expected to be collected. If the present value of the discounted cash flows expected to be collected is less than the amortized cost, the security is considered other-than-temporarily impaired and the Company recognizes a realized capital loss for the difference between the present value of the discounted cash flows and the amortized cost. For securities with an NAIC designation of 3 through 6, unrealized losses that are not deemed other-than-temporarily impaired are reflected in the Company's unassigned surplus.

For common and preferred stocks, the Company considers various factors, including whether the Company has the intent and ability to hold the stock for a period of time sufficient to recover its cost basis. Where the Company lacks the intent and ability to hold to recovery, or believes the recovery period is extended, the stock's decline in fair value is other than temporary and the difference between the stock's cost and fair value is recognized as a realized capital loss. A decision to sell stock for an amount below its cost would be an other than temporary decline and a realized capital loss is recorded.

The Company's portfolio monitoring process includes a quarterly review of all securities to identify instances where the fair value of a security compared to its amortized cost (for bonds, including LBASS) or cost (for stocks) is below internally established thresholds. The process also includes the monitoring of other impairment indicators such as ratings, ratings downgrades and payment defaults. The securities identified, in addition to other securities for which the Company may have a concern, are evaluated for potential OTTI using all reasonably available information relevant to the collectability or recovery of the security. Inherent in the Company's evaluation of OTTI for these securities are assumptions and estimates about the financial condition and future earnings potential of the issue or issuer. Some of the factors that may be considered in evaluating whether a decline in fair value is other than temporary are: (1) the financial condition, near-term and long-term prospects of the issue or issuer, including relevant industry specific market conditions and trends, geographic location and implications of rating agency actions and offering prices; (2) the specific reasons that a security is in an unrealized loss position, including overall market conditions which could affect liquidity; and (3) the length of time and extent to which the fair value has been less than amortized cost or cost.

The Company does not hold derivatives in its investment portfolio.

The Company does not have a securities lending program.

The Company does not have any off-balance sheet commitments.

### Premium revenue

Premiums are deferred and earned on a pro-rata basis over the policy period. The portion of premiums written applicable to the unexpired periods of the policies is recorded as unearned premiums. Premiums received in advance of the policies' effective dates are recorded as advance premiums. Premiums written and not yet collected and agents' balances are shown as a receivable, with balances older than 90 days generally nonadmitted. The Company regularly evaluates this receivable and establishes valuation allowances, as appropriate, for items less than 90 days.

### Reserves for losses and loss adjustment expenses

Reserves for losses and loss adjustment expenses are the estimated amounts necessary to settle all reported and unreported claims for the ultimate cost of insured losses, based upon the facts in each case and the Company's experience with similar cases. These reserves are reported net of unpaid reinsurance recoverables and estimated amounts of salvage and subrogation. The establishment of appropriate reserves, including reserves for catastrophes, is an inherently uncertain and complex process. Reserve estimates are regularly reviewed and updated using the most current information available. Any resulting reestimates are reflected in the current Statement of Income.

### Reinsurance

In the normal course of business, the Company seeks to limit aggregate and single exposure to losses on large risks by purchasing reinsurance. The Company may also use reinsurance to affect the disposition of certain blocks of business. Reinsurance does not extinguish the Company's primary liability under the policies written. The Company regularly evaluates whether a provision for reinsurance is needed by evaluating the admissibility, collectability and collateralization of reinsurers' balances in accordance with the NAIC SAP. A provision for reinsurance is established, as appropriate, and this liability is netted against the reported reinsurance recoverable.

### Indemnification

The Company may also participate in various indemnification mechanisms, including industry pools and facilities, which are reimbursement mechanisms that assess participating insurers for expected claims, reimburse participating insurers for qualifying paid claims and may permit participating insurers to recoup amounts assessed directly from insureds. Indemnification recoverables are backed by the financial resources of the property and casualty insurance company market participants. Indemnification recoverables are considered collectible based on the industry pool and facility enabling legislation.

The amounts reported in the Assets page as reinsurance and indemnification recoverables include amounts paid and due from reinsurers and indemnitors. Reserves are reported net of amounts expected to be recovered from reinsurers and indemnitors on losses and loss adjustment expense reserves that have not yet been paid. Reinsurance and indemnification recoverables on unpaid losses are estimated based upon assumptions consistent with those used in establishing the liabilities related to the underlying contract. Reinsurance and indemnification premiums are generally reflected in income in a manner consistent with the recognition of premiums on the associated contracts. For catastrophe coverage, the cost of reinsurance premiums is recognized ratably over the contract period to the extent coverage remains available. Certain catastrophe agreements are subject to reinstatement premiums. Reinstatement premium is earned over the period from the reinstatement of the limit to the expiration of the agreement.

### Income taxes

The income tax provision is calculated under the liability method. Deferred tax assets ("DTAs") and deferred tax liabilities ("DTLs") are recorded based on the difference between the statutory financial statement and tax bases of assets and liabilities at the enacted tax rates. The net change

NOTES TO FINANCIAL STATEMENTS

in DTAs and DTLs is applied directly to unassigned surplus. The nonadmitted portion of gross DTAs is determined by applying the rules prescribed by SSAP No. 101, *Income Taxes* ("SSAP No. 101").

Capitalization Policy

No changes to capitalization policy.

- D. Based upon its evaluation of relevant conditions and events, management did not have substantial doubt about the Company's ability to continue as a going concern as of December 31, 2021 or 2020.
2. Accounting Changes and Corrections of Errors
- The Company notes there were no accounting changes or corrections of errors to disclose.
3. Business Combinations and Goodwill
- Not applicable.
4. Discontinued Operations
- Not applicable.
5. Investments
- A. Mortgage Loans, including Mezzanine Real Estate Loans - Not applicable.
- B. Debt Restructuring - Not applicable.
- C. Reverse Mortgages - Not applicable.
- D. Loan-Backed Securities

1. Prepayment assumptions for LBASS were obtained from external sources and, if not available, developed internally.
2. There were no other-than-temporary impairments recorded during the year
3. There were no other-than-temporary impairments recorded during the year
4. Unrealized losses are calculated as the difference between amortized cost and fair value. They result from declines in fair value below amortized cost and are evaluated for OTTI. Every LBASS with unrealized losses was included in the portfolio monitoring process.

The following table summarizes gross unrealized losses and the fair value of LBASS by the length of time individual securities have been in a continuous unrealized loss position as of December 31.

|                                                                           | 2021 |        |    |
|---------------------------------------------------------------------------|------|--------|----|
| a. The aggregate amount of unrealized losses:                             |      |        |    |
| 1. Less than 12 months                                                    | \$   | 92     | \$ |
| 2. 12 months or longer                                                    | \$   | -      | \$ |
| b. The aggregate related fair value of securities with unrealized losses: |      |        |    |
| 1. Less than 12 months                                                    | \$   | 12,643 | \$ |
| 2. 12 months or longer                                                    | \$   | -      | \$ |

5. The following table summarizes the gross unrealized losses by unrealized loss position and credit quality as of December 31, 2021.

|                                                                                       | Investment Grade | Below Investment Grade | Total |
|---------------------------------------------------------------------------------------|------------------|------------------------|-------|
| LBASS with unrealized loss position less than 20% of amortized cost <sup>(1)(2)</sup> | \$ 30            | \$ 62                  | \$ 92 |

- <sup>(1)</sup> Substantially all below investment grade LBASS have been in an unrealized loss position for less than twelve months.
- <sup>(2)</sup> Related to LBASS with an unrealized loss position less than 20% of amortized cost, the degree of which suggested that these securities did not pose a high risk of being other-than-temporarily impaired.

Investment grade is defined as a security having an NAIC designation of 1 or 2, a rating of AAA, AA, A or BBB from S&P Global Ratings, a comparable rating from another nationally recognized rating agency, or a comparable internal rating if an externally provided rating is not available. Market prices for certain securities may have credit spreads which imply higher or lower credit quality than the current third-party rating. Unrealized losses on investment grade securities were principally related to an increase in market yields which may include increased risk-free interest rates and/or wider credit spreads since the time of initial purchase. The unrealized losses are expected to reverse as the securities approach maturity.

LBASS in an unrealized loss position were evaluated based on actual and projected collateral losses relative to the securities' positions in the respective securitization trusts, security specific expectations of cash flows and credit ratings. This evaluation also takes into consideration credit enhancement, measured in terms of: (1) subordination from other classes of securities in the trust that are contractually obligated to absorb losses before the class of security the Company owns, and (2) the expected impact of other structural features embedded in the securitization trust beneficial to the class of securities the Company owns, such as overcollateralization and excess spread.

As of December 31, 2021, the Company had not made the decision to sell and it was not more likely than not the Company would be required to sell LBASS with unrealized losses before recovery of the amortized cost basis. As of December 31, 2021, the Company had the intent and ability to hold LBASS with unrealized losses for a period of time sufficient for them to recover.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions – Not Applicable
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not applicable.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale - Not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - Not applicable.
- J. Real Estate – Not applicable
- K. Low Income Housing Tax Credit Property Investments - Not applicable.
- L. Restricted Assets

1. Restricted assets (including pledged) consisted of the following as of December 31.

NOTES TO FINANCIAL STATEMENTS

|                                                                                                               | Gross (Admitted and Nonadmitted) Restricted |                                                                   |                                                               |                                                                             |                     |                             |                                        |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------|-----------------------------|----------------------------------------|
|                                                                                                               | 2021                                        |                                                                   |                                                               |                                                                             |                     |                             |                                        |
|                                                                                                               | 1                                           | 2                                                                 | 3                                                             | 4                                                                           | 5                   | 6                           | 7                                      |
|                                                                                                               | Total<br>General<br>Account<br>(G/A)        | G/A<br>Supporting<br>Protected<br>Cell<br>Account<br>Activity (a) | Total<br>Protected<br>Cell<br>Account<br>Restricted<br>Assets | Protected<br>Cell<br>Account<br>Assets<br>Supporting<br>G/A Activity<br>(b) | Total<br>(1 plus 3) | Total<br>From<br>12/31/2020 | Increase/<br>(Decrease)<br>(5 minus 6) |
| Restricted Asset Category                                                                                     |                                             |                                                                   |                                                               |                                                                             |                     |                             |                                        |
| a. Subject to contractual obligations for which a 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 Federal Home Loan Bank ("FHLB") capital stock | -                                           | -                                                                 | -                                                             | -                                                                           | -                   | -                           | -                                      |
| i. FHLB capital stock                                                                                         | 689,500                                     | -                                                                 | -                                                             | -                                                                           | 689,500             | 689,500                     | -                                      |
| j. On deposit with states                                                                                     | 2,659,769                                   | -                                                                 | -                                                             | -                                                                           | 2,659,769           | 2,660,232                   | (464)                                  |
| k. On deposit with other regulatory bodies                                                                    | -                                           | -                                                                 | -                                                             | -                                                                           | -                   | -                           | -                                      |
| l. Pledged as collateral to FHLB (including assets backing funding agreements)                                | -                                           | -                                                                 | -                                                             | -                                                                           | -                   | -                           | -                                      |
| m. Pledged as collateral not captured in other categories                                                     | -                                           | -                                                                 | -                                                             | -                                                                           | -                   | 180,158                     | (180,158)                              |
| n. Other restricted assets                                                                                    | -                                           | -                                                                 | -                                                             | -                                                                           | -                   | -                           | -                                      |
| o. Total restricted assets                                                                                    | \$ 3,349,269                                | \$ -                                                              | \$ -                                                          | \$ -                                                                        | \$ 3,349,269        | \$ 3,529,891                | \$ (180,622)                           |

(a) Subset of column 1  
(b) Subset of column 3

| 2021                                                                               |                                    |                                                |                                                                              |                                                              |
|------------------------------------------------------------------------------------|------------------------------------|------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------|
| Percentage                                                                         |                                    |                                                |                                                                              |                                                              |
|                                                                                    | 8                                  | 9                                              | 10                                                                           | 11                                                           |
|                                                                                    |                                    |                                                | Gross<br>(Admitted &<br>Nonadmitted)<br>Restricted to<br>Total<br>Assets (c) | Admitted<br>Restricted<br>to Total<br>Admitted<br>Assets (d) |
| Restricted Asset Category                                                          | Total<br>Nonadmitted<br>Restricted | Total<br>Admitted<br>Restricted<br>(5 minus 8) |                                                                              |                                                              |
| a. Subject to contractual obligations for which a liability is not shown           | \$ -                               | \$ -                                           | - %                                                                          | - %                                                          |
| b. Collateral held under security lending agreements                               | -                                  | -                                              | -                                                                            | -                                                            |
| c. Subject to repurchase agreements                                                | -                                  | -                                              | -                                                                            | -                                                            |
| d. Subject to reverse repurchase agreements                                        | -                                  | -                                              | -                                                                            | -                                                            |
| e. Subject to dollar repurchase agreements                                         | -                                  | -                                              | -                                                                            | -                                                            |
| f. Subject to dollar reverse repurchase agreements                                 | -                                  | -                                              | -                                                                            | -                                                            |
| g. Placed under option contracts                                                   | -                                  | -                                              | -                                                                            | -                                                            |
| h. Letter stock or securities restricted as to sale - excluding FHLB capital stock | -                                  | -                                              | -                                                                            | -                                                            |
| i. FHLB capital stock                                                              | -                                  | 689,500                                        | 0.4                                                                          | 0.4                                                          |
| j. On deposit with states                                                          | -                                  | 2,659,769                                      | 1.7                                                                          | 1.7                                                          |
| k. On deposit with other regulatory bodies                                         | -                                  | -                                              | -                                                                            | -                                                            |
| l. Pledged as collateral to FHLB (including assets backing funding agreements)     | -                                  | -                                              | -                                                                            | -                                                            |
| m. Pledged as collateral not captured in other categories                          | -                                  | -                                              | -                                                                            | -                                                            |
| n. Other restricted assets                                                         | -                                  | -                                              | -                                                                            | -                                                            |
| o. Total restricted assets                                                         | \$ -                               | \$ 3,349,269                                   | 2.1 %                                                                        | 2.1 %                                                        |

(c) Column 5 divided by Asset Page, Column 1, Line 28  
(d) Column 9 divided by Asset Page, Column 3, Line 28

2. The following tables summarize the details of the Company's 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. The following tables summarize the detail of the Company's other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) – Not Applicable
4. The following table summarizes collateral received and reflected as assets within the Company'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

The following table provides the number of CUSIPs sold, redeemed or otherwise disposed of and the aggregate amount of investment income generated for bonds, including LBASS, sold, redeemed or otherwise disposed of as a result of a callable feature for the years ended December 31:

| 2021                                      |                    |                   |
|-------------------------------------------|--------------------|-------------------|
|                                           | General<br>Account | Protected<br>Cell |
| (1) Number of CUSIPs                      | 4                  | -                 |
| (2) Aggregate amount of investment income | \$ 51,032          | \$ -              |

R. Reporting Entity's Share of Cash Pool by Asset Type - None

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company did not have investments in joint ventures, partnerships or limited liability companies that exceeded 10% of its admitted assets as of December 31, 2021 or 2020.
- B. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies.

NOTES TO FINANCIAL STATEMENTS

None

7. Investment Income

- A. Due and accrued investment income is recorded as an asset, with two exceptions. Due and accrued investment income for investments where the interest is more than 90 days past due is nonadmitted. Due and accrued investment income that is determined to be uncollectible, regardless of its age, is written off in the period that determination is made.
- B. All due and accrued investment income was admitted as of December 31, 2021.

8. Derivative Instruments

Not applicable.

9. Income Taxes

The application of SSAP No. 101 requires the Company to evaluate the recoverability of DTAs and to establish a statutory valuation allowance adjustment ("valuation allowance") if necessary to reduce the DTA to an amount which is more likely than not to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance the Company considers many factors, including: (1) the nature of the DTAs and DTLs; (2) whether they are ordinary or capital; (3) the timing of their reversal; (4) taxable income in prior carryback years as well as projected taxable earnings exclusive of reversing temporary differences and carryforwards; (5) the length of time that carryovers can be utilized; (6) unique tax rules that would impact the utilization of the DTAs; and (7) any tax planning strategies that the Company would employ to avoid an operating loss or tax credit carryforward from expiring unused. Although the realization is not assured, management believes it is more likely than not that the DTAs, net of the valuation allowance, will be realized. The Company did not record a valuation allowance as of December 31, 2021 or 2020.

- A. 1. The components of the net DTA (DTL) were as follows as of December 31:

|                                         | 2021         |            |                           | 2020         |              |                           | Change                       |                             |                           |
|-----------------------------------------|--------------|------------|---------------------------|--------------|--------------|---------------------------|------------------------------|-----------------------------|---------------------------|
|                                         | (1)          | (2)        | (3)<br>(Col 1+2)<br>Total | (4)          | (5)          | (6)<br>(Col 4+5)<br>Total | (7)<br>(Col 1-4)<br>Ordinary | (8)<br>(Col 2-5)<br>Capital | (9)<br>(Col 7+8)<br>Total |
| (a) Gross DTAs                          | \$ 137,628   | \$ 339,161 | \$ 476,789                | \$ 8,560,987 | \$ 339,150   | \$ 8,900,137              | \$ (8,423,359)               | \$ 11                       | \$ (8,423,348)            |
| (b) Valuation allowance                 | -            | -          | -                         | -            | -            | -                         | -                            | -                           | -                         |
| (c) Adjusted gross DTAs (1a-1b)         | \$ 137,628   | \$ 339,161 | \$ 476,789                | \$ 8,560,987 | \$ 339,150   | \$ 8,900,137              | \$ (8,423,359)               | \$ 11                       | \$ (8,423,348)            |
| (d) DTAs nonadmitted                    | -            | 339,161    | 339,161                   | (1)          | -            | (1)                       | 1                            | 339,161                     | 339,162                   |
| (e) Subtotal – net admitted DTA (1c-1d) | \$ 137,628   | \$ -       | \$ 137,628                | \$ 8,560,988 | \$ 339,150   | \$ 8,900,138              | \$ (8,423,360)               | \$ (339,150)                | \$ (8,762,510)            |
| (f) DTLs                                | 994,802      | -          | 994,802                   | 1,510,618    | 783,706      | 2,294,324                 | (515,816)                    | (783,706)                   | (1,299,522)               |
| (g) Net admitted DTA/(net DTL) (1e-1f)  | \$ (857,174) | \$ -       | \$ (857,174)              | \$ 7,050,370 | \$ (444,556) | \$ 6,605,814              | \$ (7,907,544)               | \$ 444,556                  | \$ (7,462,988)            |

2. The amount of adjusted gross DTAs admitted under each component of SSAP No. 101 was as follows as of December 31:

|                                                                                                                                                                                     | 2021       |      |                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------|---------------------------|
|                                                                                                                                                                                     | (1)        | (2)  | (3)<br>(Col 1+2)<br>Total |
| (a) Federal income taxes paid in prior years recoverable through loss carrybacks                                                                                                    | \$ 137,628 | \$ - | \$ 137,628                |
| (b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs from 2(a) above) after application of the threshold limitation. (the lessor of 2(b)1 and 2(b)2 below) | -          | -    | -                         |
| 1. Adjusted gross DTAs expected to be realized following the balance sheet date                                                                                                     | -          | -    | -                         |
| 2. Adjusted gross DTAs allowed per limitation threshold                                                                                                                             | XXX        | XXX  | 18,357,782                |
| (c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs                                                                                | -          | -    | -                         |
| (d) DTAs admitted as the result of application of SSAP No. 101, total (2(a) + 2(b) + 2(c))                                                                                          | \$ 137,628 | \$ - | \$ 137,628                |

|                                                                                                                                                                                     | 2020         |            |                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|---------------------------|
|                                                                                                                                                                                     | (4)          | (5)        | (6)<br>(Col 4+5)<br>Total |
| (a) Federal income taxes paid in prior years recoverable through loss carrybacks                                                                                                    | \$ 3,802,552 | \$ 95,796  | \$ 3,898,348              |
| (b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs from 2(a) above) after application of the threshold limitation. (the lessor of 2(b)1 and 2(b)2 below) | 3,810,398    | -          | 3,810,398                 |
| 1. Adjusted gross DTAs expected to be realized following the balance sheet date                                                                                                     | 3,810,398    | -          | 3,810,398                 |
| 2. Adjusted gross DTAs allowed per limitation threshold                                                                                                                             | XXX          | XXX        | -                         |
| (c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs                                                                                | 948,038      | 243,354    | 1,191,392                 |
| (d) DTAs admitted as the result of application of SSAP No. 101, total (2(a) + 2(b) + 2(c))                                                                                          | \$ 8,560,988 | \$ 339,150 | \$ 8,900,138              |

|                                                                                                                                                                                     | Change                       |                             |                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|---------------------------|
|                                                                                                                                                                                     | (7)<br>(Col 1-4)<br>Ordinary | (8)<br>(Col 2-5)<br>Capital | (9)<br>(Col 7+8)<br>Total |
| (a) Federal income taxes paid in prior years recoverable through loss carrybacks                                                                                                    | \$ (3,664,924)               | \$ (95,796)                 | \$ (3,760,720)            |
| (b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs from 2(a) above) after application of the threshold limitation. (the lessor of 2(b)1 and 2(b)2 below) | (3,810,398)                  | -                           | (3,810,398)               |
| 1. Adjusted gross DTAs expected to be realized following the balance sheet date                                                                                                     | (3,810,398)                  | -                           | (3,810,398)               |
| 2. Adjusted gross DTAs allowed per limitation threshold                                                                                                                             | XXX                          | XXX                         | 18,357,782                |
| (c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs                                                                                | (948,038)                    | (243,354)                   | (1,191,392)               |
| (d) DTAs admitted as the result of application of SSAP No. 101, total (2(a) + 2(b) + 2(c))                                                                                          | \$ (8,423,360)               | \$ (339,150)                | \$ (8,762,510)            |

3. The Company's threshold information used to determine the amount of DTAs admitted was as follows as of December 31:

|                                                                                                                       | 2021          | 2020           |
|-----------------------------------------------------------------------------------------------------------------------|---------------|----------------|
| (a) Ratio percentage used to determine recovery period and threshold limitation amount.                               | 179 %         | 464 %          |
| (b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above. | \$ 45,477,438 | \$ 122,385,211 |

4. The impact of tax-planning strategies on adjusted gross and net admitted DTAs was as follows as of December 31:

| 2021 |     | 2020 |     | Change |     |
|------|-----|------|-----|--------|-----|
| (1)  | (2) | (3)  | (4) | (5)    | (6) |

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NOTES TO FINANCIAL STATEMENTS

|                                                                                                                                 | Ordinary   | Capital    | Ordinary     | Capital    | (Col 1-3)<br>Ordinary | (Col 2-4)<br>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)                                                                                  | \$ 137,628 | \$ 339,161 | \$ 8,560,987 | \$ 339,150 | \$ (8,423,359)        | \$ 11                |
| 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)                                                                     | \$ 137,628 | \$ -       | \$ 8,560,988 | \$ 339,150 | \$ (8,423,360)        | \$ (339,150)         |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax-planning strategies    | - %        | - %        | - %          | - %        | - %                   | - %                  |
| (b) Does the Company's tax-planning strategies include the use of reinsurance?                                                  | Yes        | No         | X            |            |                       |                      |

B. The Company recognized all DTLs as of December 31, 2021 and 2020.

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

|                                                                   | (1)<br>12/31/2021 | (2)<br>12/31/2020 | (3)<br>(Col 1-2)<br>Change |
|-------------------------------------------------------------------|-------------------|-------------------|----------------------------|
| 1. Current Income Tax                                             |                   |                   |                            |
| (a) Federal                                                       | \$ (2,356,220)    | \$ 226,719        | \$ (2,582,939)             |
| (b) Foreign                                                       | -                 | -                 | -                          |
| (c) Subtotal                                                      | \$ (2,356,220)    | \$ 226,719        | \$ (2,582,939)             |
| (d) Federal income tax on net capital gains (losses)              | -                 | (36,132)          | 36,132                     |
| (e) Utilization of capital loss carry-forwards                    | -                 | -                 | -                          |
| (f) Other                                                         | 32,964            | 363,484           | (330,520)                  |
| (g) Federal and foreign income taxes incurred                     | \$ (2,323,256)    | \$ 554,071        | \$ (2,877,327)             |
| 2. DTAs                                                           |                   |                   |                            |
| (a) Ordinary                                                      |                   |                   |                            |
| (1) Discounting of unpaid losses                                  | \$ -              | \$ 1,331,565      | \$ (1,331,565)             |
| (2) Unearned premium reserve                                      | -                 | 3,233,260         | (3,233,260)                |
| (3) Policyholder reserves                                         | -                 | -                 | -                          |
| (4) Investments                                                   | -                 | -                 | -                          |
| (5) Deferred acquisition costs                                    | -                 | -                 | -                          |
| (6) Policyholder dividends accrual                                | -                 | -                 | -                          |
| (7) Fixed assets                                                  | -                 | -                 | -                          |
| (8) Compensation and benefits accrual                             | -                 | 2,453,041         | (2,453,041)                |
| (9) Pension accrual                                               | -                 | -                 | -                          |
| (10) Receivables – nonadmitted                                    | 137,627           | 393,676           | (256,049)                  |
| (11) Net operating loss carry-forward                             | -                 | -                 | -                          |
| (12) Tax credit carry-forward                                     | -                 | -                 | -                          |
| (13) Other (including items <5% of total ordinary tax assets)     | -                 | 1,149,445         | (1,149,445)                |
| (99) Subtotal                                                     | \$ 137,628        | \$ 8,560,987      | \$ (8,423,359)             |
| (b) Valuation allowance                                           | \$ -              | \$ -              | \$ -                       |
| (c) Nonadmitted                                                   | \$ -              | \$ (1)            | \$ 1                       |
| (d) Admitted ordinary DTAs (2a99 – 2b – 2c)                       | \$ 137,628        | \$ 8,560,988      | \$ (8,423,360)             |
| (e) Capital                                                       |                   |                   |                            |
| (1) Investments                                                   | \$ 339,148        | \$ 212,880        | \$ 126,268                 |
| (2) Net capital loss carry-forward                                | -                 | -                 | -                          |
| (3) Real estate                                                   | -                 | 126,270           | (126,270)                  |
| (4) Unrealized losses                                             | 13                | -                 | 13                         |
| (5) Other (including items <5% of total capital tax assets)       | -                 | -                 | -                          |
| (99) Subtotal                                                     | \$ 339,161        | \$ 339,150        | \$ 11                      |
| (f) Valuation allowance                                           | \$ -              | \$ -              | \$ -                       |
| (g) Nonadmitted                                                   | \$ 339,161        | \$ -              | \$ 339,161                 |
| (h) Admitted capital DTAs (2e99 – 2f – 2g)                        | \$ -              | \$ 339,150        | \$ (339,150)               |
| (i) Admitted DTAs (2d + 2h)                                       | \$ 137,628        | \$ 8,900,138      | \$ (8,762,510)             |
| 3. DTLs                                                           |                   |                   |                            |
| (a) Ordinary                                                      |                   |                   |                            |
| (1) Discounting of unpaid losses                                  | \$ 263,385        | \$ 438,975        | \$ (175,590)               |
| (2) Investments                                                   | 2,573             | 60,678            | (58,105)                   |
| (3) Fixed assets                                                  | 728,844           | 849,385           | (120,541)                  |
| (4) Deferred and uncollected premium                              | -                 | -                 | -                          |
| (5) Policyholder reserves                                         | -                 | -                 | -                          |
| (6) Premium acquisition expense                                   | -                 | -                 | -                          |
| (7) Salvage & subrogation discounting                             | -                 | 54,458            | (54,458)                   |
| (8) Compensation and benefits accrual                             | -                 | -                 | -                          |
| (9) Other (including items <5% of total ordinary tax liabilities) | -                 | 107,122           | (107,122)                  |
| (99) Subtotal                                                     | \$ 994,802        | \$ 1,510,618      | \$ (515,817)               |
| (b) Capital                                                       |                   |                   |                            |
| (1) Investments                                                   | \$ -              | \$ -              | \$ -                       |
| (2) Real estate                                                   | -                 | -                 | -                          |
| (3) Unrealized gains                                              | -                 | 783,706           | (783,706)                  |
| (4) Other (including items <5% of total capital tax liabilities)  | -                 | -                 | -                          |
| (99) Subtotal                                                     | \$ -              | \$ 783,706        | \$ (783,706)               |
| (c) DTLs (3a99 + 3b99)                                            | \$ 994,802        | \$ 2,294,324      | \$ (1,299,522)             |
| 4. Net DTAs/DTLs (2i – 3c)                                        | \$ (857,174)      | \$ 6,605,814      | \$ (7,462,988)             |

The change in net deferred income tax comprises the following as of December 31 (this analysis is exclusive of nonadmitted assets, as the change in nonadmitted assets is reported separately from the change in net deferred income tax in the surplus section of the Annual Statement):

|                                         | 2021         | 2020         | Change         |
|-----------------------------------------|--------------|--------------|----------------|
| Total DTAs                              | \$ 137,628   | \$ 8,900,138 | \$ (8,762,510) |
| Total DTLs                              | 994,802      | 2,294,324    | (1,299,522)    |
| Net DTAs (DTLs)                         | \$ (857,174) | \$ 6,605,814 | (7,462,988)    |
| Tax effect of unrealized gains (losses) |              |              | (783,719)      |
| Change in net deferred income tax       |              |              | (8,246,707)    |
| Tax effect of nonadmitted assets        |              |              | 339,162        |

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|                                                             |                       |
|-------------------------------------------------------------|-----------------------|
| Surplus adjustments – including stock option forfeitures    | -                     |
| Adjustment of prior year tax liabilities                    | -                     |
| Change in net deferred income tax relating to the provision | <u>\$ (7,907,545)</u> |

D. The provision for federal income taxes incurred was different from that which would have been obtained by applying the statutory federal income tax rate to income before taxes. The items causing this difference were as follows as of December 31:

|                                           | <u>2021</u>         | <u>Effective<br/>Tax Rate</u> | <u>2020</u>         | <u>Effective<br/>Tax Rate</u> |
|-------------------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|
| Provision computed at statutory rate      | \$ 3,989,831        | 21.00 %                       | \$ 57,809           | 21.00 %                       |
| Tax exempt interest deduction             | (98,289)            | (0.52)                        | (282,741)           | (102.71)                      |
| Non-deductibles                           | 2,186,489           | 11.51                         | (462,818)           | (168.13)                      |
| Tax effect of nonadmitted assets          | 256,049             | 1.35                          | 187,282             | 68.03                         |
| Other                                     | <u>(749,791)</u>    | <u>(3.95)</u>                 | <u>70,684</u>       | <u>25.68</u>                  |
| Total statutory income taxes              | <u>\$ 5,584,289</u> | <u>29.39 %</u>                | <u>\$ (429,784)</u> | <u>(156.13) %</u>             |
|                                           |                     |                               |                     |                               |
| Federal and foreign income taxes incurred | (2,323,256)         | (12.23)                       | 190,587             | 69.23                         |
| Change in net deferred income taxes       | <u>7,907,545</u>    | <u>41.62</u>                  | <u>(620,371)</u>    | <u>(225.36)</u>               |
| Total statutory income taxes              | <u>\$ 5,584,289</u> | <u>29.39 %</u>                | <u>\$ (429,784)</u> | <u>(156.13) %</u>             |

E. 1. As of December 31, 2021, the Company did not have net operating loss or tax credit carryforwards available to offset future net income subject to federal income taxes.

2. The following were income taxes incurred by the Company in the current and prior year that will be available for recoupment in the event of future net losses:

|                     |           |
|---------------------|-----------|
| 2021                | -         |
| 2021 - Short Period | 2,561,618 |

3. The Company did not have deposits admitted under Section 6603 of the IRC at December 31, 2021 or 2020

F. 1. The Allstate Corporation's (the "Corporation") federal taxable income for the year ended December 31, 2021 is consolidated with the entities listed below:

|                                                             |                                                  |
|-------------------------------------------------------------|--------------------------------------------------|
| ABC Agency Network, Inc.                                    | Esurance Insurance Company                       |
| Agent Alliance Insurance Company                            | Esurance Insurance Company of New Jersey         |
| ALIC Reinsurance Company                                    | Esurance Insurance Services, Inc.                |
| Allstate Assignment Company                                 | Esurance Property and Casualty Insurance Company |
| Allstate Assurance Company                                  | First Colonial Insurance Company                 |
| Allstate Enterprises, LLC                                   | HealthCompare Insurance Services, Inc.           |
| Allstate Financial Corporation                              | iCracked Inc.                                    |
| Allstate Financial Insurance Holdings Corporation           | Imperial Fire & Casualty Insurance Company       |
| Allstate Fire and Casualty Insurance Company                | Imperial General Agency of Texas, Inc            |
| Allstate Indemnity Company                                  | Imperial Marketing Corporation                   |
| Allstate Insurance Company                                  | InfoArmor, Inc.                                  |
| Allstate Insurance Services, Inc.                           | Integon Casualty Insurance Company               |
| Allstate International Assignments, Ltd.                    | Integon General Insurance Corporation            |
| Allstate International Holdings, Inc.                       | Integon Indemnity Corporation                    |
| Allstate Investment Management Company                      | Integon National Insurance Company               |
| Allstate Investments, LLC                                   | Integon Preferred Insurance Company              |
| Allstate Life Insurance Company                             | IntramERICA Life Insurance Company               |
| Allstate Life Insurance Company of New York                 | Ivantage Select Agency, Inc.                     |
| Allstate Motor Club, Inc.                                   | John Alden Financial Corp.                       |
| Allstate New Jersey Insurance Company                       | Kennett Capital, Inc.                            |
| Allstate New Jersey Property and Casualty Insurance Company | MIC General Insurance Corporation                |
| Allstate Non-Insurance Holdings, Inc.                       | National Farmers Union P&C Company               |
| Allstate North American Insurance Company                   | National General Assurance Company               |
| Allstate Northbrook Indemnity Company                       | National General Holdings Corp.                  |
| Allstate Property and Casualty Insurance Company            | National General Insurance Company               |
| Allstate Settlement Corporation                             | National General Insurance Marketing, Inc.       |
| Allstate Texas Lloyd's                                      | National General Insurance Online, Inc.          |
| Allstate Texas Lloyd's, Inc.                                | National General Lender Services, Inc.           |
| Allstate Vehicle and Property Insurance Company             | National General Management Corp.                |
| American Heritage Life Insurance Company                    | National General Motor Club, Inc.                |
| American Heritage Service Company                           | National General Premier Insurance Company       |
| America's Health Care/Rx Plan Agency, Inc.                  | National Health Corporation                      |
| Answer Financial, Inc.                                      | New South Insurance Company                      |
| ASMI Auto Insurance Company                                 | Newport Management Corporation                   |
| Assigned Risk Solutions, Ltd.                               | NGLS Insurance Services, Inc.                    |
| AutoTex MGA, Inc.                                           | North Light Specialty Insurance Company          |
| Castle Key Indemnity Company                                | Northeast Agencies, Inc.                         |
| Castle Key Insurance Company                                | NSM Sales Corporation                            |
| CE Care Plan Corporation                                    | Pablo Creek Services, Inc.                       |
| Century-National Insurance Company                          | Personal Express Insurance Services, Inc.        |
| Collective Sourcing, LLC                                    | PlumChoice Business Services, Inc.               |
| Complete Product Care Corporation                           | PlumChoice, Inc.                                 |
| Direct Administration, Inc.                                 | Protection Plan Group, Inc.                      |
| Direct General Consumer Products, Inc.                      | Quotit Corporation                               |
| Direct General Financial Services, Inc.                     | Right Choice Insurance Agency, Inc.              |
| Direct General Insurance Agency, Inc.                       | Safe Auto Insurance Group, Inc.                  |
| Direct General Insurance Company                            | Safe Auto Insurance Company                      |
| Direct General Insurance Company of Mississippi             | Safe Auto Choice Insurance Company               |
| Direct General Life Insurance Company                       | Safe Auto Value Insurance Company                |
| Direct General Premium Finance Company                      | Safe Auto Group Agency, Inc.                     |
| Direct Insurance Company                                    | Seattle Specialty Insurance Services, Inc.       |
| Direct National Insurance Company                           | Signature Agency, Inc.                           |
| E.R.J. Insurance Group, Inc.                                | Signature Motor Club of California, Inc.         |

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ECMI Auto Insurance Company  
Encompass Floridian Indemnity Company  
Encompass Floridian Insurance Company  
Encompass Home and Auto Insurance Company  
Encompass Indemnity Company  
Encompass Independent Insurance Company  
Encompass Insurance Company  
Encompass Insurance Company of America  
Encompass Insurance Company of Massachusetts  
Encompass Insurance Company of New Jersey  
Encompass Property and Casualty Company  
Encompass Property and Casualty Insurance  
Company of New Jersey  
ESMI Auto Insurance Company  
Esurance Holdings, Inc.

Signature Motor Club, Inc.  
Signature Nationwide Auto Club of California, Inc.  
Signature's Nationwide Auto Club, Inc.  
Socialmine, Inc.  
SquareTrade Holding Company, Inc.  
SquareTrade Insurance Services, Inc.  
SquareTrade Protection Solutions, Inc.  
SquareTrade, Inc.  
SquareTradeGo, Inc.  
ST Product Care Corporation  
Standard Property & Casualty Insurance Company  
Team Corp.  
The Allstate Corporation  
VigilanteATI, Inc.  
Western General Agency, Inc.

2. The Company joins the Corporation and its 134 domestic subsidiaries in the filing of a consolidated federal income tax return. The consolidated group has elected under IRC Section 1552(a)(2) to allocate the consolidated federal income tax liability based on each member's federal income tax liability computed on a separate return basis, except all tax benefits resulting from operating losses and tax credits are allocated to the Company to the extent they can be utilized in the consolidated return.
- G. The Company had no liability for federal income tax loss contingencies as of December 31, 2021 and believes that the liability balance will not materially increase within the next twelve months.
- H. Repatriation Transition Tax - Not applicable.
- I. Alternative Minimum Tax Credits – Not applicable.
10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties
- A. Nature of the Relationship Involved
- On October 1, 2021, following the receipt of all necessary regulatory approvals, Safe Auto Insurance Group, the Company's parent, was acquired by National General Holdings Corporation ("NGHC"), pursuant to the Merger Agreement entered into on May 31, 2021. Effective October 1, 2021, Safe Auto Insurance Group contributed ownership of Safe Auto Choice Insurance Company and Safe Auto Value Insurance Company to the Company.
- On January 4, 2021, following the receipt of all necessary regulatory approvals, NGHC, was acquired by The Allstate Corporation pursuant to the previously disclosed Merger Agreement entered into on July 7, 2020. The Company is now an indirect subsidiary of Allstate.
- B. Transactions
- Through September 30, 2021, the Company was part of an intercompany pooling reinsurance agreement. This agreement was terminated on October 1, 2021. Pooling transactions and the termination of the pooling agreement were greater than 0.5% of total admitted assets.
- There were no other undisclosed transactions that exceeded this threshold.
- C. Transactions with Related Parties who are not Reported on Schedule Y.
- There are no transactions with related parties that are not reported on Schedule Y.
- D. Amounts Due From or To Related Parties
- The Company reported a net receivable from / (payable to) affiliates as of December 31, as follows:
- 2021 National General Management Corp (\$4,748,608)
- The above balances are to be settled quarterly in accordance with the Management Services Agreement which requires settlement to occur within thirty days after quarter-end.
- E. Material Management or Service Contracts and Cost-Sharing Arrangements
- The Company participates in a 100% Reinsurance Agreement with Integon National Insurance Company (National), an affiliated insurance company.
- The Company is party to a Management Service Agreement with National General Management Corporation. The agreement allows National General Management Corporation, as the Administrator, to perform services for the Company. Allocated costs in 2021 were \$11,492,279.
- Prior to September 30, 2021, the Company and Safe Auto Group Agency were parties of an agency contract. Safe Auto Group Agency provides agency services for the Company by employing certain agents, customer service, and related management personnel while also exclusively providing all advertising and marketing efforts. This agreement was terminated on October 1, 2021, pursuant to the Merger Agreement.
- Prior to September 30, 2021, the Company and Safe Auto Insurance Group were parties of a management and operations agreement for services provided between the Company, its parent, and the parent's subsidiaries. This agreement was approved by the Ohio Department of Insurance in April 2019.
- F. Guarantees and Undertakings
- Not applicable.
- G. Nature of the Control Relationship
- All outstanding shares of the Company are owned by Parent.
- H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned-Not applicable.
- I. Investments in Subsidiaries, Controlled and Affiliated ("SCA") Entities that Exceed 10% of Admitted Assets
- Not applicable.
- J. Investments in Impaired SCAs
- Not applicable.

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K. Investment in Foreign Insurance Subsidiary

Not applicable.

L. Investment in Downstream Noninsurance Holding Company

Not applicable.

M. All SCA Investments

Not applicable.

N. Investment in Insurance SCAs

Not applicable.

O. SCA or SSAP 48 Entity Loss Tracking

Not applicable.

11. Debt

A. Debt, Including Capital Notes - Not Applicable

B. FHLB (Federal Home Loan Bank) Agreements

(1) The Company is a member of the Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, the Company may conduct Business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds as backup liquidity. The Company's borrowing capacity is \$10,000,000. This agreement expires on April 8, 2022. The Company does not intend to renew this agreement.

(2) FHLB capital stock

(a) Aggregate totals

|                                                                         | (1)            | (2)                | (3)                           |
|-------------------------------------------------------------------------|----------------|--------------------|-------------------------------|
|                                                                         | Total<br>(2+3) | General<br>Account | Protected<br>Cell<br>Accounts |
| 1. Current Year                                                         |                |                    |                               |
| (a) Membership stock - Class A                                          | \$ -           | \$ -               | \$ -                          |
| (b) Membership stock - Class B                                          | 397,550        | 397,550            | -                             |
| (c) Activity stock                                                      | -              | -                  | -                             |
| (d) Excess stock                                                        | 291,950        | 291,950            | -                             |
| (e) Aggregate total (a+b+c+d)                                           | \$ 689,500     | \$ 689,500         | \$ -                          |
| (f) Actual or estimated borrowing capacity as determined by the insurer | \$ 10,000,000  |                    |                               |
| 2. Prior Year-End                                                       |                |                    |                               |
| (a) Membership stock - Class A                                          | \$ -           | \$ -               | \$ -                          |
| (b) Membership stock - Class B                                          | 577,346        | 577,346            | -                             |
| (c) Activity stock                                                      | -              | -                  | -                             |
| (d) Excess stock                                                        | 112,154        | 112,154            | -                             |
| (e) Aggregate total (a+b+c+d)                                           | \$ 689,500     | \$ 689,500         | \$ -                          |
| (f) Actual or estimated borrowing capacity as determined by the insurer | \$ 10,000,000  |                    |                               |

(b) Membership stock (class A and B) eligible and not eligible for redemption

|                  |                                   | Eligible for Redemption     |                    |                              |                        |              |      |
|------------------|-----------------------------------|-----------------------------|--------------------|------------------------------|------------------------|--------------|------|
|                  |                                   | (1)                         | (2)                | (3)                          | (4)                    | (5)          | (6)  |
| Membership Stock | Current Year Total<br>(2+3+4+5+6) | Not Eligible for Redemption | Less Than 6 Months | 6 Months to Less Than 1 Year | 1 to Less Than 3 Years | 3 to 5 Years |      |
| 1. Class A       | \$ -                              | \$ -                        | \$ -               | \$ -                         | \$ -                   | \$ -         | \$ - |
| 2. Class B       | \$ 397,550                        | \$ 397,550                  | \$ -               | \$ -                         | \$ -                   | \$ -         | \$ - |

(3) Collateral pledged to FHLB - None

(4) Borrowing from FHLB - None

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

A. Defined Benefit Plan  
Not applicable

B. Investment Policies and Strategies  
Not applicable

C. Fair Value of Plan Assets  
Not applicable

## NOTES TO FINANCIAL STATEMENTS

- D. Basis Used to Determine Expected Long-Term Rate-of-Return  
Not applicable

- E. Defined Contribution Plans  
Prior to September 30, 2021, the Company sponsored a defined contribution 401(k) Employee Savings and Profit Sharing Plan which allowed eligible employees to contribute a percentage of their salaries, wages, and bonuses, subject to certain restrictions and limitations, to an individual 401(k) retirement savings account. The Company made matching contributions equal to 50% of the employee contributions, up to 8% of total employee compensation, and could have made periodic discretionary contributions. This Plan was terminated on October 1, 2021. The Company's contributions to this Plan were \$745,633 for the period ended September 30, 2021, and \$986,344 for the year ended December 31, 2020.

Prior to September 30, 2021, the Company also sponsored a non-qualified deferred compensation arrangement for certain executives and directors of the Company. Participating executives and directors could contribute a percentage of their salaries, wages, and bonuses, subject to certain restrictions and limitations. The Company made matching contributions equal to 50% of the employee contributions up to 8% of total executive compensation when coordinated with the executives' contributions to the 401(k) plan. There were no matching contributions for directors. This plan was terminated on October 1, 2021, and its funds were distributed to its participating executives and directors.

An affiliated company sponsors a defined contribution savings plan covering employees of National General Management Corporation. The Company does not have any employees but receives an allocation of National General Management Corporation's expenses related to the plan. See Note 12G.

- F. Multiemployer Plans  
The Company has no employees and therefore does not have a multiemployer plan.
- G. Consolidated/Holding Company Plans  
Beginning October 1, 2021, the Company's employees became a part of a new defined contribution savings plan known as the Allstate 401(k) Savings Plan ("the Plan"), sponsored by an affiliated company. Under the Plan, employees may contribute up to 90% of salary subject to IRS guidelines which is eligible for an 80% match on the first 5% of contributions by the Plan sponsor. The match is funded annually and allocated to the Company through the Management Services Agreement. During 2021 and 2020, the Company's share of allocated expenses were \$26,726 and \$ 0 respectively.
- H. Postemployment Benefits and Compensated Absences  
Not applicable
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)
- (1) Recognition of the Existence of the Act  
Not applicable
  - (2) Effects of the Subsidy in Measuring the Net Postretirement Benefit Cost  
Not applicable
  - (3) Disclosure of Gross Benefit Payments  
Not applicable

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

- A. Number of Share and Par or State Value of Each Class

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

- B. Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues

The Company has no preferred stock.

- C. Under the insurance regulations of Ohio, the maximum amount of ordinary dividends that the Company may pay to shareholders in a twelve month period is limited to the greater of 10% of the most recent year-end policyholders' surplus or the net income for that same year-end. Accordingly, the maximum amount of ordinary dividends that the Company may pay in 2022 is \$21,322,449. Dividend above this amount would be deemed extraordinary and may not be paid unless:

1. not disapproved by the Commissioner of Insurance of Ohio within 30 days of receiving notice of the declaration thereof or
2. approved within that 30 day period.

- D. Dates and Amounts of Dividends Paid:

In December 2021, the Company paid a dividend of \$82,938,540 to its parent company, Safe Auto Insurance Group. Additionally, at the same time a return of capital of \$12,061,460 was made to the parent company. These amounts were approved by the Commissioner of Insurance of Ohio.

- E. Within the limitations of Part C above, there were no restrictions placed on the portion of the Company's profits that may be paid as ordinary dividends to stockholders.
- F. In accordance with Illinois statute, the Company must maintain a minimum unassigned surplus during the year of \$1,000,000. The Company exceeded this minimum statutory requirement during 2021.
- G. Amount of Advances to Surplus not Repaid – Not applicable
- H. Stock Held for Special Purposes – Not applicable.
- I. The Company has no special surplus funds.
- J. The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$ 66,250
- K. The Company issued the following surplus debentures or similar obligations as of December 31: - Not Applicable.
- L. Restatements Due to Quasi-Reorganizations – Not applicable.
- M. Dates of Quasi-Reorganizations – Not applicable.

### 14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments

NOTES TO FINANCIAL STATEMENTS

1. Total SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88, and SSAP No. 48, Joint Ventures,Partnerships and Limited Liability Company contingent liabilities: \$0.
2. Detail of other contingent commitments  
The Company has no other contingent commitments.
3. Guarantee Obligations  
None
- 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 writes business. Guaranty fund assessments should be accrued at the time of insolvencies.  
Other assessments should be accrued either at the time of assessment or in the case of premium based assessments, at the time the premiums were written, or in the case of loss Assessments, at the time the losses are incurred.
- 2) Assets recognized from paid and accrued premium tax offsets and policy surcharges  
None
- 3) Guaranty fund liabilities and assets related to long-term care insolvencies  
None

C. Gain Contingencies

The Company has not recognized gain contingencies subsequent to December 31, 2021, but prior to the issuance of the Company's Annual Statement.

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

The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits:

|                                                                          |           |
|--------------------------------------------------------------------------|-----------|
|                                                                          | Direct    |
| Claims related ECO and bad faith losses paid during the reporting period | \$ 35,016 |

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

| (a)<br>0-25 Claims | (b)<br>26-50 Claims | (c)<br>51-100 Claims | (d)<br>101-500 Claims | (e)<br>More than 500 Claims |
|--------------------|---------------------|----------------------|-----------------------|-----------------------------|
| X                  |                     |                      |                       |                             |

Indicate whether claim count information is disclosed per claim or per claimant:

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

- E. Product Warranties – Not applicable.
- F. Joint and Several Liabilities - Not applicable.

G. All Other Contingencies  
The Company could, from time to time and in the ordinary course of business, faced with class action lawsuits, regulatory proceedings, and individual lawsuits that are not directly related to its insurance contracts. Such matters presently include a putative class action lawsuits both alleging the Company improperly charged premium to certain insureds. The company is also currently in the process of remediating a self-identified rating error related to certain renewal policies. The Company continues to vigorously defend its position in the aforementioned matters and assess its legal positions.

In accordance with applicable accounting principles, the Company establishes reserves for those matters as to which it has determined that it is probable a loss has been incurred and a reasonable estimate of the Company's potential exposure can be established. Likewise, the Company does not establish reserves for those matters where the loss is not probable and/or it currently is unable to estimate the Company's potential exposure. If the existing class action suit results in a judgement against, or settlement by, the Company in an amount significantly in excess of the reserve established for that matter, if any, the resulting liability could have a material effect on the Company's financial condition, cash flows, and results of operations.

15. Leases – Not applicable
16. Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk  
Not applicable.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Premium Receivables as Sales – Not applicable.

B. Transfer and Servicing of Financial Assets - Not applicable.

C. Wash Sales – Not applicable.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans  
Not applicable.
19. Direct Premium Written/Produced by Managing General Agents ("MGAs")/Third Party Administrators ("TPAs")

In February 2021 the Company began a MGA relationship with Carnegie General Insurance Agency (Carnegie) to write and administer private passenger automobile insurance products in California. Claims are handled by Carnegie's claims handling subsidiary, Platinum Claims Service, Inc. The Company sets pricing and underwriting guideline authority for all policies issued under these agreements. During 2021, Carnegie has written direct premiums of \$14,804,026 under the MGA relationship.

NOTES TO FINANCIAL STATEMENTS

| Name and Address of MGA or TPA                                                                        | FEIN Number | Exclusive Contract | Types of Business Written          | Types of Authority Granted* | Total Direct Premiums Written/Produced by 2021 |
|-------------------------------------------------------------------------------------------------------|-------------|--------------------|------------------------------------|-----------------------------|------------------------------------------------|
| Carnegie General Insurance Agency<br>2101 Corporate Center Drive, Suite 150<br>Newbury Park, CA 91320 |             | No                 | Private<br>Passenger<br>Automotive | CA, C, P                    | \$ 14,804,026                                  |
| Total                                                                                                 |             |                    |                                    |                             | \$ 14,804,026                                  |

\* CA-Claims Adjustment   C-Claims Payments   P-Premium Collection

20. Fair Value Measurements

A. Fair value is defined, per SSAP No. 100R, *Fair Value* ("SSAP No. 100R"), as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SSAP No. 100R identified three valuation techniques which are used, either independently or in combination, to determine fair value: (1) market approach; (2) income approach; and (3) cost approach. SSAP No. 100R also contains guidance about observable and unobservable inputs, which are assumptions that market participants would use in pricing an asset or liability. To increase consistency and comparability in fair value measurements, the fair value hierarchy prioritizes the inputs to valuation techniques into three broad levels: 1, 2 and 3. The hierarchy for inputs used in determining fair value maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Certain assets are measured utilizing net asset value (NAV) as a practical expedient to determine fair value.

1. The following tables summarize the Company's assets measured and reported at fair value in the Assets page as of December 31:

| Description for each class of asset or liability | 2021      |            |           |      |            |
|--------------------------------------------------|-----------|------------|-----------|------|------------|
|                                                  | (Level 1) | (Level 2)  | (Level 3) | NAV  | Total      |
| a. Assets at fair value                          |           |            |           |      |            |
| Bonds                                            |           |            |           |      |            |
| Industrial and miscellaneous                     | \$        | 11,202     | -         | -    | 11,202     |
| Total bonds                                      |           | 11,202     | -         | -    | 11,202     |
| Unaffiliated common stocks                       |           |            |           |      |            |
| Industrial and miscellaneous                     | \$        | 689,500    |           |      | 689,500    |
| Total Unaffiliated Common Stocks                 |           | 689,500    |           |      | 689,500    |
| Cash Equivalents                                 |           |            |           |      |            |
| Exempt MM Mutual Fund                            | \$ 6,735  |            |           |      | 6,735      |
| Total Cash Equivalents                           | 6,735     |            |           |      | 6,735      |
| Total assets at fair value/NAV                   | \$ 6,735  | \$ 700,702 | \$ -      | \$ - | \$ 707,437 |

None of the Company's liabilities were measured and reported at fair value in the Liabilities, Surplus and Other Funds page as of December 31, 2021.

2. The following table presents the rollforward of Level 3 assets measured and reported at fair value:

| Description                  | Beginning balance as of 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 |
|------------------------------|------------------------------------|------------------------|--------------------------|-------------------------------------------------|----------------------------------------------|
| Bonds                        |                                    |                        |                          |                                                 |                                              |
| Industrial and miscellaneous | \$ 698,482                         | \$                     | \$                       | \$                                              | \$ (18,797)                                  |
| Total assets                 | \$ 698,482                         |                        |                          |                                                 | \$ (18,797)                                  |
| (continued)                  |                                    |                        |                          |                                                 |                                              |
| Description                  | Purchases                          | Issuances              | Sales                    | Settlements                                     | Ending balance as of 12/31/2021              |
| Unaffiliated common stocks   |                                    |                        |                          |                                                 |                                              |
| Industrial and miscellaneous | \$                                 | \$                     | \$                       | \$                                              | \$ 679,685                                   |
| Total assets                 | \$                                 | \$                     | \$                       | \$                                              | \$                                           |

3. The Company consistently follows its policy for determining when transfers between levels are recognized. The policy about the timing of recognizing transfers into Level 3 is the same as that for recognizing transfers out of Level 3.
4. In determining fair value, the Company principally uses the market approach which generally utilizes market transaction data for the same or similar instruments. To a lesser extent, the Company uses the income approach which involves determining fair values from discounted cash flow methodologies. For the majority of Level 2 valuations a combination of the market and income approaches is used.

Listed below is a summary of the significant valuation techniques for assets measured and reported at fair value.

Level 2 measurements

**Bonds** – Industrial and miscellaneous bonds consists of corporate bonds, including those that are privately placed. The primary inputs to the valuation for publicly traded corporate bonds include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields and credit spreads. Privately placed corporate bonds are valued using a discounted cash flow model that is widely accepted in the financial services industry and uses market observable inputs and inputs derived principally from, or corroborated by, observable market data. The primary inputs to the discounted cash flow model include an interest rate yield curve, as well as published credit spreads for similar assets in markets that are not active that incorporate the credit quality and industry sector of the issuer.

5. The Company did not utilize derivatives in 2021.

B. &

C. Presented below are the aggregate fair value estimates and admitted values of financial instruments as of December 31:

| Type of Financial Instrument | 2021                 |                 |              |            |            |      |      | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|--------------|------------|------------|------|------|----------------------------------|
|                              | Aggregate Fair Value | Admitted Assets | (Level 1)    | (Level 2)  | (Level 3)  | NAV  |      |                                  |
| Bonds:                       |                      |                 |              |            |            |      |      |                                  |
| Other than LBASS             | \$ 3,605,315         | \$ 3,118,792    | \$ 2,744,548 | \$ 181,082 | \$ 679,685 | \$ - | \$ - |                                  |
| LBASS                        | \$                   | \$              | \$           | \$         | \$         | \$ - | \$ - |                                  |

ANNUAL STATEMENT FOR THE YEAR 2021 OF SAFE AUTO INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

|                            |    |            |    |            |    |       |    |            |    |   |    |   |
|----------------------------|----|------------|----|------------|----|-------|----|------------|----|---|----|---|
| Preferred stocks           | \$ |            | \$ |            | \$ |       | \$ |            | \$ | - | \$ | - |
| Unaffiliated common stocks | \$ | 689,500    | \$ | 689,500    | \$ |       | \$ | 689,500    | \$ | - | \$ | - |
| Cash equivalents           | \$ | 10,112,860 | \$ | 10,112,860 | \$ | 6,735 | \$ | 10,106,125 | \$ | - | \$ | - |
| Short-term investments     | \$ |            | \$ |            | \$ |       | \$ |            | \$ | - | \$ | - |

The fair value of bonds in Level 1 is based on unadjusted quoted prices for identical assets in active markets the Company can access. The fair value of publicly traded bonds in Level 2 is based upon quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields and credit spreads. Non-publicly traded bonds in Level 2 are valued using a discounted cash flow model that is widely accepted in the financial services industry and uses market observable inputs and inputs derived principally from, or corroborated by, observable market data. The primary inputs to the discounted cash flow model include an interest rate yield curve, as well as published credit spreads for similar assets in markets that are not active that incorporate the credit quality and industry sector of the issuer. The fair value of municipal bonds in Level 3 not rated by third-party credit rating agencies, but receiving an NAIC designation is based on quoted prices for identical or similar assets in markets that exhibit less liquidity relative to those markets supporting Level 2 fair value measurements, contractual cash flows, benchmark yields and credit spreads. The fair value of LBASS in Level 2 is primarily based on valuation models utilizing quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, collateral performance and credit spreads to determine fair value. The fair value of LBASS in Level 3 is based on internal models with non-market observable inputs.

The fair value of preferred stocks in Level 2 is based on valuation methods described in Part A4 of this note.

The fair value of unaffiliated common stocks in Level 1 is based on unadjusted quoted prices for identical assets in active markets the Company can access.

The fair value of cash equivalents in Level 1 is based on unadjusted quoted prices or daily quoted net asset values for identical assets in active markets the Company can access. The fair value of cash equivalents in Level 2 is based on quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields and credit spreads.

The fair value short-term investments in Level 2 is based on quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields and credit spreads.

- D. The Company was able to estimate the fair value of all its financial instruments in 2021.
- E. Information About Financial Instruments Measured and Reported at NAV - Not applicable.

21. Other Items

- A. Unusual or Infrequent Items – At the end of the current and prior year, the Company had \$0 and approximately \$5 million in new and renewal rate reductions due to the COVID-19 virus. The reduction was accounted for as a reduction to written premium.
- B. Troubled Debt Restructuring: Debtors – Not applicable.
- C. Other Disclosures –  
The Novel Coronavirus Pandemic or COVID-19 (“Coronavirus”)

The Coronavirus resulted in governments worldwide enacting emergency measures to combat the spread of the virus, including travel restrictions, government-imposed shelter-in-place orders, quarantine periods, social distancing and restrictions on large gatherings. These measures have moderated in 2021 in certain locations as vaccines have become more widely available in the United States and Canada. There is no way of predicting with certainty how long the pandemic might last. The Company continues to closely monitor and proactively adapt to developments and changing conditions. Currently, it is not possible to reliably estimate the impact to the Company’s operations, but the effects could be material..

- D. Business Interruption Insurance Recoveries – Not applicable.
- E. State Transferable and Non-transferable Tax Credits – Not applicable.
- F. Subprime Mortgage Related Risk Exposure

- 1.
- 2. The Company identified it had exposure to subprime residential mortgage related risk in the form of asset-backed residential mortgage-backed securities (“ABS RMBS”) as of December 31, 2021. The ABS RMBS portfolio included securities that were collateralized by mortgage loans issued to borrowers that cannot qualify for prime or alternative financing terms due in part to an impaired or limited credit history. It also included securities that were collateralized by certain second lien mortgages regardless of the borrower’s credit profile. As of December 31, 2021, the ABS RMBS portfolio had net unrealized gains of \$414 due entirely to gross unrealized gains. ABS RMBS securities were considered loan-backed and included in bonds in the Company’s Asset page.
- 3. The Company did not have direct exposure to subprime mortgage loans.
- 4. The Company’s direct exposure to other subprime investments is summarized as follows as of December 31, 2021:

|                                           | Actual<br>Cost | Book/<br>Adjusted<br>Carrying<br>Value | Fair<br>Value | OTTI<br>Losses<br>Recognized |
|-------------------------------------------|----------------|----------------------------------------|---------------|------------------------------|
| a. Residential mortgage-backed securities | \$ 15,830      | \$ 15,078                              | \$ 15,492     | \$ -                         |
| b. Commercial mortgage-backed securities  | -              | -                                      | -             | -                            |
| c. Collateralized debt obligations        | -              | -                                      | -             | -                            |
| d. Structured securities                  | -              | -                                      | -             | -                            |
| e. Equity investments in SCAs             | -              | -                                      | -             | -                            |
| f. Other assets                           | -              | -                                      | -             | -                            |
| g. Total                                  | \$ 15,830      | \$ 15,078                              | \$ 15,492     | \$ -                         |

- 4. The Company did not sell mortgage guaranty or financial guaranty insurance coverage, and therefore, does not have underwriting exposure to subprime mortgage risk.
- G. Insurance-linked Securities (“ILS”) Contracts  
None
- H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy.  
The Company has company owned life insurance for a former employee which is reported as admitted assets at its fair value (cash surrender value). As of December 31, 2021, the recorded value was \$871,446.

NOTES TO FINANCIAL STATEMENTS

|     |                                                                              |    |         |
|-----|------------------------------------------------------------------------------|----|---------|
| (1) | Amount of admitted balance that could be realized from an investment vehicle | \$ | 871,446 |
| (2) | Percentage bonds                                                             |    | %       |
| (3) | Percentage stocks                                                            |    | %       |
| (4) | Percentage mortgage loans                                                    |    | %       |
| (5) | Percentage real estate                                                       |    | %       |
| (6) | Percentage cash and short-term investments                                   |    | %       |
| (7) | Percentage derivatives                                                       |    | %       |
| (8) | Percentage other assets                                                      |    | 100%    |

22. Events Subsequent

An evaluation of subsequent events was made through February 28, 2022 for the Annual Statement issued on February 28, 2022. There were no significant subsequent events requiring adjustment to or disclosure in the financial statements

23. Reinsurance

A. Unsecured Reinsurance Recoverables

The Company had unsecured reinsurance recoverables that exceeded 3% of the Company's policyholders surplus of \$124,321,000 and \$0 as of December 31, 2021 and 2020, respectively, with Integon National Insurance Company (NAIC Group Code 0008, FEIN 13-4941245).

B. Reinsurance Recoverable in Dispute

The Company did not have reinsurance recoverables in dispute.

C. Reinsurance Assumed and Ceded

1. The maximum amount of return commission which would have been due to reinsurers if they or the Company had canceled all of the Company's reinsurance, or if the Company or reinsurers had canceled all the Company's insurance assumed as of December 31 with the return of unearned premium reserve was as follows:

| (in thousands)                     | 2021                |                   |                   |                   |                    |                   |
|------------------------------------|---------------------|-------------------|-------------------|-------------------|--------------------|-------------------|
|                                    | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net                |                   |
|                                    | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve    | Commission Equity |
| a. Affiliates                      | \$ -                | \$ -              | \$ 79,241         | \$ 1,293          | \$ (79,241)        | \$ (1,293)        |
| b. All other                       | -                   | -                 | -                 | -                 | -                  | -                 |
| c. Total                           | <u>\$ -</u>         | <u>\$ -</u>       | <u>\$ 79,241</u>  | <u>\$ 1,293</u>   | <u>\$ (79,241)</u> | <u>\$ (1,293)</u> |
| d. Direct unearned premium reserve |                     |                   | <u>\$ 79,241</u>  |                   |                    |                   |

| (in thousands)                     | 2020                |                   |                   |                   |                 |                   |
|------------------------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|                                    | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|                                    | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| a. Affiliates                      | \$ 462              | \$ -              | \$ 206,138        | \$ -              | \$ 256          | \$ -              |
| b. All other                       | -                   | -                 | -                 | -                 | -               | -                 |
| c. Total                           | <u>\$ 462</u>       | <u>\$ -</u>       | <u>\$ 206,138</u> | <u>\$ -</u>       | <u>\$ 256</u>   | <u>\$ -</u>       |
| d. Direct unearned premium reserve |                     |                   | <u>\$ 83,215</u>  |                   |                 |                   |

2. The Company accrued return commission of \$0 and \$0 thousand for reinsurance agreements as of December 31, 2021 and 2020, resulting from an existing contractual arrangement that was predicated on loss experience or another form of profit sharing was accrued as follows:

| (in thousands)                          | 2021            |             |                 |             |
|-----------------------------------------|-----------------|-------------|-----------------|-------------|
|                                         | Direct          | Assumed     | Ceded           | Net         |
| a. Contingent Commission                | \$ 1,293        | \$ -        | \$ 1,293        | \$ -        |
| b. Sliding Scale Adjustments            | \$ -            | \$ -        | \$ -            | \$ -        |
| c. Other Profit Commission Arrangements | \$ -            | \$ -        | \$ -            | \$ -        |
| d. Total                                | <u>\$ 1,293</u> | <u>\$ -</u> | <u>\$ 1,293</u> | <u>\$ -</u> |

| (in thousands)                          | 2020        |             |             |             |
|-----------------------------------------|-------------|-------------|-------------|-------------|
|                                         | Direct      | Assumed     | Ceded       | Net         |
| a. Contingent Commission                | \$ -        | \$ -        | \$ -        | \$ -        |
| b. Sliding Scale Adjustments            | \$ -        | \$ -        | \$ -        | \$ -        |
| c. Other Profit Commission Arrangements | \$ -        | \$ -        | \$ -        | \$ -        |
| d. Total                                | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

3. The Company had no protected cells as of December 31, 2021 or 2020.

D. Uncollectible Reinsurance

The Company did not write off any uncollectible reinsurance during the year.

E. Commutation of Ceded Reinsurance

The Company had no commutation of ceded reinsurance agreements during the year.

F. Retroactive Reinsurance

The Company has no retroactive reinsurance.

G. Reinsurance Accounted for as a Deposit

The Company has no reinsurance accounted for as a deposit.

H. Transfer of Run-off Agreements

NOTES TO FINANCIAL STATEMENTS

The Company does not have any run-off agreements.

- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation — Not applicable.
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation – Not applicable.
- K. Reinsurance Credit – Not applicable

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. Method Used by Reporting Entity to Estimate Accrued Retrospective Premium Adjustments

The Company has not accrued retroactive premiums reported as admitted assets.

- B. Accrued Retrospective Premiums Recorded Through Written Premium or an Adjustment to Earned Premium

Not applicable.

- C. Amount of Net Premiums Written Subject to Retrospective Rating Features and Percentage to Total Net Premiums Written

Not applicable.

- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act.

Not applicable.

- E. Nonadmitted Retrospective Premium

- (1) For Ten Percent (10%) Method of determining Nonadmitted Retrospective Premium

Not applicable.

- (2) For Quality Rating Method of Determining Nonadmitted Retrospective Premium

Not applicable.

- F. Risk Sharing Provisions of the Affordable Care Act

Not applicable.

25. Changes in Incurred Losses and Loss Adjustment Expenses

- A. Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years is \$0 as a result of the Company's 100% quota share agreement with affiliate Integon National.
- B. There have been no significant changes in methodologies and assumptions used in calculating the liability for unpaid loss and loss adjustment expenses.

26. Intercompany Pooling Arrangements

Prior to September 30, 2021, the Company (Safe Auto Insurance Company) acted as the lead company in a pooling agreement with the companies listed below. The effect of the pooling agreement was to transfer all insurance business of the participating companies to the Company. The Company (lead) ceded the pooled business as illustrated below. This pooling agreement was terminated on October 1, 2021.

| A. <u>Lead Entity and all Affiliated Entities</u> | <u>NAIC Company Code</u> | <u>Pooling Percentage</u> |
|---------------------------------------------------|--------------------------|---------------------------|
| Safe Auto Insurance Company (Lead)                | 25405                    | 92%                       |
| Safe Auto Choice Insurance Company                | 16502                    | 4%                        |
| Safe Auto Value Insurance Company                 | 16503                    | 4%                        |

- B. All lines and types of business were subject to the pooling arrangement.
- C. A catastrophe reinsurance contract covered all members of the group, who record the related aspects of the contract on each member's books. These amounts are assumed by the lead Company. The lead Company's remaining underwriting activity was retroceded to the pool members in accordance with each company's pool percentage, as noted above. The contract was not renewed when it expired in February 2021.
- D. There were no members that are parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.
- E. No discrepancies exist on the corresponding assumed and ceded reinsurance schedules of the pool participants.
- F. There was no intercompany sharing between the Company's affiliated and non-affiliated reinsurers for the Provision for Reinsurance (Schedule F, Part 3) or the write-off of uncollectible reinsurance.
- G. All amounts due to/from the lead entity and affiliated entities participating in the intercompany pool were settled subsequent to the termination of this agreement on October 1, 2021 and prior to December 31, 2021.

27. Structured Settlements

- A. Reserves No Longer Carried

The Company has no contingent liabilities for current year or prior years' annuity purchases.

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

The Company has not purchased annuities from life insurers under which the Company is payee, therefore no balances are due from such annuities.

28. Health Care Receivables

NOTES TO FINANCIAL STATEMENTS

- A. Pharmaceutical Rebate Receivables

Not Applicable
- B. Risk-Sharing Receivables

Not Applicable
29. Participating Policies

Not applicable.
30. Premium Deficiency Reserves

Premium deficiency reserves as of December 31 were as follows:

(\$ in millions)

|                                                                   | 2021           | 2020           |
|-------------------------------------------------------------------|----------------|----------------|
| 1. Liability carried for premium deficiency reserves              | \$ -           | \$ -           |
| 2. Date of the most recent evaluation of this liability           | 12/31/2021     | 12/31/2020     |
| 3. Was anticipated investment income utilized in the calculation? | Yes [ ] No [x] | Yes [x] No [.] |
31. High Deductibles

A. Reserve Credit Recorded on Unpaid Claims and Amount Billed and Recoverable on Paid Claims for High Deductibles

Not applicable.

B. Unsecured High Deductible Recoverables for Individual Obligors Part of a Group Under the Same Management or Control Which are Greater Than 1% of Capital and Surplus. For this purpose, a group of entities under common control shall be regarded as a single customer.

Not applicable.
32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The Company did not discount its liabilities for unpaid losses or unpaid loss adjustment expenses as of December 31, 2021 or 2020.
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?

The Company has no material loss or loss adjustment expense reserves for asbestos claims.

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

Not applicable

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

Not applicable

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

The Company has no material loss or loss adjustment expense reserves for environmental claims.

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

Not applicable

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

Not applicable
34. Subscriber Savings Accounts

Not applicable.
35. Multiple Peril Crop Insurance

Not applicable.
36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....  
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.

Yes [ X ] No [ ]

1.2

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

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

1.3

State Regulating? .....

Ohio

1.4

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

Yes [ X ] No [ ]

1.5

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

899051

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes [ ] No [ X ]

2.2

If yes, date of change: .....

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2018

3.2

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

12/31/2018

3.3

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

03/26/2020

3.4

By what department or departments?  
Ohio Department of Insurance .....

3.5

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

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

3.6

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

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

4.1

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

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

4.2

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

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

5.1

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

Yes [ ] No [ X ]

5.2

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

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

6.1

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

Yes [ ] No [ X ]

6.2

If yes, give full information: .....

7.1

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

Yes [ ] No [ X ]

7.2

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

GENERAL INTERROGATORIES

8.1

Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? .....

Yes [ ] No [ X ]

8.2

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

8.3

Is the company affiliated with one or more banks, thrifts or securities firms? .....

Yes [ ] No [ X ]

8.4

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

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

8.5

Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity? .....

Yes [ ] No [ X ]

8.6

If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? .....

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

9.

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

Deloitte & Touche, LLP, 111 S. Wacker Drive, Chicago, IL 60606 .....

10.1

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

Yes [ ] No [ X ]

10.2

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

10.3

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

Yes [ ] No [ X ]

10.4

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

10.5

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

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

10.6

If the response to 10.5 is no or n/a, please explain

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Robert Lowery, Reserving Director, Safe Auto Insurance Company, 4 Easton Oval, Columbus, OH 43219 .....

12.1

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

Yes [ ] No [ X ]

12.11

Name of real estate holding company .....

12.12

Number of parcels involved .....

12.13

Total book/adjusted carrying value .....

\$ .....

12.2

If, yes provide explanation:

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

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

13.2

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

Yes [ X ] No [ ]

13.3

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

Yes [ ] No [ X ]

13.4

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

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

14.1

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

Yes [ X ] No [ ]

a.

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

b.

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

c.

Compliance with applicable governmental laws, rules and regulations;

d.

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

e.

Accountability for adherence to the code.

14.11

If the response to 14.1 is No, please explain:

14.2

Has the code of ethics for senior managers been amended? .....

Yes [ ] No [ X ]

14.21

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

14.3

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

Yes [ ] No [ X ]

14.31

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

## GENERAL INTERROGATORIES

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

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

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

25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)..... Yes [ X ] No [ ]

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

GENERAL INTERROGATORIES

25.02 If no, give full and complete information relating thereto

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

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

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

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

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

25.08 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [ X ]

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

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

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

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

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

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

26.21 Subject to repurchase agreements \$

26.22 Subject to reverse repurchase agreements \$

26.23 Subject to dollar repurchase agreements \$

26.24 Subject to reverse dollar repurchase agreements \$

26.25 Placed under option agreements \$

26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$

26.27 FHLB Capital Stock \$ .689,500

26.28 On deposit with states \$ .2,659,769

26.29 On deposit with other regulatory bodies \$

26.30 Pledged as collateral - excluding collateral pledged to an FHLB \$

26.31 Pledged as collateral to FHLB - including assets backing funding agreements \$

26.32 Other \$

26.3 For category (26.26) provide the following:

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

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

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

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

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

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

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

27.42 Permitted accounting practice Yes [ ] No [ ]

27.43 Other accounting guidance Yes [ ] No [ ]

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

Yes [ ] No [ ]

The reporting entity has obtained explicit approval from the domiciliary state.

Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.

Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.

Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

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

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

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

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

| 1<br>Name of Custodian(s) | 2<br>Custodian's Address |
|---------------------------|--------------------------|
| BANK OF NEW YORK MELLON   | NEW YORK, NEW YORK       |

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

GENERAL INTERROGATORIES

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

| 1<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|--------------|------------------|------------------------------|
|              |                  |                              |

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

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

| 1<br>Old Custodian | 2<br>New Custodian            | 3<br>Date of Change | 4<br>Reason                |
|--------------------|-------------------------------|---------------------|----------------------------|
| US BANK .....      | BANK OF NEW YORK MELLON ..... | 10/01/2021 .....    | ALLSTATE ACQUISITION ..... |

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

| 1<br>Name of Firm or Individual | 2<br>Affiliation |
|---------------------------------|------------------|
| ALLSTATE INVESTMENTS LLC .....  | A.....           |

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

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

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

| 1<br>Central Registration<br>Depository Number | 2<br>Name of Firm or Individual | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With | 5<br>Investment<br>Management<br>Agreement<br>(IMA) Filed |
|------------------------------------------------|---------------------------------|------------------------------------|----------------------|-----------------------------------------------------------|
| N/A .....                                      | ALLSTATE INVESTMENTS LLC .....  | QQVOKOEYTYOWZE36RV47 .....         | IL D01 .....         | DS.....                                                   |

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

30.2 If yes, complete the following schedule:

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

GENERAL INTERROGATORIES

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

|                             | 1                             | 2          | 3                                                                                  |
|-----------------------------|-------------------------------|------------|------------------------------------------------------------------------------------|
|                             | Statement (Admitted)<br>Value | Fair Value | Excess of Statement<br>over Fair Value (-), or<br>Fair Value over<br>Statement (+) |
| 31.1 Bonds .....            | 13,224,918                    | 13,711,441 | 486,523                                                                            |
| 31.2 Preferred stocks ..... |                               |            |                                                                                    |
| 31.3 Totals                 | 13,224,918                    | 13,711,441 | 486,523                                                                            |

31.4 Describe the sources or methods utilized in determining the fair values:  
THE AGGREGATE FAIR MARKET VALUE WAS BASED UPON PRICES FROM EXTERNAL PRICING SOURCES. INTERNAL PRICING MODELS WERE USED WHEN EXTERNAL PRICES WERE NOT AVAILABLE. ....

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

32.2 If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ ] No [ ]

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
Not Applicable .....

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

33.2 If no, list exceptions: .....  
.....

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

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

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

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:  
a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.  
b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.  
c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.  
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.  
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? ..... Yes [ ] No [ X ] N/A [ ]

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

GENERAL INTERROGATORIES

OTHER

38.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....183,012

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

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

39.1 Amount of payments for legal expenses, if any? .....\$ .....85,001

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

| 1<br>Name            | 2<br>Amount Paid |
|----------------------|------------------|
| The Nash Group ..... | 62,457           |
| .....                | .....            |

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force? .....

Yes [ ] No [ X ]

1.2

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

\$

1.3

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

\$

1.31

Reason for excluding .....

1.4

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

\$

1.5

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

\$

1.6

Individual policies:

Most current three years:

1.61 Total premium earned .....

\$

1.62 Total incurred claims .....

\$

1.63 Number of covered lives .....

All years prior to most current three years

1.64 Total premium earned .....

\$

1.65 Total incurred claims .....

\$

1.66 Number of covered lives .....

1.7

Group policies:

Most current three years:

1.71 Total premium earned .....

\$

1.72 Total incurred claims .....

\$

1.73 Number of covered lives .....

All years prior to most current three years

1.74 Total premium earned .....

\$

1.75 Total incurred claims .....

\$

1.76 Number of covered lives .....

2.

Health Test:

1

Current Year

2

Prior Year

2.1 Premium Numerator .....

2.2 Premium Denominator .....

232,652,755

306,808,197

2.3 Premium Ratio (2.1/2.2) .....

0.000

0.000

2.4 Reserve Numerator .....

2.5 Reserve Denominator .....

212,800,327

2.6 Reserve Ratio (2.4/2.5) .....

0.000

0.000

3.1

Did the reporting entity issue participating policies during the calendar year? .....

Yes [ ] No [ X ]

3.2

If yes, provide the amount of premium written for participating and/or non-participating policies during the calendar year:

3.21 Participating policies .....

\$

3.22 Non-participating policies .....

\$

4.

For mutual reporting Entities and Reciprocal Exchanges Only:

4.1 Does the reporting entity issue assessable policies? .....

Yes [ ] No [ ]

4.2 Does the reporting entity issue non-assessable policies? .....

Yes [ ] No [ ]

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....

%

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. ....

\$

5.

For Reciprocal Exchanges Only:

5.1 Does the Exchange appoint local agents? .....

Yes [ ] No [ ]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation.....

Yes [ ] No [ ] N/A [ ]

5.22 As a direct expense of the exchange.....

Yes [ ] No [ ] N/A [ ]

5.3

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

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? .....

Yes [ ] No [ ]

5.5

If yes, give full information .....

16

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
Not applicable

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.  
Not applicable

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
The company writes private passenger auto insurance in 20 states and 100% of losses are ceded to an affiliate.

6.4

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

Yes [ ] No [ X ]

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.  
The Company is a participant in a 100% quota share with an affiliate.

7.1

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

Yes [ ] No [ X ]

7.2

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

7.3

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

Yes [ ] No [ ]

8.1

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

Yes [ ] No [ X ]

8.2

If yes, give full information

9.1

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

Yes [ ] No [ X ]

9.2

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

Yes [ ] No [ X ]

9.3

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

9.4

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

Yes [ ] No [ X ]

9.5

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

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
(a) The entity does not utilize reinsurance; or,  
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or  
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes [ ] No [ X ]  
Yes [ ] No [ X ]  
Yes [ ] No [ X ]

10.

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

11.2 If yes, give full information  
.....

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

12.11 Unpaid losses .....\$

12.12 Unpaid underwriting expenses (including loss adjustment expenses) .....\$

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

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

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

12.41 From ..... %

12.42 To ..... %

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

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

12.61 Letters of credit .....\$

12.62 Collateral and other funds.....\$

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

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? ..... Yes [ ] No [ X ]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. ....1

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

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

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

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

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

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

15.2 If yes, give full information  
.....

16.1 Does the reporting entity write any warranty business? ..... Yes [ ] No [ X ]  
If yes, disclose the following information for each of the following types of warranty coverage:

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

\* Disclose type of coverage:

.....

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that is exempt from the statutory provision for unauthorized reinsurance? .....

Yes [ ☐ ] No [ ☒ ]

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

17.11

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

\$ .....

17.12

Unfunded portion of Interrogatory 17.11 .....

\$ .....

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11.....

\$ .....

17.14

Case reserves portion of Interrogatory 17.11 .....

\$ .....

17.15

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

\$ .....

17.16

Unearned premium portion of Interrogatory 17.11 .....

\$ .....

17.17

Contingent commission portion of Interrogatory 17.11 .....

\$ .....

18.1

Do you act as a custodian for health savings accounts? .....

Yes [ ☐ ] No [ ☒ ]

18.2

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

\$ .....

18.3

Do you act as an administrator for health savings accounts? .....

Yes [ ☐ ] No [ ☒ ]

18.4

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

\$ .....

19.

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

Yes [ ☒ ] No [ ☐ ]

19.1

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

Yes [ ☐ ] No [ ☐ ]

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto 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<br>2021     | 2<br>2020    | 3<br>2019    | 4<br>2018   | 5<br>2017   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|--------------|-------------|-------------|
| <b>Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 &amp; 3)</b>                                                                                                  |               |              |              |             |             |
| 1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)                                                                    | 237,554,569   | 244,757,967  | 248,820,309  | 282,288,860 | 257,330,354 |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26)                                                                                                                      | 95,188,956    | 91,352,589   | 92,867,486   | 105,054,492 | 101,915,110 |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)                                                                                                |               |              |              |             |             |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)                                                                                               |               |              |              |             |             |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33)                                                                                                            |               |              |              |             |             |
| 6. Total (Line 35)                                                                                                                                                  | 332,743,525   | 336,110,556  | 341,687,795  | 387,343,352 | 359,245,464 |
| <b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>                                                                                                               |               |              |              |             |             |
| 7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)                                                                    | 111,832,475   | 225,184,161  | 248,820,309  | 282,288,860 | 257,330,354 |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26)                                                                                                                      | 43,837,893    | 83,994,617   | 92,817,486   | 104,999,617 | 101,866,743 |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)                                                                                                |               |              |              |             |             |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)                                                                                              |               |              |              |             |             |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33)                                                                                                           |               |              |              |             |             |
| 12. Total (Line 35)                                                                                                                                                 | 155,670,368   | 309,178,778  | 341,637,795  | 387,288,477 | 359,197,097 |
| <b>Statement of Income (Page 4)</b>                                                                                                                                 |               |              |              |             |             |
| 13. Net underwriting gain (loss) (Line 8)                                                                                                                           | (16,729,433)  | (18,016,062) | (21,568,692) | (2,204,332) | (8,084,686) |
| 14. Net investment gain or (loss) (Line 11)                                                                                                                         | 16,050,180    | 5,543,184    | 7,359,597    | 7,058,223   | 16,283,883  |
| 15. Total other income (Line 15)                                                                                                                                    | 17,363,151    | 12,748,162   | 24,920,178   | 25,560,150  | 30,658,532  |
| 16. Dividends to policyholders (Line 17)                                                                                                                            |               |              |              |             |             |
| 17. Federal and foreign income taxes incurred (Line 19)                                                                                                             | (4,638,550)   | 554,071      | 3,419,754    | 7,866,093   | 5,034,826   |
| 18. Net income (Line 20)                                                                                                                                            | 21,322,448    | (278,787)    | 7,291,329    | 22,547,948  | 33,822,902  |
| <b>Balance Sheet Lines (Pages 2 and 3)</b>                                                                                                                          |               |              |              |             |             |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)                                                                               | 152,854,590   | 397,550,111  | 360,841,102  | 375,382,266 | 382,378,764 |
| 20. Premiums and considerations (Page 2, Col. 3)                                                                                                                    |               |              |              |             |             |
| 20.1 In course of collection (Line 15.1)                                                                                                                            | 1,769,296     | 15,692,180   | 15,774,913   | 18,162,168  | 18,390,607  |
| 20.2 Deferred and not yet due (Line 15.2)                                                                                                                           | 60,850,404    | 48,330,888   | 46,863,101   | 54,829,602  | 53,184,827  |
| 20.3 Accrued retrospective premiums (Line 15.3)                                                                                                                     |               |              |              |             |             |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26)                                                                                           | 107,377,152   | 275,164,900  | 240,331,006  | 266,776,388 | 245,673,513 |
| 22. Losses (Page 3, Line 1)                                                                                                                                         |               | 120,200,363  | 104,648,505  | 109,415,119 | 99,860,889  |
| 23. Loss adjustment expenses (Page 3, Line 3)                                                                                                                       |               | 15,575,600   | 18,279,000   | 20,073,282  | 22,191,924  |
| 24. Unearned premiums (Page 3, Line 9)                                                                                                                              |               | 76,982,387   | 81,099,788   | 94,030,975  | 92,038,096  |
| 25. Capital paid up (Page 3, Lines 30 & 31)                                                                                                                         | 2,500,000     | 2,500,000    | 2,500,000    | 2,500,000   | 2,500,000   |
| 26. Surplus as regards policyholders (Page 3, Line 37)                                                                                                              | 45,477,438    | 122,385,211  | 120,510,096  | 108,605,878 | 136,705,251 |
| <b>Cash Flow (Page 5)</b>                                                                                                                                           |               |              |              |             |             |
| 27. Net cash from operations (Line 11)                                                                                                                              | (166,459,982) | 31,315,474   | (7,082,810)  | 33,138,247  | 33,394,157  |
| <b>Risk-Based Capital Analysis</b>                                                                                                                                  |               |              |              |             |             |
| 28. Total adjusted capital                                                                                                                                          | 45,477,438    | 122,385,211  | 120,510,096  | 108,605,878 | 136,705,251 |
| 29. Authorized control level risk-based capital                                                                                                                     | 25,442,965    | 26,382,378   | 36,841,548   | 33,972,952  | 28,337,822  |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0</b>                      |               |              |              |             |             |
| 30. Bonds (Line 1)                                                                                                                                                  | 4.6           | 57.4         | 79.7         | 80.7        | 79.6        |
| 31. Stocks (Lines 2.1 & 2.2)                                                                                                                                        | 20.4          | 0.2          | 0.3          | 0.3         | 0.2         |
| 32. Mortgage loans on real estate (Lines 3.1 and 3.2)                                                                                                               |               |              |              |             |             |
| 33. Real estate (Lines 4.1, 4.2 & 4.3)                                                                                                                              | 30.3          | 7.4          | 8.6          | 9.3         | 9.5         |
| 34. Cash, cash equivalents and short-term investments (Line 5)                                                                                                      | 44.3          | 30.9         | 5.0          | 4.1         | 4.7         |
| 35. Contract loans (Line 6)                                                                                                                                         |               |              |              |             |             |
| 36. Derivatives (Line 7)                                                                                                                                            |               |              |              |             |             |
| 37. Other invested assets (Line 8)                                                                                                                                  |               | 4.2          | 6.4          | 5.6         | 4.8         |
| 38. Receivables for securities (Line 9)                                                                                                                             | 0.4           |              |              |             | 1.2         |
| 39. Securities lending reinvested collateral assets (Line 10)                                                                                                       |               |              |              |             |             |
| 40. Aggregate write-ins for invested assets (Line 11)                                                                                                               |               |              |              |             |             |
| 41. Cash, cash equivalents and invested assets (Line 12)                                                                                                            | 100.0         | 100.0        | 100.0        | 100.0       | 100.0       |
| <b>Investments in Parent, Subsidiaries and Affiliates</b>                                                                                                           |               |              |              |             |             |
| 42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)                                                                                                         |               |              |              |             |             |
| 43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)                                                                                              |               |              |              |             |             |
| 44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)                                                                                                 | 13,251,973    |              |              |             |             |
| 45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)                                                             |               |              |              |             |             |
| 46. Affiliated mortgage loans on real estate                                                                                                                        |               |              |              |             |             |
| 47. All other affiliated                                                                                                                                            | 7,446,673     | 6,411,583    | 6,411,583    | 5,724,045   |             |
| 48. Total of above Lines 42 to 47                                                                                                                                   | 20,698,646    | 6,411,583    | 6,411,583    | 5,724,045   |             |
| 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) | 45.5          | 5.2          | 5.3          | 5.3         |             |

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

FIVE-YEAR HISTORICAL DATA

(Continued)

|                                                                                                                                                                                              | 1<br>2021    | 2<br>2020   | 3<br>2019   | 4<br>2018    | 5<br>2017    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|-------------|--------------|--------------|
| <b>Capital and Surplus Accounts (Page 4)</b>                                                                                                                                                 |              |             |             |              |              |
| 51. Net unrealized capital gains (losses) (Line 24) .....                                                                                                                                    | 193,066      | 278,230     | 668,228     | 875,643      | (6,406,340)  |
| 52. Dividends to stockholders (Line 35) .....                                                                                                                                                | (82,938,540) |             |             | (53,822,902) | (50,573,853) |
| 53. Change in surplus as regards policyholders for the year (Line 38) .....                                                                                                                  | (76,907,774) | 1,875,116   | 11,904,218  | (28,099,373) | (28,033,283) |
| <b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>                                                                                                                                   |              |             |             |              |              |
| 54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....                                                                                      | 252,238,170  | 128,001,334 | 159,129,448 | 152,274,021  | 148,903,039  |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....                                                                                                                                        | 93,639,795   | 52,082,299  | 59,231,631  | 58,698,508   | 53,242,889   |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....                                                                                                                  |              |             |             |              |              |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....                                                                                                                 |              |             |             |              |              |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....                                                                                                                              |              |             |             |              |              |
| 59. Total (Line 35) .....                                                                                                                                                                    | 345,877,965  | 180,083,633 | 218,361,079 | 210,972,529  | 202,145,928  |
| <b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>                                                                                                                                              |              |             |             |              |              |
| 60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....                                                                                      | 200,610,538  | 118,284,022 | 152,154,448 | 149,372,418  | 148,903,039  |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....                                                                                                                                        | 61,997,053   | 47,392,920  | 59,231,631  | 58,698,508   | 53,242,889   |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....                                                                                                                  |              |             |             |              |              |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....                                                                                                                 |              |             |             |              |              |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....                                                                                                                              |              |             |             |              |              |
| 65. Total (Line 35) .....                                                                                                                                                                    | 262,607,591  | 165,676,942 | 211,386,079 | 208,070,926  | 202,145,928  |
| <b>Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0</b>                                                                                                               |              |             |             |              |              |
| 66. Premiums earned (Line 1) .....                                                                                                                                                           | 100.0        | 100.0       | 100.0       | 100.0        | 100.0        |
| 67. Losses incurred (Line 2) .....                                                                                                                                                           | 61.2         | 61.8        | 58.3        | 56.5         | 57.6         |
| 68. Loss expenses incurred (Line 3) .....                                                                                                                                                    | 10.6         | 9.8         | 9.9         | 8.9          | 10.1         |
| 69. Other underwriting expenses incurred (Line 4) .....                                                                                                                                      | 35.4         | 34.3        | 37.9        | 35.1         | 34.6         |
| 70. Net underwriting gain (loss) (Line 8) .....                                                                                                                                              | (7.2)        | (5.9)       | (6.1)       | (0.6)        | (2.3)        |
| <b>Other Percentages</b>                                                                                                                                                                     |              |             |             |              |              |
| 71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0) .....                                                 | 41.7         | 29.9        | 32.1        | 28.4         | 24.9         |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....                                                                       | 71.8         | 71.6        | 68.2        | 65.4         | 67.7         |
| 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) .....                                                       | 342.3        | 252.6       | 283.5       | 356.6        | 262.8        |
| <b>One Year Loss Development (\$000 omitted)</b>                                                                                                                                             |              |             |             |              |              |
| 74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11) .....                                                 | (57,995)     | 5,035       | 1,551       | 1,171        | 5,155        |
| 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) .....                 | (47.4)       | 4.2         | 1.4         | 0.9          | 3.1          |
| <b>Two Year Loss Development (\$000 omitted)</b>                                                                                                                                             |              |             |             |              |              |
| 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) .....                       | (12,400)     | 730         | 6,817       | 6,833        | 3,403        |
| 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) ..... | (10.3)       | 0.7         | 5.0         | 4.1          | 2.2          |

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: .....

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 OMITTED)

| Years in Which<br>Premiums Were<br>Earned and<br>Losses Were<br>Incurred | Premiums Earned                |                |                      | Loss and Loss Expense Payments |                |                                          |                |                                 |                |                                        |                                                      | 12                                                       |
|--------------------------------------------------------------------------|--------------------------------|----------------|----------------------|--------------------------------|----------------|------------------------------------------|----------------|---------------------------------|----------------|----------------------------------------|------------------------------------------------------|----------------------------------------------------------|
|                                                                          | 1<br><br>Direct and<br>Assumed | 2<br><br>Ceded | 3<br><br>Net (1 - 2) | Loss Payments                  |                | Defense and Cost<br>Containment Payments |                | Adjusting and Other<br>Payments |                | 10                                     | 11                                                   | Number of<br>Claims<br>Reported<br>Direct and<br>Assumed |
|                                                                          |                                |                |                      | 4<br><br>Direct and<br>Assumed | 5<br><br>Ceded | 6<br><br>Direct and<br>Assumed           | 7<br><br>Ceded | 8<br><br>Direct and<br>Assumed  | 9<br><br>Ceded | Salvage and<br>Subrogation<br>Received | Total Net<br>Paid Cols<br>(4 - 5 + 6 - 7<br>+ 8 - 9) |                                                          |
|                                                                          |                                |                |                      |                                |                |                                          |                |                                 |                |                                        |                                                      |                                                          |
| 1. Prior.....                                                            | XXX                            | XXX            | XXX                  | (155)                          | (17)           |                                          |                | 1                               |                | 157                                    | (137)                                                | XXX                                                      |
| 2. 2012.....                                                             | 261,248                        | 164            | 261,084              | 169,070                        | 1,321          | 5,157                                    | 1              | 27,400                          |                | 8,250                                  | 200,306                                              | XXX                                                      |
| 3. 2013.....                                                             | 263,201                        | 70             | 263,131              | 165,465                        | (7)            | 4,712                                    | 4              | 23,201                          |                | 8,712                                  | 193,382                                              | XXX                                                      |
| 4. 2014.....                                                             | 281,073                        | 83             | 280,990              | 186,956                        | 7,169          | 4,245                                    | 1              | 26,323                          | 129            | 9,288                                  | 210,225                                              | XXX                                                      |
| 5. 2015.....                                                             | 291,065                        | 73             | 290,992              | 193,696                        | 60             | 4,170                                    | 7              | 26,178                          | 4              | 9,118                                  | 223,973                                              | XXX                                                      |
| 6. 2016.....                                                             | 282,934                        | 51             | 282,883              | 179,625                        | 920            | 4,108                                    | 22             | 26,624                          | 10             | 9,591                                  | 209,405                                              | XXX                                                      |
| 7. 2017.....                                                             | 318,962                        | 44             | 318,918              | 180,407                        | 181            | 3,769                                    | 52             | 27,090                          | 12             | 11,932                                 | 211,021                                              | XXX                                                      |
| 8. 2018.....                                                             | 354,522                        | 50             | 354,472              | 193,427                        | 575            | 3,359                                    | 128            | 29,324                          | 41             | 14,794                                 | 225,365                                              | XXX                                                      |
| 9. 2019.....                                                             | 326,250                        | 46             | 326,204              | 187,694                        | 2,828          | 2,896                                    | 587            | 29,295                          | 187            | 13,501                                 | 216,282                                              | XXX                                                      |
| 10. 2020.....                                                            | 306,852                        | 43             | 306,809              | 154,412                        | 7,878          | 1,112                                    | 447            | 25,604                          | 540            | 14,306                                 | 172,263                                              | XXX                                                      |
| 11. 2021.....                                                            | 309,621                        | 76,968         | 232,653              | 130,224                        | 43,147         | 1,091                                    | 346            | 21,513                          | 2,996          | 10,041                                 | 106,339                                              | XXX                                                      |
| 12. Totals                                                               | XXX                            | XXX            | XXX                  | 1,740,821                      | 64,055         | 34,619                                   | 1,595          | 262,554                         | 3,919          | 109,690                                | 1,968,425                                            | XXX                                                      |

|               | Losses Unpaid      |        |                    |        | Defense and Cost Containment Unpaid |       |                    |       | Adjusting and Other Unpaid |       | 23     | 24 | 25  |
|---------------|--------------------|--------|--------------------|--------|-------------------------------------|-------|--------------------|-------|----------------------------|-------|--------|----|-----|
|               | Case Basis         |        | Bulk + IBNR        |        | Case Basis                          |       | Bulk + IBNR        |       |                            |       |        |    |     |
|               | 13                 | 14     | 15                 | 16     | 17                                  | 18    | 19                 | 20    | 21                         | 22    |        |    |     |
|               | Direct and Assumed | Ceded  | Direct and Assumed | Ceded  | Direct and Assumed                  | Ceded | Direct and Assumed | Ceded | Direct and Assumed         | Ceded |        |    |     |
| 1. Prior..... | 31                 | 31     |                    |        |                                     |       | 1                  | 1     | 1                          | 1     |        |    | XXX |
| 2. 2012.....  | 12                 | 12     |                    |        |                                     |       |                    |       | 1                          | 1     | 6      |    | XXX |
| 3. 2013.....  | 66                 | 66     |                    |        |                                     |       | 8                  | 8     | 4                          | 4     | 17     |    | XXX |
| 4. 2014.....  | 39                 | 39     |                    |        |                                     |       | 353                | 353   | 5                          | 5     | 62     |    | XXX |
| 5. 2015.....  | 179                | 179    |                    |        |                                     |       | 170                | 170   | 13                         | 13    | 92     |    | XXX |
| 6. 2016.....  | 352                | 352    |                    |        |                                     |       | 47                 | 47    | 23                         | 23    | 113    |    | XXX |
| 7. 2017.....  | 629                | 629    |                    |        |                                     |       | 138                | 138   | 40                         | 40    | 175    |    | XXX |
| 8. 2018.....  | 1,932              | 1,932  |                    |        |                                     |       | 348                | 348   | 111                        | 111   | 297    |    | XXX |
| 9. 2019.....  | 6,223              | 6,223  | 501                | 501    |                                     |       | 981                | 981   | 391                        | 391   | 456    |    | XXX |
| 10. 2020..... | 15,765             | 15,765 | 2,623              | 2,623  |                                     |       | 2,164              | 2,164 | 1,158                      | 1,158 | 1,911  |    | XXX |
| 11. 2021..... | 65,967             | 65,967 | 22,644             | 22,644 |                                     |       | 3,724              | 3,724 | 5,031                      | 5,031 | 8,626  |    | XXX |
| 12. Totals    | 91,195             | 91,195 | 25,768             | 25,768 |                                     |       | 7,934              | 7,934 | 6,778                      | 6,778 | 11,755 |    | XXX |

|               | Total Losses and Loss Expenses Incurred |         |         | Loss and Loss Expense Percentage (Incurred /Premiums Earned) |          |      | Nontabular Discount |              | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves After Discount |                      |
|---------------|-----------------------------------------|---------|---------|--------------------------------------------------------------|----------|------|---------------------|--------------|------------------------------------------------------|-------------------------------------------|----------------------|
|               | 26                                      | 27      | 28      | 29                                                           | 30       | 31   | 32                  | 33           |                                                      | 35                                        | 36                   |
|               | Direct and Assumed                      | Ceded   | Net     | Direct and Assumed                                           | Ceded    | Net  | Loss                | Loss Expense |                                                      | Losses Unpaid                             | Loss Expenses Unpaid |
| 1. Prior..... | XXX                                     | XXX     | XXX     | XXX                                                          | XXX      | XXX  |                     |              | XXX                                                  |                                           |                      |
| 2. 2012.....  | 201,640                                 | 1,335   | 200,306 | 77.2                                                         | 815.1    | 76.7 |                     |              |                                                      |                                           |                      |
| 3. 2013.....  | 193,457                                 | 75      | 193,382 | 73.5                                                         | 107.3    | 73.5 |                     |              |                                                      |                                           |                      |
| 4. 2014.....  | 217,921                                 | 7,696   | 210,225 | 77.5                                                         | 9,294.5  | 74.8 |                     |              |                                                      |                                           |                      |
| 5. 2015.....  | 224,406                                 | 433     | 223,973 | 77.1                                                         | 596.1    | 77.0 |                     |              |                                                      |                                           |                      |
| 6. 2016.....  | 210,779                                 | 1,374   | 209,405 | 74.5                                                         | 2,715.2  | 74.0 |                     |              |                                                      |                                           |                      |
| 7. 2017.....  | 212,073                                 | 1,052   | 211,021 | 66.5                                                         | 2,382.2  | 66.2 |                     |              |                                                      |                                           |                      |
| 8. 2018.....  | 228,500                                 | 3,135   | 225,365 | 64.5                                                         | 6,209.8  | 63.6 |                     |              |                                                      |                                           |                      |
| 9. 2019.....  | 227,980                                 | 11,698  | 216,282 | 69.9                                                         | 25,430.4 | 66.3 |                     |              |                                                      |                                           |                      |
| 10. 2020..... | 202,838                                 | 30,575  | 172,263 | 66.1                                                         | 70,710.0 | 56.1 |                     |              |                                                      |                                           |                      |
| 11. 2021..... | 250,194                                 | 143,855 | 106,339 | 80.8                                                         | 186.9    | 45.7 |                     |              |                                                      |                                           |                      |
| 12. Totals    | XXX                                     | XXX     | XXX     | XXX                                                          | XXX      | XXX  |                     |              | XXX                                                  |                                           |                      |

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

SCHEDULE P - PART 2 - SUMMARY

| Years in Which Losses Were Incurred | INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |           |           |           |           |           |           |           |           |            | DEVELOPMENT    |                |
|-------------------------------------|----------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|----------------|----------------|
|                                     | 1<br>2012                                                                                          | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 | 6<br>2017 | 7<br>2018 | 8<br>2019 | 9<br>2020 | 10<br>2021 | 11<br>One Year | 12<br>Two Year |
| 1. Prior.....                       | 41,831                                                                                             | 37,449    | 36,045    | 33,609    | 32,203    | 32,912    | 32,093    | 32,019    | 31,887    | 31,729     | (158)          | (290)          |
| 2. 2012.....                        | 183,714                                                                                            | 178,186   | 175,702   | 174,205   | 173,126   | 173,353   | 172,927   | 172,984   | 173,025   | 172,905    | (119)          | (79)           |
| 3. 2013.....                        | XXX                                                                                                | 179,612   | 172,830   | 170,847   | 170,592   | 170,371   | 170,258   | 170,192   | 170,229   | 170,180    | (48)           | (11)           |
| 4. 2014.....                        | XXX                                                                                                | XXX       | 176,471   | 182,448   | 182,571   | 181,235   | 182,015   | 184,535   | 184,450   | 184,031    | (419)          | (504)          |
| 5. 2015.....                        | XXX                                                                                                | XXX       | XXX       | 190,767   | 197,074   | 197,135   | 197,701   | 198,135   | 198,129   | 197,799    | (330)          | (336)          |
| 6. 2016.....                        | XXX                                                                                                | XXX       | XXX       | XXX       | 176,973   | 182,275   | 183,833   | 183,459   | 183,466   | 182,791    | (675)          | (668)          |
| 7. 2017.....                        | XXX                                                                                                | XXX       | XXX       | XXX       | XXX       | 183,546   | 183,079   | 185,777   | 184,774   | 183,943    | (831)          | (1,833)        |
| 8. 2018.....                        | XXX                                                                                                | XXX       | XXX       | XXX       | XXX       | XXX       | 203,432   | 199,665   | 200,108   | 196,082    | (4,026)        | (3,583)        |
| 9. 2019.....                        | XXX                                                                                                | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 192,270   | 198,001   | 187,175    | (10,827)       | (5,095)        |
| 10. 2020.....                       | XXX                                                                                                | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 187,759   | 147,199    | (40,560)       | XXX            |
| 11. 2021.....                       | XXX                                                                                                | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | XXX       | 87,822     | XXX            | XXX            |
| 12. Totals                          |                                                                                                    |           |           |           |           |           |           |           |           |            | (57,995)       | (12,400)       |

SCHEDULE P - PART 3 - SUMMARY

| Years in Which Losses Were Incurred | CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |         |         |         |         |         |         |         |         |         | 11<br>Number of Claims Closed With Loss Payment | 12<br>Number of Claims Closed Without Loss Payment |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------------------------------------------|----------------------------------------------------|
|                                     | 1                                                                                                         | 2       | 3       | 4       | 5       | 6       | 7       | 8       | 9       | 10      |                                                 |                                                    |
|                                     | 2012                                                                                                      | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    |                                                 |                                                    |
| 1. Prior.....                       | 000                                                                                                       | 20,932  | 28,423  | 30,420  | 31,174  | 31,605  | 31,869  | 31,913  | 31,867  | 31,729  | XXX                                             | XXX                                                |
| 2. 2012.....                        | 105,703                                                                                                   | 151,872 | 165,366 | 170,388 | 171,977 | 172,536 | 172,715 | 172,820 | 172,865 | 172,905 | XXX                                             | XXX                                                |
| 3. 2013.....                        | XXX                                                                                                       | 100,991 | 149,090 | 162,570 | 167,562 | 169,220 | 169,754 | 169,973 | 170,161 | 170,180 | XXX                                             | XXX                                                |
| 4. 2014.....                        | XXX                                                                                                       | XXX     | 110,118 | 161,440 | 174,509 | 180,100 | 181,545 | 183,936 | 184,004 | 184,031 | XXX                                             | XXX                                                |
| 5. 2015.....                        | XXX                                                                                                       | XXX     | XXX     | 116,722 | 174,679 | 190,447 | 195,721 | 197,157 | 197,648 | 197,799 | XXX                                             | XXX                                                |
| 6. 2016.....                        | XXX                                                                                                       | XXX     | XXX     | XXX     | 108,010 | 162,316 | 176,788 | 180,998 | 182,447 | 182,791 | XXX                                             | XXX                                                |
| 7. 2017.....                        | XXX                                                                                                       | XXX     | XXX     | XXX     | XXX     | 112,529 | 163,766 | 178,822 | 182,672 | 183,943 | XXX                                             | XXX                                                |
| 8. 2018.....                        | XXX                                                                                                       | XXX     | XXX     | XXX     | XXX     | XXX     | 122,423 | 177,818 | 192,786 | 196,082 | XXX                                             | XXX                                                |
| 9. 2019.....                        | XXX                                                                                                       | XXX     | XXX     | XXX     | XXX     | XXX     | XXX     | 119,960 | 173,345 | 187,175 | XXX                                             | XXX                                                |
| 10. 2020.....                       | XXX                                                                                                       | XXX     | XXX     | XXX     | XXX     | XXX     | XXX     | XXX     | 95,183  | 147,199 | XXX                                             | XXX                                                |
| 11. 2021.....                       | XXX                                                                                                       | XXX     | XXX     | XXX     | XXX     | XXX     | XXX     | XXX     | XXX     | 87,822  | XXX                                             | XXX                                                |

SCHEDULE P - PART 4 - SUMMARY

| Years in Which Losses Were Incurred | BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) |        |        |        |        |        |        |        |        |      |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|------|
|                                     | 1                                                                                                                   | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10   |
|                                     | 2012                                                                                                                | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021 |
| 1. Prior.....                       | 17,494                                                                                                              | 7,136  | 3,152  | 1,111  | 67     | 32     | 20     | 19     |        |      |
| 2. 2012.....                        | 23,931                                                                                                              | 9,634  | 3,769  | 1,395  | 254    | 423    | 35     | 12     | 5      |      |
| 3. 2013.....                        | XXX                                                                                                                 | 24,955 | 6,376  | 2,342  | 805    | 250    | 63     | 30     | 17     |      |
| 4. 2014.....                        | XXX                                                                                                                 | XXX    | 16,160 | 5,368  | 2,197  | 188    | 178    | 445    | 363    |      |
| 5. 2015.....                        | XXX                                                                                                                 | XXX    | XXX    | 17,828 | 5,688  | 2,168  | 533    | 351    | 220    |      |
| 6. 2016.....                        | XXX                                                                                                                 | XXX    | XXX    | XXX    | 19,676 | 7,027  | 2,828  | 546    | 120    |      |
| 7. 2017.....                        | XXX                                                                                                                 | XXX    | XXX    | XXX    | XXX    | 16,568 | 4,881  | 2,025  | 386    |      |
| 8. 2018.....                        | XXX                                                                                                                 | XXX    | XXX    | XXX    | XXX    | XXX    | 19,464 | 5,823  | 1,633  |      |
| 9. 2019.....                        | XXX                                                                                                                 | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 18,229 | 4,906  |      |
| 10. 2020.....                       | XXX                                                                                                                 | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 20,166 |      |
| 11. 2021.....                       | XXX                                                                                                                 | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    |      |

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

| Allocated by States and Territories                                  |                   |                                                                                                               |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
|----------------------------------------------------------------------|-------------------|---------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------------------------------|----------------------------------------|------------------------|----------------------|------------------------------------------------------|------------------------------------------------------------------------------|
| States, Etc.                                                         | 1                 | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken |                        | 4                                                              | 5                                      | 6                      | 7                    | 8                                                    | 9                                                                            |
|                                                                      |                   | 2                                                                                                             | 3                      |                                                                |                                        |                        |                      |                                                      |                                                                              |
|                                                                      | Active Status (a) | Direct Premiums Written                                                                                       | Direct Premiums Earned | Dividends Paid or Credited to Policyholders on Direct Business | Direct Losses Paid (Deducting Salvage) | Direct Losses Incurred | Direct Losses Unpaid | Finance and Service Charges Not Included in Premiums | Direct Premiums Written for Federal Purchasing Groups (Included in Column 2) |
| 1. Alabama                                                           | AL                | L                                                                                                             | 2,339,926              | 2,751,327                                                      |                                        | 2,228,375              | 2,458,438            | 853,026                                              | 179,248                                                                      |
| 2. Alaska                                                            | AK                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 3. Arizona                                                           | AZ                | L                                                                                                             | 8,011,049              | 8,267,488                                                      |                                        | 5,463,530              | 5,760,074            | 3,406,129                                            | 568,299                                                                      |
| 4. Arkansas                                                          | AR                | L                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 5. California                                                        | CA                | L                                                                                                             | 22,342,407             | 19,448,896                                                     |                                        | 12,599,791             | 16,810,137           | 7,816,775                                            | 1,610,021                                                                    |
| 6. Colorado                                                          | CO                | L                                                                                                             | 968,255                | 1,111,752                                                      |                                        | 564,493                | 796,065              | 338,429                                              | 71,310                                                                       |
| 7. Connecticut                                                       | CT                | L                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 8. Delaware                                                          | DE                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 9. District of Columbia                                              | DC                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 10. Florida                                                          | FL                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 11. Georgia                                                          | GA                | L                                                                                                             | 20,513,040             | 21,213,590                                                     |                                        | 16,060,022             | 12,605,086           | 6,844,169                                            | 1,011,543                                                                    |
| 12. Hawaii                                                           | HI                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 13. Idaho                                                            | ID                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 14. Illinois                                                         | IL                | L                                                                                                             | 6,895,764              | 7,727,673                                                      |                                        | 6,335,301              | 5,789,418            | 3,590,565                                            | 477,119                                                                      |
| 15. Indiana                                                          | IN                | L                                                                                                             | 40,160,706             | 40,529,562                                                     |                                        | 27,081,444             | 26,503,407           | 14,588,025                                           | 3,654,168                                                                    |
| 16. Iowa                                                             | IA                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 17. Kansas                                                           | KS                | L                                                                                                             | 4,557,839              | 4,644,536                                                      |                                        | 2,485,241              | 2,224,215            | 837,921                                              | 232,653                                                                      |
| 18. Kentucky                                                         | KY                | L                                                                                                             | 34,304,076             | 34,674,255                                                     |                                        | 22,664,650             | 19,129,310           | 11,636,223                                           | 2,866,198                                                                    |
| 19. Louisiana                                                        | LA                | L                                                                                                             | 1,944,958              | 2,391,582                                                      |                                        | 2,524,886              | 1,560,991            | 1,141,276                                            | 53,430                                                                       |
| 20. Maine                                                            | ME                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 21. Maryland                                                         | MD                | L                                                                                                             | 427,297                | 846,275                                                        |                                        | 903,401                | 1,207,801            | 460,551                                              | 33,783                                                                       |
| 22. Massachusetts                                                    | MA                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 23. Michigan                                                         | MI                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 24. Minnesota                                                        | MN                | L                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 25. Mississippi                                                      | MS                | L                                                                                                             | 413,037                | 531,174                                                        |                                        | 744,258                | 293,026              | 485,521                                              | 26,226                                                                       |
| 26. Missouri                                                         | MO                | L                                                                                                             | 2,772,531              | 3,201,715                                                      |                                        | 3,031,741              | 1,611,898            | 1,547,851                                            | 176,337                                                                      |
| 27. Montana                                                          | MT                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 28. Nebraska                                                         | NE                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 29. Nevada                                                           | NV                | L                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 30. New Hampshire                                                    | NH                | N                                                                                                             |                        |                                                                |                                        | 15,000                 | (5,000)              | 15,000                                               |                                                                              |
| 31. New Jersey                                                       | NJ                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 32. New Mexico                                                       | NM                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 33. New York                                                         | NY                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 34. North Carolina                                                   | NC                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 35. North Dakota                                                     | ND                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 36. Ohio                                                             | OH                | L                                                                                                             | 67,146,022             | 67,847,575                                                     |                                        | 48,535,078             | 46,040,823           | 20,091,847                                           | 6,011,417                                                                    |
| 37. Oklahoma                                                         | OK                | L                                                                                                             | 9,531,594              | 9,628,550                                                      |                                        | 6,558,967              | 6,458,875            | 3,526,818                                            | 768,323                                                                      |
| 38. Oregon                                                           | OR                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 39. Pennsylvania                                                     | PA                | L                                                                                                             | 57,348,646             | 57,672,453                                                     |                                        | 33,837,076             | 33,247,336           | 24,198,687                                           | 4,445,264                                                                    |
| 40. Rhode Island                                                     | RI                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 41. South Carolina                                                   | SC                | L                                                                                                             | 17,093,032             | 16,804,968                                                     |                                        | 12,013,276             | 11,797,182           | 7,799,301                                            | 705,219                                                                      |
| 42. South Dakota                                                     | SD                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 43. Tennessee                                                        | TN                | L                                                                                                             | 12,011,712             | 12,546,161                                                     |                                        | 8,466,176              | 6,675,353            | 2,329,704                                            | 828,006                                                                      |
| 44. Texas                                                            | TX                | L                                                                                                             | 13,736,783             | 14,092,664                                                     |                                        | 11,084,261             | 9,800,183            | 4,577,883                                            | 462,034                                                                      |
| 45. Utah                                                             | UT                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 46. Vermont                                                          | VT                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 47. Virginia                                                         | VA                | L                                                                                                             | 1,970,149              | 2,530,306                                                      |                                        | 1,842,161              | 722,803              | 877,147                                              | 149,757                                                                      |
| 48. Washington                                                       | WA                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 49. West Virginia                                                    | WV                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 50. Wisconsin                                                        | WI                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 51. Wyoming                                                          | WY                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 52. American Samoa                                                   | AS                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 53. Guam                                                             | GU                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 54. Puerto Rico                                                      | PR                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 55. U.S. Virgin Islands                                              | VI                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 56. Northern Mariana Islands                                         | MP                | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 57. Canada                                                           | CAN               | N                                                                                                             |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 58. Aggregate other alien                                            | OT                | XXX                                                                                                           |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 59. Totals                                                           | XXX               |                                                                                                               | 324,488,821            | 328,462,503                                                    |                                        | 225,039,130            | 211,487,420          | 116,962,849                                          | 24,330,355                                                                   |
| DETAILS OF WRITE-INS                                                 |                   |                                                                                                               |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 58001.                                                               | XXX               |                                                                                                               |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 58002.                                                               | XXX               |                                                                                                               |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 58003.                                                               | XXX               |                                                                                                               |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | XXX               |                                                                                                               |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |
| 58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)  | XXX               |                                                                                                               |                        |                                                                |                                        |                        |                      |                                                      |                                                                              |

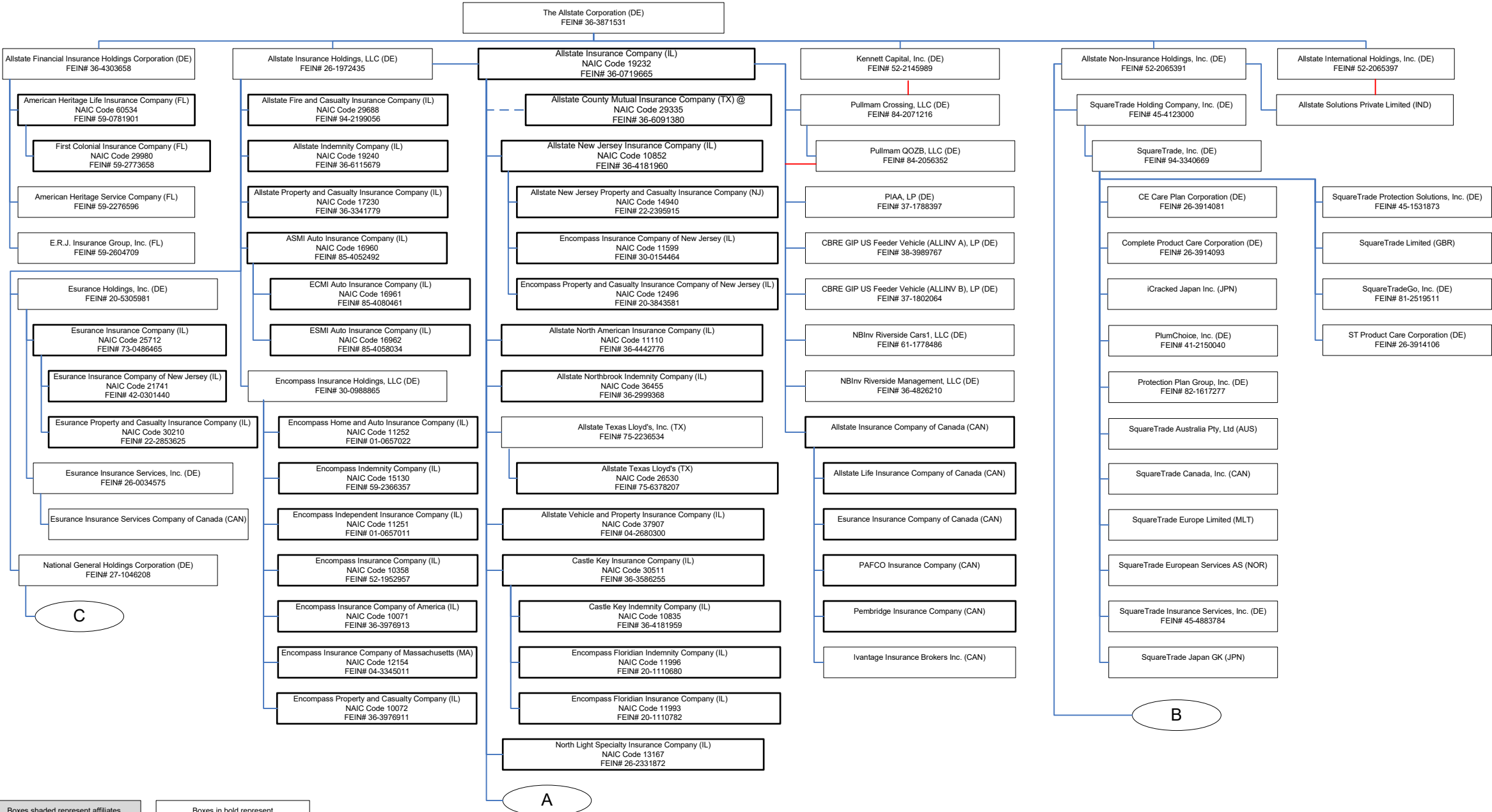
(a) Active Status Counts:  
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....24 R - Registered - Non-domiciled RRGs.....  
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI)..... Q - Qualified - Qualified or accredited reinsurer.....  
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus business in the state .....33  
lines in the state of domicile.....

(b) Explanation of basis of allocation of premiums by states, etc.  
Premiums are reported to those states in which the risk is located.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

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

**PART 1 – ORGANIZATIONAL CHART**



Boxes shaded represent affiliates added since prior period

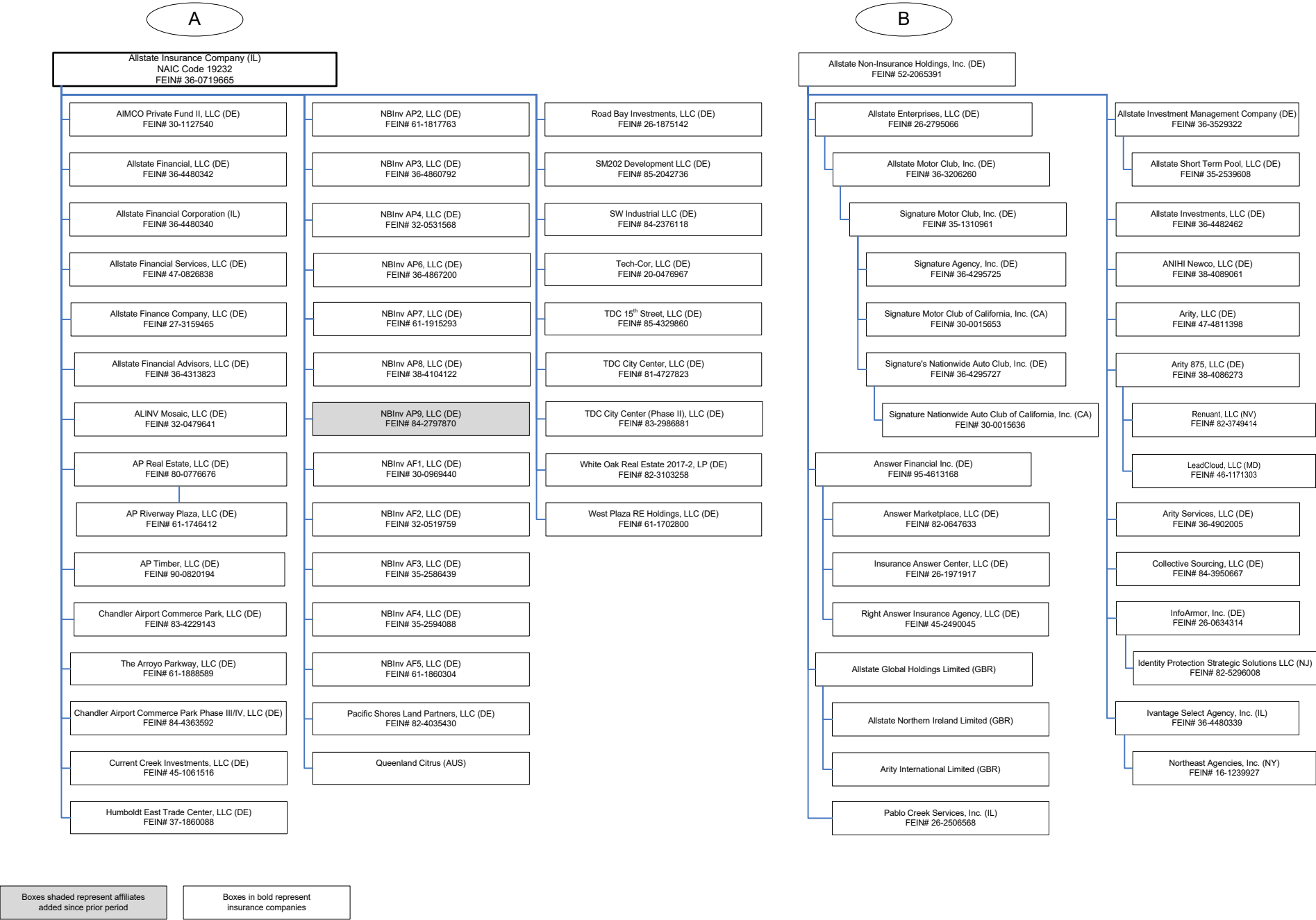
Boxes in bold represent insurance companies

@ Denotes company which is affiliated but not owned

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

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

**PART 1 – ORGANIZATIONAL CHART**

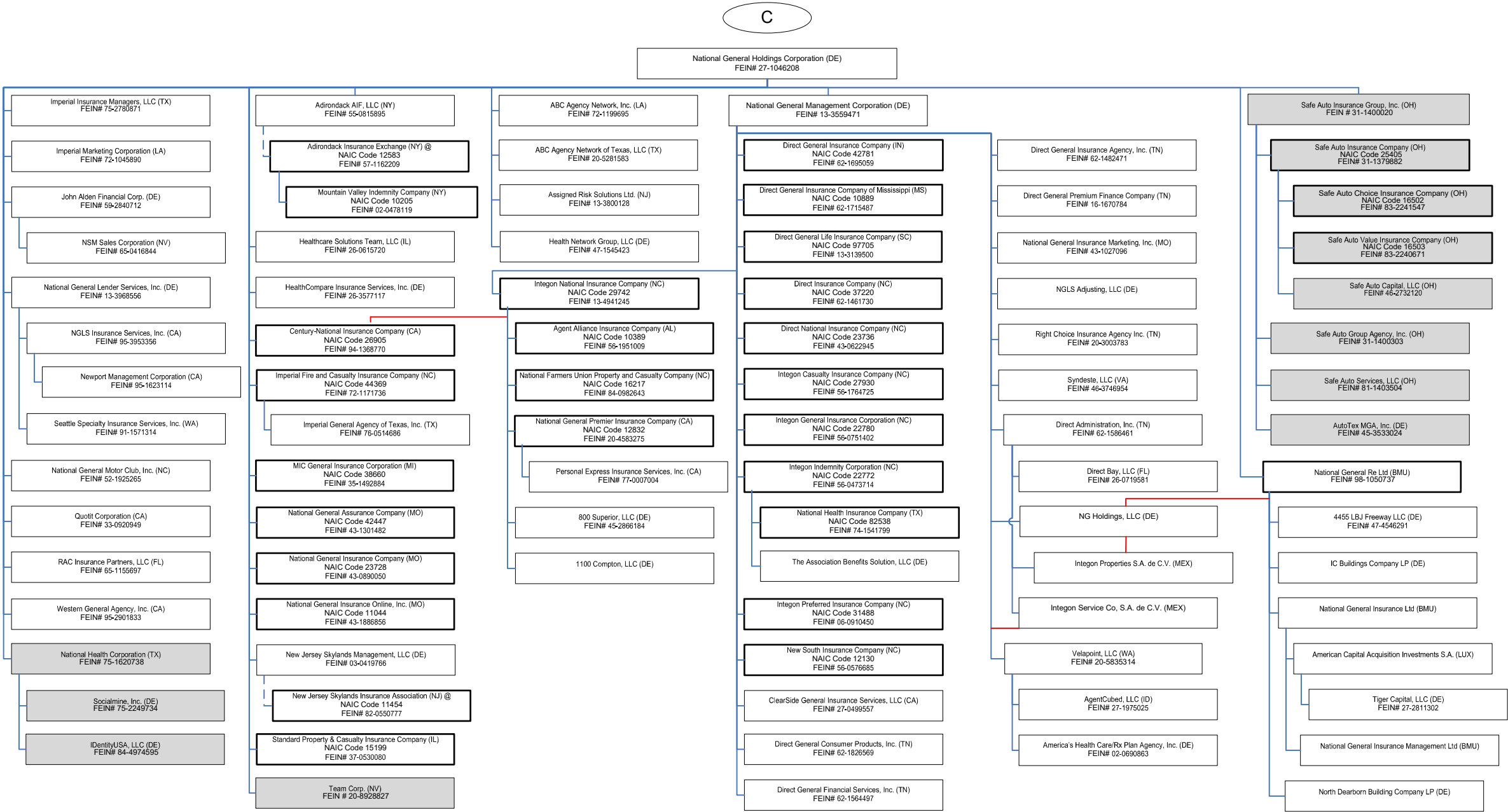


ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

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

PART 1 – ORGANIZATIONAL CHART

96.2



Boxes shaded represent affiliates  
added since prior period

Boxes in bold represent  
insurance companies

@ Denotes company which is affiliated but not owned

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Safe Auto Insurance Company

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Statement of Income Line 14

|       |                                                               | 1            | 2          |
|-------|---------------------------------------------------------------|--------------|------------|
|       |                                                               | Current Year | Prior Year |
| 1404. | Miscellaneous income .....                                    | 3,278,579    | 44,252     |
| 1405. | Company owned life insurance (COLI) .....                     |              | 2,417,980  |
| 1497. | Summary of remaining write-ins for Line 14 from overflow page | 3,278,579    | 2,462,232  |

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 24

|       |                                                               | 1                        | 2                           | 3                   | 4         |
|-------|---------------------------------------------------------------|--------------------------|-----------------------------|---------------------|-----------|
|       |                                                               | Loss Adjustment Expenses | Other Underwriting Expenses | Investment Expenses | Total     |
| 2404. | Interest expense .....                                        |                          | (22,422)                    |                     | (22,422)  |
| 2405. | Gain/loss on fixed asset disposal .....                       |                          | (415,812)                   |                     | (415,812) |
| 2406. | Contributions .....                                           |                          | 5,033                       |                     | 5,033     |
| 2407. | Property tax F&E .....                                        |                          | 330,810                     |                     | 330,810   |
| 2408. | Investment expenses .....                                     |                          |                             | 181,814             | 181,814   |
| 2497. | Summary of remaining write-ins for Line 24 from overflow page |                          | (102,391)                   | 181,814             | 79,423    |