

Society of Actuaries Exam –  
General Insurance, Financial and  
Regulatory Environment – U.S.

Case Study

Spring 2020



## Introduction and Recommendations

This case study presents information for R-Dan General Insurance Company (R-Dan), a U.S.-based general insurer (i.e., a property and casualty insurer) writing mainly homeowners and automobile insurance policies. R-Dan is owned by the holding company A-Eye Holdings. It is the only insurance company in A-Eye Holdings. The Spring 2020 case study is essentially identical to the Fall 2019 case study except that the latest reported year was changed to 2018 and most of the Schedule F exhibits were removed.

You are encouraged to read this case study in conjunction with the recommended study materials. This will help you become familiar with the information that is provided in this case study and assist you in putting syllabus readings in context. The case study should be read critically, with the understanding that it is meant to represent a hypothetical organization that may not always use best practices.

Unless otherwise stated, all amounts in the exhibits are displayed in thousands of dollars (U.S. currency). For simplicity, all dollar amounts in the annual statement exhibits are rounded to the nearest \$100,000.

Exam booklets will contain an exact copy of this case study. You will not be allowed to bring your copy of this case study into the exam room.

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## 1 Company Background

U.S.-based insurer R-Dan General Insurance Company (R-Dan) is domiciled in the state of Nebraska and is licensed to write general insurance in twenty states. It is a wholly owned subsidiary of A-Eye Holdings and is the only insurance company owned by A-Eye Holdings. R-Dan offers automobile, homeowners multi-peril and inland marine insurance products. R-Dan has a financial rating of A from A.M. Best and an NAIC RBC ratio over 600%.

The company does not use agents. It acquires business through direct marketing to both consumers and affinity groups. R-Dan focuses on personal lines although it does write a small amount of commercial automobile. Personal lines automobile currently represents approximately 70% of the total earned premium volume for the company, with homeowners coverage representing the bulk of the remaining 30%; other coverages represent less than 1% of premium. R-Dan is considering significant growth in its homeowners business over the next five years. It is also considering expansion of its commercial lines business.

## 2 Risk and Capital

As of year-end 2018, the Company had a surplus of \$209 million, a NAIC RBC ratio of over 600%, and a premium to surplus ratio of just under 3. Over the period from 2014 to 2017, the company produced positive net income each year and increased its surplus from \$179 million to \$209 million. During 2018, the company lost over \$16 million. It was able to maintain surplus at \$209 million by means of a significant injection of capital from A-Eye Holdings.

The Company purchases a minimal amount of reinsurance protection.

## 3 Products

R-Dan offers automobile, homeowners multi-peril and inland marine insurance products. Most of the Company's business is for personal lines although there is some commercial lines business. It writes business directly using social media advertising campaigns to bring consumers to its internet sales site. It also runs affinity campaigns with various organizations to attract personal lines business.

R-Dan has been successful in attracting business using an aggressive pricing strategy combined with underwriting based on advanced analytics. It has been willing to sacrifice profitability for growth. Its parent, A-Eye Holdings, has been willing to fund this strategy to meet R-Dan's growth targets.

R-Dan is domiciled in the state of Nebraska and is licensed to write general insurance in twenty states. It currently writes in only seven states: Illinois, Iowa, Michigan, Nebraska, Ohio, South Dakota and Wyoming. The Company categorizes these seven states into Core territory and non-Core territory. The Core territory consists of the smaller, mainly rural, states of Iowa, Nebraska, South Dakota, and Wyoming. The non-Core territory consists of the

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larger, more urban, states of Illinois, Michigan, and Ohio. While the majority of R-Dan’s business is in the Core territory, it has focused its recent growth in the non-Core territory.

R-Dan is planning to grow its commercial lines business over the next five years by targeting small business owners for their commercial automobile, commercial multi-peril and professional liability coverages.

The Company does not write any loss-sensitive or claims made policies.

## 4 Results

R-Dan’s underwriting results reflect the current strategy of sacrificing profitability for growth. Its loss ratios have been above that of the industry for a number of years. This past year resulted in the highest combined ratio the company has experienced over the past five years, 112%. While the company has produced a superior level of investment income, recently it has not been enough to offset the underwriting losses. If the company continues its current strategy, it will require further injections of capital from its parent, A-Eye Holdings.

The following table shows the Company’s direct premiums written over the past five years (amounts in \$ millions):

<b>LOB</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Private passenger auto liability	243.8	226.1	218.9	212.6	207.1
Commercial auto liability	4.4	3.8	3.3	3.2	3.2
Automobile physical damage	179.9	159.7	150.9	150.6	148.3
Homeowners multiple peril	189.3	154.7	120.4	97.4	86.1
Special property	0.7	0.0	0.0	0.0	0.0
Total	618.1	544.3	493.5	463.8	444.7

## 5 Investments

None of R-Dan’s investments in fixed income securities or equities are with affiliated companies. Over 90% of the Company’s investments are in fixed income securities. At year-end, fixed income securities amounted to \$609.6 million. The following table summarizes the distribution of fixed income securities by NAIC Bond Class.

<b>NAIC Bond Class</b>	<b>\$ Amount Distribution</b>	<b># of Issuers</b>
Federal government bonds, guaranteed by U.S. government	40%	5
Class 1—Highest quality	30%	150*
Class 2—High quality	17%	100
Class 3—Medium quality	6%	60
Class 4—Low quality	4%	30
Class 5—Lower quality	2%	20
Class 6—In or near default	1%	15

\*Of the 150 issuers of Class 1 bonds, 30 represent U.S. government agencies.

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The remaining investments are made up from \$6.7 million in cash and other short-term investments, and \$28.4 million from admitted common stocks.

As at year-end, R-Dan’s 10 largest assets by asset name (not including U.S. government backed assets) accounted for just over 5% of total invested assets (including U.S. government backed assets). The following table shows a summary of the 10 largest assets by asset name (amounts in \$000s):

<b>Asset Name</b>	<b>Class 2 Bond</b>	<b>Class 3 Bond</b>	<b>Class 4 Bond</b>	<b>Class 5 Bond</b>	<b>Common Stock</b>
A01	0	5,394	0	0	500
A02	3,471	0	0	0	1,000
A03	3,253	0	0	0	600
A04	0	2,685	0	0	750
A05	3,237	0	0	0	0
A06	0	0	0	0	3,000
A07	0	0	2,844	0	0
A08	2,827	0	0	0	100
A09	0	0	0	2,091	650
A10	2,258	0	0	0	220
Total	15,046	8,079	2,844	2,091	6,820

## 6 Rating Agency Review

R-Dan has a financial rating of “A” from A.M. Best and is scheduled for a rating agency review at which time R-Dan will outline its plans for growth over the next five years. The following table summarizes R-Dan’s plans for growth:

	Actual	Projected	Projected	Projected	Projected	Projected
	2018	2019	2020	2021	2022	2023
<b>Gross Premiums Written</b>						
Liability lines	248,200	279,200	293,200	303,500	314,100	325,100
Property lines	180,600	203,200	213,400	220,900	228,600	236,600
Property and liability combined lines	189,300	217,700	239,500	263,500	289,900	318,900
Total	618,100	700,100	746,100	787,900	832,600	880,600
<b>Net Premiums Written</b>						
Liability lines	243,900	274,400	288,100	298,200	308,600	319,400
Property lines	179,700	202,200	212,300	219,700	227,400	235,400
Property and liability combined lines	184,100	211,700	232,900	256,200	281,800	310,000
Total	607,700	688,300	733,300	774,100	817,800	864,800
<b>Income</b>						
Net underwriting gain (loss)	(72,500)	(30,000)	(10,000)	-	10,000	20,000
Net investment gain (loss)	33,000	35,000	40,000	42,000	45,000	49,000
Federal and foreign income taxes incurred	(20,300)	(5,000)	2,500	6,000	7,000	8,000
Net income	(16,500)	10,000	27,500	36,000	48,000	61,000
<b>Surplus</b>						
Capital paid-in by parent during year	10,000	10,000	-	-	-	-
Surplus as regards policyholders at year-end	209,400	229,400	256,900	292,900	340,900	401,900

This plan involves increasing its business in the non-Core territory and commercial lines over the next two years and then increasing rate level. A-Eye Holdings has committed to paying in another \$10 million in capital before the end of 2019 so that the plan can be achieved.

## 7 Appendix

## 7.1 Excerpts from the Annual Statement

## 7.1.1 Assets (Page 2)

## ANNUAL STATEMENT FOR THE YEAR 2018

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**ASSETS**  
((\$000 Omitted))

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1 Bonds	609,600	-	609,600	543,000
2 Stocks	-	-		-
2.2 Common stocks	29,400	1,000	28,400	27,800
5 Cash and short term investments	6,700	-	6,700	14,600
12 Subtotals cash and invested assets (Lines 1 to 11)	645,700	1,000	644,700	585,400
14 Investment income due and accrued	9,100	-	9,100	8,500
15 Premiums and considerations:	-	-		-
15.1 Uncollected premiums and agents' balances in the course of collection	2,000	-	2,000	1,400
15.2 Deferred premiums, agents' balances and instalments booked but deferred and not yet due	52,700	-	52,700	46,600
16 Reinsurance	-	-		-
16.1 Amounts recoverable from reinsurers	1,900	-	1,900	900
16.3 Other amounts receivable under reinsurance	-	-	-	-
18.1 Current federal and foreign income tax recoverable and interest thereon	9,300	-	9,300	2,200
18.2 Net deferred tax asset	21,100	1,600	19,500	18,100
20 Electronic data processing equipment and software	5,500	4,100	1,400	1,300
23 Receivables from parent, subsidiaries and affiliates	2,100	-	2,100	1,200
25 Aggregate write-ins for other than invested assets	700	700	-	(100)
26 Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Amounts (Lines 12 to 25)	750,100	7,400	742,700	665,500
28 Total (Lines 26 and 27)	750,100	7,400	742,700	665,500



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7.1.2 Liabilities, Surplus and Other Funds (Page 3)

**ANNUAL STATEMENT FOR THE YEAR 2018**

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**LIABILITIES, SURPLUS AND OTHER FUNDS**

(\$000 Omitted)

	Current Year	Prior Year
	1	2
1 Losses	238,800	203,200
3 Loss adjustment expenses	50,700	45,700
4 Commissions payable, contingent commissions and other similar charges	100	100
5 Other expenses	10,000	9,200
6 Taxes, licenses and fees (excluding federal and foreign income taxes)	2,400	2,200
7.1 Current federal and foreign income taxes	-	300
9 Unearned premiums (after deducting unearned premiums for ceded reinsurance of 1,800)	-	-
	208,800	179,600
10 Advance premium	4,400	3,700
12 Ceded reinsurance premium payable	-	300
14 Amounts withheld or retained by company for account of others	100	100
16 Provision for reinsurance	-	-
19 & 25 Payable to parent & Aggregate write-in for liabilities	18,000	12,000
26 Total liabilities excluding protected cell liabilities (Lines 1 through 25)	533,300	456,400
28 Total liabilities (lines 26 and 27)	533,300	456,400
30 Common capital stock	3,800	3,800
34 Gross paid in and contributed surplus	206,700	175,900
35 Unassigned funds (surplus)	(1,100)	29,400
37 Surplus as regards policyholders (Lines 29 to 35, less 36)	209,400	209,100
38 Totals	742,700	665,500

## 7.1.3 Statement of Income (Page 4)

## ANNUAL STATEMENT FOR THE YEAR 2018

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## STATEMENT OF INCOME

(\$000 Omitted)

	Current Year 1	Prior Year 2
<b>UNDERWRITING INCOME</b>		
1 Premiums earned	578,500	511,600
DEDUCTIONS:		
2 Losses incurred	482,100	386,300
3 Loss adjustment expenses incurred	70,700	64,400
4 Other underwriting expenses incurred	98,200	90,600
6 Total underwriting deductions	651,000	541,300
8 Net underwriting gain (loss)	(72,500)	(29,700)
<b>INVESTMENT INCOME</b>		
9 Net investment income earned	31,900	29,600
10 Net realized capital gains (losses) less capital gains tax of 600	1,100	(300)
11 Net investment gain (loss)	33,000	29,300
<b>OTHER INCOME</b>		
12 Net gain (loss) from agents' or premium balances charged off	(700)	(800)
13 Finance and service charges not included in premiums	3,200	3,100
14 Aggregate write-in for miscellaneous income	200	100
15 Total other income	2,700	2,400
16 Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(36,800)	2,000
18 Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	(36,800)	2,000
19 Federal and foreign income taxes incurred	(20,300)	(4,000)
20 Net income	(16,500)	6,000
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21 Surplus as regards policyholders, December 31 prior year	209,100	197,800
22 Net income	(16,500)	6,000
24 Change in net unrealized capital gains or (losses) less capital gains tax of :400	1,900	500
26 Change in net deferred income tax	2,100	4,000
27 Change in nonadmitted assets	(2,100)	(200)
28 Change in provision for reinsurance	-	-
33.1 Surplus Adjustments: Paid in	10,000	-
37 Aggregate write-ins for gains and losses in surplus	4,900	1,000
38 Change in surplus as regards policyholders for the year	300	11,300
39 Surplus as regards policyholders, December 31 current year	209,400	209,100

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7.1.4 Underwriting and Investment Exhibit, Parts 1 and 1B (Pages 6 and 8)

**ANNUAL STATEMENT FOR THE YEAR 2018**

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**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

(\$000 Omitted)

Line of Business	Net Premiums Written 1	Unearned Premiums Dec.31 Prior Year 2	Unearned Premiums Dec.31 Current Year 3	Premiums Earned During Year 4
1 Fire	-	-	-	-
4 Homeowners multiple peril	184,100	81,800	98,700	167,200
9 Inland marine	1,500	-	1,100	400
19.1, 19.2 Private passenger auto liability	242,900	56,900	62,500	237,300
19.3, 19.4 Commercial auto liability	1,000	400	500	900
21 Auto physical damage	178,200	40,500	46,000	172,700
35 TOTALS	607,700	179,600	208,800	578,500

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**PART 1B - PREMIUMS WRITTEN**

(\$000 Omitted)

Line of Business	Direct Business 1		Reinsurance Ceded to Non-Affiliates 5	Net Premiums Written 6
1 Fire	-		-	-
4 Homeowners multiple peril	189,300		5,200	184,100
9 Inland marine	1,600		100	1,500
19.1, 19.2 Private passenger auto liability	243,600		700	242,900
19.3, 19.4 Commercial auto liability	4,600		3,600	1,000
21 Auto physical damage	179,000		800	178,200
35 TOTALS	618,100		10,400	607,700

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7.1.5 Underwriting and Investment Exhibit, Parts 2 and 2A (Pages 9 and 10)

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UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

(\$000 Omitted)

Line of Business	Losses Paid Less Salvage			Net Losses Unpaid Current Year 5	Net Losses Unpaid Prior Year 6	Losses Incurred Current Year 7	Percentage of Losses Incurred to Premiums Incurred 8
	Direct Business 1	Reinsurance Recovered 3	Net Payments 4				
1 Fire	-	-	-	-	-	-	0.0
4 Homeowners multiple peril	120,600	3,300	117,300	29,300	27,200	119,400	71.4
9 Inland marine	-	-	-	-	-	-	0.0
19.1, 19.2 Private passenger auto liability	201,900	1,800	200,100	207,000	174,900	232,200	97.9
19.3, 19.4 Commercial auto liability	1,600	1,200	400	800	700	500	55.6
21 Auto physical damage	128,800	100	128,700	1,700	400	130,000	75.3
35 TOTALS	452,900	6,400	446,500	238,800	203,200	482,100	83.3

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PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

(\$000 Omitted)

Line of Business	Reported Losses			Incurred But Not Reported		Net Losses Unpaid 8	Net Unpaid Loss Adjustment Expenses 9
	Direct 1	Deduct Reinsurance Recoverable 3	Excl. Incurred But Not Reported 4	Direct 5	Reinsurance Ceded 7		
1 Fire	-	-	-	-	-	-	-
4 Homeowners multiple peril	19,000	800	18,200	11,100	-	29,300	6,800
9 Inland marine	-	-	-	-	-	-	-
19.1, 19.2 Private passenger auto liability	139,100	15,500	123,600	92,600	9,200	207,000	41,700
19.3, 19.4 Commercial auto liability	2,500	1,800	700	100	-	800	100
21 Auto physical damage	6,300	-	6,300	(4,600)	-	1,700	2,100
35 TOTALS	166,900	18,100	148,800	99,200	9,200	238,800	50,700

## ANNUAL STATEMENT FOR THE YEAR 2018

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## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - EXPENSES

(\$000 Omitted)

	Loss Adjustment Expenses 1	Other Underwriting Expenses 2	Investment Expenses 3	Total 4
1 Claims adjustment services:				
1.1 Direct	22,100	-	-	22,100
1.4 Net claim adjustment services	22,100	-	-	22,100
2 Commission and brokerage				
2.1 Direct, excluding contingent	-	16,500	-	16,500
2.3 Reinsurance ceded, excluding contingent	-	800	-	800
2.4 Contingent-direct	-	-	-	-
2.8 Net commission and brokerage	-	15,700	-	15,700
4 Advertising	100	10,400	-	10,500
5 Boards, bureaus and associations	500	2,100	-	2,600
6 Surveys and underwriting reports	600	3,800	-	4,400
8 Salary and related items:				-
8.1 Salaries	30,100	27,300	300	57,700
8.2 Payroll taxes	2,300	2,100	-	4,400
9 Employee relations and welfare	6,700	6,400	100	13,200
10 Insurance	-	1,600	-	1,600
11 Directors' fees	-	-	-	-
12 Travel and travel items	300	400	-	700
13 Rent and rent items	1,100	1,700	400	3,200
14 Equipment	2,600	2,900	-	5,500
15 Cost or depreciation of EDP equipment and software	1,100	3,300	100	4,500
16 Printing and stationary	100	600	-	700
17 Postage, telephone and telegraph, exchange and express	2,000	2,100	-	4,100
18 Legal and auditing	900	1,100	-	2,000
19 Totals (Lines 3 to 18)	48,400	65,800	900	115,100
20 Taxes, licenses and fees				
20.1 State and local insurance taxes	-	13,200	-	13,200
20.2 Insurance department licenses and fees	100	900	-	1,000
20.4 All other	-	300	-	300
20.5 Total taxes, licenses and fees	100	14,400	-	14,500
24 Aggregate write-ins for miscellaneous expenses	100	2,300	400	2,800
25 Total expenses incurred	70,700	98,200	1,300	170,200
26 Less unpaid expenses-current year	50,700	12,600	-	63,300
27 Add unpaid expenses -prior year	45,700	11,500	-	57,200
30 TOTAL EXPENSES PAID	65,700	97,100	1,300	164,100

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7.1.7 Five-Year Historical Data (Page 17)

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FIVE-YEAR HISTORICAL DATA

(\$000 Omitted)

	1	2	3	4	5
	2018	2017	2016	2015	2014
<b>Gross Premiums Written</b>					
1 Liability lines	248,200	229,900	222,200	215,800	210,300
2 Property lines	180,600	159,700	150,900	150,600	148,300
3 Property and liability combined lines	189,300	154,700	120,400	97,400	86,100
6 Total	618,100	544,300	493,500	463,800	444,700
<b>Net Premiums Written</b>					
7 Liability lines	243,900	226,100	218,500	212,000	198,800
8 Property lines	179,700	158,800	150,100	149,700	146,400
9 Property and liability combined lines	184,100	149,600	116,700	93,100	82,600
12 Total	607,700	534,500	485,300	454,800	427,800
<b>Statement of Income</b>					
13 Net underwriting gain (loss)	(72,500)	(29,700)	(18,400)	(22,100)	(4,000)
14 Net investment gain (loss)	33,000	29,300	28,600	29,000	27,000
15 Total other income	2,700	2,400	2,600	3,500	2,600
17 Federal and foreign income taxes incurred	(20,300)	(4,000)	(2,700)	(3,700)	700
18 Net income	(16,500)	6,000	15,500	14,100	24,900
<b>Balance Sheet Lines</b>					
19 Total admitted assets excluding protected cell business	742,700	665,500	598,200	562,400	531,400
20 Premiums and considerations					
20.1 In course of collection	2,000	1,400	1,700	2,200	700
20.2 Deferred and not yet due	52,700	46,600	42,200	43,200	37,300
21 Total liabilities excluding protected cell business	533,300	456,400	400,400	383,600	352,600
22 Losses	238,800	203,200	185,700	181,700	163,500
23 Loss adjustment expenses	50,700	45,700	38,800	39,600	38,600
24 Unearned premiums	208,800	179,600	156,700	142,300	130,300
25 Capital paid up	3,800	3,800	3,800	3,800	3,800
26 Surplus as regards policyholders	209,400	209,100	197,800	178,800	178,800

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7.1.8 Schedule F, Part 6 (Page 29)

ANNUAL STATEMENT FOR THE YEAR 2018

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**SCHEDULE F - PART 6**

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

(\$000 Omitted)

	As Reported Net of Ceded	Restatement Adjustments	Restated Gross of Ceded
	1	2	3
<b>ASSETS (Page 2, Col. 3)</b>			
1 Cash and invested assets	644,700	-	644,700
2 Premiums and considerations	54,700	-	54,700
3 Reinsurance recoverable on loss and LAE payments	1,900	(1,900)	-
4 Funds held by or deposited with reinsured companies	-	-	-
5 Other assets	41,400	-	41,400
6 Net amount recoverable from reinsurers	-	31,000	31,000
7 Protected cell assets	-	-	-
8 Totals	742,700	29,100	771,800
<b>LIABILITIES (Page 3)</b>			
9 Losses and loss adjustment expenses	289,500	27,300	316,800
10 Taxes, expenses, and other obligations	12,500	-	12,500
11 Unearned premiums	208,800	1,800	210,600
12 Advance premiums	4,400	-	4,400
13 Dividends declared and unpaid	-	-	-
14 Ceded reinsurance premiums payable	-	-	-
15 Funds held by company under reinsurance treaties	-	-	-
16 Amount withheld or retained by company for account of others	100	-	100
17 Provision for reinsurance	-	-	-
18 Other liabilities	18,000	-	18,000
19 Total liabilities excluding protected cell business	533,300	29,100	562,400
20 Protected cell liabilities	-	-	-
21 Surplus as regards policyholders	209,400		209,400
22 Totals	742,700	29,100	771,800

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7.1.9 Schedule P, Part 1 – Summary (Page 33)

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SCHEDULE P - PART 1 - Summary

(\$000 Omitted)

Year in Which Premiums Were Earned and Losses Incurred	Premiums Earned			Loss and Loss Expense Payments						Salvage and Subrogation Received	Total Net Paid	Number of Claims Reported Direct & Assumed
	Direct & Assumed	Ceded	Net	Loss Payments		DCC Payments		AO Payments				
				Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded			
1	2	3	4	5	6	7	8	9	10	11	12	
01. Prior	XXX	XXX	XXX	1,000	200	0	0	0	0	0	800	XXX
02. 2009	356,400	5,300	351,100	227,600	9,100	13,200	500	33,900	-500	26,600	265,600	XXX
03. 2010	376,900	7,800	369,100	241,400	2,900	13,000	300	28,700	-300	29,600	280,200	XXX
04. 2011	379,500	7,400	372,100	265,100	4,200	10,800	0	28,100	-300	34,500	300,100	XXX
05. 2012	393,600	7,200	386,400	293,900	2,400	12,200	300	32,400	-100	35,600	335,900	XXX
06. 2013	410,500	6,500	404,000	295,000	3,500	13,200	400	33,000	300	36,900	337,000	XXX
07. 2014	431,300	7,200	424,100	334,600	8,500	13,500	500	41,400	300	42,900	380,200	XXX
08. 2015	451,100	8,300	442,800	344,300	2,000	13,000	100	35,700	100	44,200	390,800	XXX
09. 2016	478,900	8,000	470,900	347,400	2,200	9,000	100	40,000	0	47,900	394,100	XXX
10. 2017	521,400	9,800	511,600	332,000	1,600	5,400	100	40,300	0	46,200	376,000	XXX
11. 2018	588,600	10,100	578,500	304,400	100	1,900	0	43,800	0	34,600	350,000	XXX
12. Totals	XXX	XXX	XXX	2,986,700	36,700	105,200	2,300	357,300	-500	379,000	3,410,700	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct & Assumed
	Case Basis		Bulk + Ibrnr		Case Basis		Bulk + Ibrnr		Direct & Assumed	Ceded			
	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded					
13	14	15	16	17	18	19	20	21	22	23	24	25	
01. Prior	7,800	7,600	0	0	0	0	0	0	0	0	0	200	XXX
02. 2009	5,200	5,100	-100	-200	0	0	0	0	0	0	0	200	XXX
03. 2010	1,300	1,100	200	200	0	0	0	0	0	0	0	200	XXX
04. 2011	900	700	300	200	0	0	100	0	0	0	0	400	XXX
05. 2012	1,400	500	0	100	0	0	200	0	100	0	100	1,100	XXX
06. 2013	1,600	0	300	500	0	0	500	0	100	0	100	2,000	XXX
07. 2014	5,100	0	900	1,000	0	0	1,000	0	300	0	300	6,300	XXX
08. 2015	10,800	100	1,700	1,100	0	0	3,100	0	600	0	700	15,000	XXX
09. 2016	20,100	200	4,600	800	0	0	6,000	0	1,200	0	1,800	30,900	XXX
10. 2017	35,200	400	17,100	1,900	100	0	10,200	0	2,300	0	4,400	62,600	XXX
11. 2018	77,500	2,300	74,100	3,600	200	0	14,400	0	10,300	0	24,600	170,600	XXX
12. Totals	166,900	18,000	99,100	9,200	300	0	35,500	0	14,900	0	32,000	289,500	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage			Nontabular Discount		Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	Direct & Assumed	Ceded	Net	Direct & Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
	26	27	28	29	30	31	32	33	34	35	36
01. Prior	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	200	0
02. 2009	279,800	14,000	265,800	78.5	264.2	75.7	0	0	0.0	200	0
03. 2010	284,600	4,300	280,300	75.5	55.1	75.9	0	0	0.0	200	0
04. 2011	305,200	4,700	300,500	80.4	63.5	80.8	0	0	0.0	300	100
05. 2012	340,100	3,300	336,800	86.4	45.8	87.2	0	0	0.0	800	300
06. 2013	343,800	4,600	339,200	83.8	70.8	84.0	0	0	0.0	1,400	600
07. 2014	396,800	10,200	386,600	92.0	141.7	91.2	0	0	0.0	5,000	1,300
08. 2015	409,200	3,400	405,800	90.7	41.0	91.6	0	0	0.0	11,300	3,700
09. 2016	428,300	3,300	425,000	89.4	41.3	90.3	0	0	0.0	23,700	7,200
10. 2017	442,500	4,000	438,500	84.9	40.8	85.7	0	0	0.0	50,000	12,600
11. 2018	526,600	6,100	520,500	89.5	60.4	90.0	0	0	0.0	145,700	24,900
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	238,800	50,700



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7.1.10 Schedule P, Parts 2, 3 and 4 – Summary (Page 34)

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SCHEDULE P - PART 2 - Summary

Year in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year-End (\$000 Omitted)										Development		
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	One Year	Two Year	
	1	2	3	4	5	6	7	8	9	10	11	12	
01. Prior	86,900	68,600	65,800	68,400	65,900	65,800	66,300	66,900	67,800	68,600	800	1,700	
02. 2009	267,000	244,100	235,200	234,400	231,400	231,500	231,500	231,400	231,400	231,400	0	0	
03. 2010	XXX	297,400	259,300	254,400	253,100	251,000	251,100	251,200	251,300	251,300	0	100	
04. 2011	XXX	XXX	304,000	276,100	274,500	272,800	273,700	273,100	272,100	272,100	0	-1,000	
05. 2012	XXX	XXX	XXX	307,900	306,700	306,400	306,600	305,700	304,200	304,400	200	-1,300	
06. 2013	XXX	XXX	XXX	XXX	307,400	305,200	307,400	307,700	305,300	306,300	1,000	-1,400	
07. 2014	XXX	XXX	XXX	XXX	XXX	331,200	344,300	347,600	343,000	345,100	2,100	-2,500	
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	336,600	363,200	361,200	369,700	8,500	6,500	
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	346,900	372,200	383,700	11,500	36,800	
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	383,900	396,000	12,100	XXX	
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	466,300	XXX	XXX	
											12. Totals	36,200	38,900

SCHEDULE P - PART 3 - Summary

Year in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year-End (\$000 Omitted)										Number of Claims Closed With Loss Pay	Number of Claims Closed Without Loss Pay
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	11	12
	1	2	3	4	5	6	7	8	9	10		
01. Prior	000	31,700	50,400	59,700	63,100	64,400	65,200	66,200	67,400	68,300	XXX	XXX
02. 2009	138,000	189,400	211,100	223,300	227,900	229,900	230,500	230,800	231,100	231,200	XXX	XXX
03. 2010	XXX	150,900	209,800	232,900	243,600	248,000	249,600	250,100	250,800	251,200	XXX	XXX
04. 2011	XXX	XXX	174,300	231,900	253,100	263,700	268,400	270,400	271,300	271,700	XXX	XXX
05. 2012	XXX	XXX	XXX	196,900	259,700	283,600	295,300	300,500	302,600	303,400	XXX	XXX
06. 2013	XXX	XXX	XXX	XXX	194,500	257,900	281,000	294,000	301,200	304,300	XXX	XXX
07. 2014	XXX	XXX	XXX	XXX	XXX	215,100	285,300	314,800	330,100	339,100	XXX	XXX
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	231,800	303,700	333,200	355,200	XXX	XXX
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	243,000	317,900	354,100	XXX	XXX
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	251,300	335,700	XXX	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	306,200	XXX	XXX

SCHEDULE P - PART 4 - Summary

Year in Which Losses Were Incurred	Bulk & IBNR Reserves on Net Losses and DCC Expenses Reported at Year-End (\$000 Omitted)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	1	2	3	4	5	6	7	8	9	10
01. Prior	40,500	11,800	3,300	3,100	600	100	500	300	0	0
02. 2009	71,300	22,000	7,500	3,800	1,100	400	300	200	100	100
03. 2010	XXX	88,000	21,000	6,500	4,500	900	600	300	100	0
04. 2011	XXX	XXX	78,900	15,200	8,700	2,800	2,300	1,500	300	100
05. 2012	XXX	XXX	XXX	58,300	20,500	9,100	5,200	2,400	400	100
06. 2013	XXX	XXX	XXX	XXX	60,400	20,400	12,100	6,300	800	300
07. 2014	XXX	XXX	XXX	XXX	XXX	58,200	26,900	15,600	3,000	1,000
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	49,000	27,900	8,000	3,700
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	48,200	21,800	9,800
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	75,400	25,500
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	84,800

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7.1.11 Schedule P, Parts 1 to 5 for Line A (Pages 35/57A/62A/67A/72)

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SCHEDULE P - PART 1A - Homeowners/Farmowners

(\$000 Omitted)

Year in Which Premiums Were Earned and Losses Incurred	Premiums Earned			Loss and Loss Expense Payments						Salvage and Subrogation Received	Total Net Paid	Number of Claims Reported Direct & Assumed	
	Direct & Assumed	Ceded	Net	Loss Payments		DCC Payments		AO Payments					
				1	2	3	4	5	6	7	8	9	10
01. Prior	XXX	XXX	XXX	100	0	0	0	0	0	0	0	100	XXX
02. 2009	42,500	2,000	40,500	27,400	7,900	700	600	5,700	0	600	25,300	5,312	
03. 2010	51,800	3,800	48,000	33,700	3,300	1,100	300	6,600	0	600	37,800	6,397	
04. 2011	59,000	3,200	55,800	33,300	1,500	700	0	5,700	0	1,300	38,200	6,194	
05. 2012	63,900	3,100	60,800	53,800	1,900	1,300	200	8,600	0	1,500	61,600	8,500	
06. 2013	69,100	3,200	65,900	47,800	100	1,400	0	9,400	0	900	58,500	8,824	
07. 2014	79,600	3,500	76,100	64,300	4,900	1,400	300	13,300	0	1,500	73,800	11,254	
08. 2015	91,100	4,300	86,800	72,600	300	1,500	0	7,500	0	1,200	81,300	13,480	
09. 2016	107,400	3,700	103,700	76,500	700	1,300	100	8,400	0	1,700	85,400	14,285	
10. 2017	136,900	5,000	131,900	89,500	700	1,400	0	8,700	0	1,400	98,900	14,758	
11. 2018	172,400	5,200	167,200	95,900	100	900	0	9,900	0	700	106,600	18,355	
12. Totals	XXX	XXX	XXX	594,900	21,400	11,700	1,500	83,800	0	11,400	667,500	XXX	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct & Assumed
	Case Basis		Bulk + Ibrnr		Case Basis		Bulk + Ibrnr		Direct & Assumed	Ceded			
	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded			21	22	23
01. Prior	0	0	0	0	0	0	0	0	0	0	0	0	0
02. 2009	0	0	0	0	0	0	0	0	0	0	0	0	0
03. 2010	0	0	0	0	0	0	0	0	0	0	0	0	0
04. 2011	0	0	0	0	0	0	0	0	0	0	0	0	0
05. 2012	0	0	0	0	0	0	0	0	0	0	0	0	2
06. 2013	0	0	0	0	0	0	0	0	0	0	0	0	2
07. 2014	400	0	-100	0	0	0	0	0	100	0	0	400	7
08. 2015	600	0	0	0	0	0	100	0	200	0	200	900	15
09. 2016	800	0	400	0	0	0	100	0	400	0	400	1,700	22
10. 2017	2,500	300	1,000	0	0	0	300	0	800	0	1,000	4,300	71
11. 2018	14,600	500	9,900	0	0	0	1,100	0	3,800	0	3,000	28,900	1,256
12. Totals	18,900	800	11,200	0	0	0	1,600	0	5,300	0	4,600	36,200	1,375

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage			Nontabular Discount		Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	Direct & Assumed	Ceded	Net	Direct & Assumed	Ceded	Net	Loss	Expense		Losses Unpaid	Loss Expenses Unpaid
	26	27	28	29	30	31	32	33	34	35	36
01. Prior	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
02. 2009	33,700	8,500	25,200	79.3	425.0	62.2	0	0	0.0	0	0
03. 2010	41,400	3,600	37,800	79.9	94.7	78.8	0	0	0.0	0	0
04. 2011	39,800	1,500	38,300	67.5	46.9	68.6	0	0	0.0	0	0
05. 2012	63,800	2,100	61,700	99.8	67.7	101.5	0	0	0.0	0	0
06. 2013	58,600	100	58,500	84.8	3.1	88.8	0	0	0.0	0	0
07. 2014	79,400	5,300	74,100	99.7	151.4	97.4	0	0	0.0	300	100
08. 2015	82,500	400	82,100	90.6	9.3	94.6	0	0	0.0	600	300
09. 2016	88,000	800	87,200	81.9	21.6	84.1	0	0	0.0	1,200	500
10. 2017	104,200	1,000	103,200	76.1	20.0	78.2	0	0	0.0	3,200	1,100
11. 2018	136,100	500	135,600	78.9	9.6	81.1	0	0	0.0	24,000	4,900
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	29,300	6,900

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**SCHEDULE P - PART 2A - Homeowners/Farmowners**

Year in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year-End (\$000 Omitted)										Development		
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10	One Year 11	Two Year 12	
01. Prior	3,500	2,100	2,000	2,100	1,800	1,900	1,900	1,900	1,800	1,900	100	0	
02. 2009	18,900	20,700	20,200	19,400	19,100	19,500	19,500	19,600	19,600	19,500	-100	-100	
03. 2010	XXX	42,000	32,000	31,700	31,700	31,300	31,100	31,200	31,200	31,200	0	0	
04. 2011	XXX	XXX	43,200	33,900	33,300	33,000	32,700	32,600	32,500	32,500	0	-100	
05. 2012	XXX	XXX	XXX	49,400	53,800	53,300	53,500	53,300	53,200	53,200	0	-100	
06. 2013	XXX	XXX	XXX	XXX	50,600	48,600	49,800	49,600	49,100	49,100	0	-500	
07. 2014	XXX	XXX	XXX	XXX	XXX	58,600	62,000	61,700	60,900	60,800	-100	-900	
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	76,100	74,300	74,300	74,500	200	200	
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	77,000	78,400	78,300	-100	1,300	
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	94,100	93,700	-400	XXX	
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	121,900	XXX	XXX	
											12. Totals	-400	-200

**SCHEDULE P - PART 3A - Homeowners/Farmowners**

Year in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year-End (\$000 Omitted)										# of Claims Closed with Loss Pay	# of Claims Closed without Loss Pay
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10	11	12
01. Prior	000	1,100	1,600	1,700	1,700	1,800	1,800	1,800	1,800	1,900	14,500	9,343
02. 2009	15,000	18,700	19,200	19,400	19,500	19,600	19,500	19,500	19,600	19,500	3,235	2,077
03. 2010	XXX	21,300	29,900	30,500	30,800	30,900	31,000	31,100	31,100	31,200	4,153	2,244
04. 2011	XXX	XXX	25,500	31,500	32,200	32,400	32,400	32,400	32,500	32,500	4,041	2,153
05. 2012	XXX	XXX	XXX	41,300	51,100	51,900	52,500	52,900	53,100	53,100	5,969	2,529
06. 2013	XXX	XXX	XXX	XXX	36,800	46,500	48,100	48,600	49,000	49,100	5,882	2,940
07. 2014	XXX	XXX	XXX	XXX	XXX	45,800	58,000	59,800	60,400	60,500	7,596	3,650
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	58,200	71,600	72,900	73,800	8,764	4,702
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	58,900	75,300	77,100	9,500	4,763
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	70,500	90,200	9,229	5,457
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	96,800	10,454	6,645

**SCHEDULE P - PART 4A - Homeowners/Farmowners**

Year in Which Losses Were Incurred	Bulk & IBNR Reserves on Net Losses and DCC Expenses Reported at Year-End (\$000 Omitted)									
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10
01. Prior	2,200	500	300	300	0	0	0	0	0	0
02. 2009	700	1,000	700	-100	-400	-100	0	0	0	0
03. 2010	XXX	15,500	1,500	700	500	100	0	0	0	0
04. 2011	XXX	XXX	14,800	1,700	800	400	200	100	0	0
05. 2012	XXX	XXX	XXX	3,700	2,200	1,000	700	300	0	0
06. 2013	XXX	XXX	XXX	XXX	9,800	1,000	1,200	700	100	0
07. 2014	XXX	XXX	XXX	XXX	XXX	7,000	2,700	1,200	100	-100
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	12,100	1,700	400	100
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,300	2,000	500
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,700	1,300
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,000

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SCHEDULE P - PART 5A - Homeowners/Farmowners

Section 1

Year in Which Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year-End									
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10
01. Prior	494	34	14	1	-1	1	1	1	4	0
02. 2009	2,606	3,174	3,193	3,208	3,212	3,220	3,220	3,220	3,235	3,235
03. 2010	XXX	3,230	4,092	4,118	4,135	4,136	4,137	4,138	4,151	4,153
04. 2011	XXX	XXX	3,411	3,973	4,004	4,013	4,014	4,017	4,041	4,041
05. 2012	XXX	XXX	XXX	5,131	5,890	5,926	5,938	5,950	5,969	5,969
06. 2013	XXX	XXX	XXX	XXX	5,069	5,809	5,842	5,856	5,881	5,882
07. 2014	XXX	XXX	XXX	XXX	XXX	6,235	7,470	7,543	7,586	7,596
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	7,724	8,674	8,749	8,764
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,024	9,484	9,500
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,883	9,229
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,454

Section 2

Year in Which Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year-End									
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10
01. Prior	34	15	5	4	5	4	2	1	1	0
02. 2009	420	23	10	4	7	2	1	1	1	0
03. 2010	XXX	655	20	12	5	3	2	1	1	0
04. 2011	XXX	XXX	410	23	10	5	4	1	0	0
05. 2012	XXX	XXX	XXX	438	27	22	13	5	2	2
06. 2013	XXX	XXX	XXX	XXX	433	37	20	11	2	2
07. 2014	XXX	XXX	XXX	XXX	XXX	581	43	19	11	7
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	605	41	25	15
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	950	47	22
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,028	71
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,256

Section 3

Year in Which Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year-End									
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10
01. Prior	234	19	9	1	2	1	0	0	0	0
02. 2009	4,876	5,267	5,287	5,297	5,306	5,312	5,312	5,312	5,312	5,312
03. 2010	XXX	5,822	6,343	6,377	6,389	6,392	6,395	6,396	6,396	6,397
04. 2011	XXX	XXX	5,745	6,151	6,181	6,191	6,191	6,193	6,194	6,194
05. 2012	XXX	XXX	XXX	7,846	8,433	8,481	8,492	8,496	8,498	8,500
06. 2013	XXX	XXX	XXX	XXX	8,135	8,759	8,800	8,815	8,821	8,824
07. 2014	XXX	XXX	XXX	XXX	XXX	10,046	11,159	11,227	11,242	11,254
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	12,632	13,415	13,469	13,480
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,270	14,265	14,285
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,906	14,758
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,355

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7.1.12 Schedule P, Parts 1 to 5 for Line B (Pages 36/57<sub>B</sub>/62<sub>B</sub>/67<sub>B</sub>/73)

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SCHEDULE P - PART 1B - Private Passenger Liability/Medical

(\$000 Omitted)

Year in Which Premiums Were Earned and Losses Incurred	Premiums Earned			Loss and Loss Expense Payments						Salvage and Subrogation Received	Total Net Paid	Number of Claims Reported Direct & Assumed
	Direct & Assumed	Ceded	Net	Loss Payments		DCC Payments		AO Payments				
				Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded			
1	2	3	4	5	6	7	8	9	10	11	12	
01. Prior	XXX	XXX	XXX	900	200	0	0	0	0	0	700	XXX
02. 2009	187,700	1,600	186,100	120,900	1,300	10,400	-100	19,500	-500	4,100	150,100	40,267
03. 2010	185,900	1,900	184,000	121,100	0	9,000	0	17,000	-300	3,700	147,400	40,164
04. 2011	189,600	2,000	187,600	138,600	2,600	9,400	-100	17,400	-400	4,000	163,300	42,293
05. 2012	195,600	1,900	193,700	142,000	600	10,300	0	17,200	-100	4,400	169,000	43,699
06. 2013	200,500	600	199,900	148,400	1,600	11,100	200	19,000	300	4,900	176,400	45,795
07. 2014	207,200	700	206,500	166,700	1,400	11,500	200	21,200	200	6,200	197,600	48,764
08. 2015	210,500	700	209,800	164,400	900	11,000	100	16,200	100	5,600	190,500	48,221
09. 2016	218,700	700	218,000	155,600	300	7,100	0	18,500	0	4,800	180,900	48,280
10. 2017	223,800	700	223,100	130,500	700	3,600	0	17,400	0	3,500	150,800	49,015
11. 2018	238,000	700	237,300	79,600	0	800	0	11,400	0	1,500	91,800	50,039
12. Totals	XXX	XXX	XXX	1,368,700	9,600	84,200	300	174,800	-700	42,700	1,618,500	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct & Assumed
	Case Basis		Bulk + Ibrnr		Case Basis		Bulk + Ibrnr		Adjusting and Other Unpaid				
	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded			
13	14	15	16	17	18	19	20	21	22	23	24	25	
01. Prior	7,800	7,600	0	0	0	0	0	0	0	0	200	85	
02. 2009	5,200	5,100	-100	-200	0	0	0	0	0	0	200	28	
03. 2010	1,300	1,100	200	200	0	0	0	0	0	0	200	28	
04. 2011	900	700	300	200	0	0	100	0	0	0	400	38	
05. 2012	1,300	500	0	100	0	0	200	0	0	0	900	56	
06. 2013	1,500	0	400	500	0	0	500	0	100	0	2,000	105	
07. 2014	4,600	0	1,100	1,000	0	0	1,000	0	200	0	5,900	205	
08. 2015	10,200	100	1,700	1,100	0	0	3,000	0	400	0	14,100	421	
09. 2016	19,200	200	4,400	800	0	0	5,800	0	700	0	29,100	855	
10. 2017	32,600	200	16,500	1,900	100	0	9,900	0	1,400	0	58,400	1,861	
11. 2018	54,300	0	68,000	3,600	200	0	13,100	0	4,900	0	136,900	9,985	
12. Totals	138,900	15,500	92,500	9,200	300	0	33,600	0	7,700	0	248,300	13,667	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage			Nontabular Discount		Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	Direct & Assumed	Ceded	Net	Direct & Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
	26	27	28	29	30	31	32	33	34	35	36
01. Prior	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	200	0
02. 2009	155,900	5,600	150,300	83.1	350.0	80.8	0	0	0.0	200	0
03. 2010	148,700	1,100	147,600	80.0	57.9	80.2	0	0	0.0	200	0
04. 2011	166,700	3,100	163,600	87.9	155.0	87.2	0	0	0.0	300	100
05. 2012	171,100	1,200	169,900	87.5	63.2	87.7	0	0	0.0	700	200
06. 2013	181,100	2,600	178,500	90.3	433.3	89.3	0	0	0.0	1,400	600
07. 2014	206,300	2,800	203,500	99.6	400.0	98.5	0	0	0.0	4,700	1,200
08. 2015	206,900	2,300	204,600	98.3	328.6	97.5	0	0	0.0	10,700	3,400
09. 2016	211,400	1,300	210,100	96.7	185.7	96.4	0	0	0.0	22,600	6,500
10. 2017	212,000	2,900	209,100	94.7	414.3	93.7	0	0	0.0	47,000	11,400
11. 2018	232,300	3,700	228,600	97.6	528.6	96.3	0	0	0.0	118,700	18,200
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	206,700	41,600

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**SCHEDULE P - PART 2B - Private Passenger Liability/Medical**

Year in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year-End (\$000 Omitted)										Development	
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10	One Year 11	Two Year 12
01. Prior	82,600	66,700	64,100	66,600	64,500	64,400	64,900	65,600	66,500	67,300	800	1,700
02. 2009	157,500	135,600	133,100	133,400	130,800	130,400	130,300	130,200	130,300	130,300	0	100
03. 2010	XXX	153,300	133,400	132,800	131,700	130,000	130,200	130,300	130,300	130,300	0	0
04. 2011	XXX	XXX	159,800	148,300	147,500	146,200	147,300	146,700	145,900	145,900	0	-800
05. 2012	XXX	XXX	XXX	156,300	155,000	154,900	154,400	153,700	152,400	152,600	200	-1,100
06. 2013	XXX	XXX	XXX	XXX	157,100	159,600	160,100	160,400	158,700	159,700	1,000	-700
07. 2014	XXX	XXX	XXX	XXX	XXX	169,600	180,100	183,900	180,300	182,400	2,100	-1,500
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	152,000	181,800	179,900	188,100	8,200	6,300
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	154,500	179,300	190,800	11,500	36,300
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	176,700	190,300	13,600	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	212,300	XXX	XXX
12. Totals											37,400	40,300

**SCHEDULE P - PART 3B - Private Passenger Liability/Medical**

Year in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year-End (\$000 Omitted)										# of Claims Closed with Loss Pay	# of Claims Closed without Loss Pay
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10	11	12
01. Prior	000	30,900	49,200	58,400	61,800	63,100	64,000	64,900	66,200	67,000	94,236	48,706
02. 2009	49,400	91,400	111,400	122,500	126,900	128,700	129,400	129,700	130,000	130,000	26,040	14,200
03. 2010	XXX	49,400	92,100	112,900	123,000	127,200	128,800	129,300	129,800	130,100	25,809	14,327
04. 2011	XXX	XXX	56,100	105,700	127,300	137,600	142,300	144,300	145,100	145,500	27,552	14,703
05. 2012	XXX	XXX	XXX	60,500	110,200	133,300	144,300	149,000	150,800	151,700	28,520	15,123
06. 2013	XXX	XXX	XXX	XXX	61,700	114,100	135,500	148,000	154,700	157,800	29,672	16,019
07. 2014	XXX	XXX	XXX	XXX	XXX	68,500	125,600	153,100	167,800	176,700	31,682	16,877
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	67,900	125,100	153,200	174,400	31,273	16,526
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	71,000	128,000	162,400	31,270	16,155
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	69,300	133,300	29,945	17,209
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	80,400	22,455	17,600

**SCHEDULE P - PART 4B - Private Passenger Liability/Medical**

Year in Which Losses Were Incurred	Bulk & IBNR Reserves on Net Losses and DCC Expenses Reported at Year-End (\$000 Omitted)									
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10
01. Prior	37,600	11,300	3,100	2,800	500	100	500	300	100	0
02. 2009	64,400	17,100	6,800	3,800	1,600	500	300	200	100	100
03. 2010	XXX	62,600	17,300	6,000	4,100	900	600	400	100	0
04. 2011	XXX	XXX	60,400	14,700	8,100	2,600	2,200	1,600	400	100
05. 2012	XXX	XXX	XXX	51,400	19,200	8,600	4,500	2,200	400	100
06. 2013	XXX	XXX	XXX	XXX	50,600	20,100	11,200	5,600	800	400
07. 2014	XXX	XXX	XXX	XXX	XXX	53,100	24,100	14,400	3,000	1,100
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	37,900	26,100	7,700	3,700
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	39,900	20,200	9,400
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	65,300	24,500
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	77,500

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SCHEDULE P - PART 5B - Private Passenger Liability/Medical

Section 1

Year in Which Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year-End									
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10
01. Prior	8,165	1,958	967	815	411	258	148	6	358	1
02. 2009	16,077	23,453	24,662	25,192	25,393	25,473	25,556	25,561	26,084	26,040
03. 2010	XXX	16,223	23,613	24,746	25,148	25,310	25,397	25,382	27,239	25,809
04. 2011	XXX	XXX	17,710	25,445	26,501	26,881	27,078	27,139	28,106	27,552
05. 2012	XXX	XXX	XXX	18,820	26,222	27,378	27,818	27,977	28,692	28,520
06. 2013	XXX	XXX	XXX	XXX	19,102	27,253	28,470	28,909	30,058	29,672
07. 2014	XXX	XXX	XXX	XXX	XXX	20,385	28,994	30,385	31,919	31,682
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	20,143	28,740	31,233	31,273
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,345	29,937	31,270
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,023	29,945
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,455

Section 2

Year in Which Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year-End									
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10
01. Prior	4,420	2,723	1,799	972	549	265	113	105	80	85
02. 2009	8,200	1,959	936	435	231	135	56	51	38	28
03. 2010	XXX	7,754	1,633	694	343	359	75	99	81	28
04. 2011	XXX	XXX	7,845	1,557	707	354	147	86	53	38
05. 2012	XXX	XXX	XXX	7,624	1,762	770	334	153	83	56
06. 2013	XXX	XXX	XXX	XXX	8,731	1,819	754	351	186	105
07. 2014	XXX	XXX	XXX	XXX	XXX	9,176	2,062	910	428	205
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	9,055	2,035	956	421
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,296	2,085	855
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,072	1,861
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,985

Section 3

Year in Which Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year-End									
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10
01. Prior	3,432	518	183	39	38	3	1	65	3	0
02. 2009	36,403	39,766	40,126	40,214	40,256	40,262	40,265	40,265	40,265	40,267
03. 2010	XXX	36,150	39,690	40,018	40,130	40,151	40,161	40,163	40,743	40,164
04. 2011	XXX	XXX	38,567	41,832	42,159	42,258	42,284	42,289	42,073	42,293
05. 2012	XXX	XXX	XXX	39,930	42,616	43,570	43,654	43,680	43,190	43,699
06. 2013	XXX	XXX	XXX	XXX	42,060	45,302	45,658	45,745	45,623	45,795
07. 2014	XXX	XXX	XXX	XXX	XXX	44,445	48,172	48,588	48,593	48,764
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	43,997	47,640	48,332	48,221
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	43,796	47,915	48,280
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	45,185	49,015
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50,039

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7.1.13 Schedule P, Parts 1 to 5 for Line C (Pages 37/57c/62c/67c/74)

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**SCHEDULE P - PART 1C - Commercial Auto/Truck Liab./Medical**

(\$000 Omitted)

Year in Which Premiums Were Earned and Losses Incurred	Premiums Earned			Loss and Loss Expense Payments						Salvage and Subrogation Received	Total Net Paid	Number of Claims Reported Direct & Assumed
	Direct & Assumed	Ceded	Net	Loss Payments		DCC Payments		AO Payments				
				Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded			
1	2	3	4	5	6	7	8	9	10	11	12	
01. Prior	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX
02. 2009	8,900	700	8,200	5,300	900	1,600	0	600	0	0	6,600	187
03. 2010	15,700	900	14,800	6,000	800	2,400	100	500	0	100	8,000	248
04. 2011	2,500	1,200	1,300	1,700	900	100	0	200	0	0	1,100	128
05. 2012	2,700	1,200	1,500	1,200	400	200	100	100	0	0	1,000	124
06. 2013	2,900	1,500	1,400	2,600	1,700	200	100	100	0	0	1,100	133
07. 2014	3,200	1,900	1,300	1,600	900	100	0	100	0	0	900	92
08. 2015	3,200	2,400	800	1,000	700	0	0	0	0	0	300	50
09. 2016	3,300	2,800	500	1,400	1,100	0	0	100	0	0	400	39
10. 2017	3,800	3,100	700	200	100	0	0	0	0	0	100	22
11. 2018	4,300	3,300	1,000	0	0	0	0	0	0	0	0	23
12. Totals	XXX	XXX	XXX	21,000	7,500	4,600	300	1,700	0	100	19,500	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct & Assumed
	Case Basis		Bulk + Ibrnr		Case Basis		Bulk + Ibrnr		Direct & Assumed	Ceded			
	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded					
13	14	15	16	17	18	19	20	21	22	23	24	25	
01. Prior	0	0	0	0	0	0	0	0	0	0	0	0	0
02. 2009	0	0	0	0	0	0	0	0	0	0	0	0	0
03. 2010	0	0	0	0	0	0	0	0	0	0	0	0	0
04. 2011	0	0	0	0	0	0	0	0	0	0	0	0	0
05. 2012	0	0	0	0	0	0	0	0	0	0	0	0	1
06. 2013	100	0	0	0	0	0	0	0	0	0	0	100	5
07. 2014	0	0	0	0	0	0	0	0	0	0	0	0	3
08. 2015	0	0	0	0	0	0	0	0	0	0	0	0	3
09. 2016	0	0	0	0	0	0	0	0	0	0	0	0	2
10. 2017	0	0	0	0	0	0	0	0	0	0	0	0	2
11. 2018	2,300	1,800	0	0	0	0	0	0	0	0	0	500	10
12. Totals	2,400	1,800	0	0	0	0	0	0	0	0	0	600	26

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage			Nontabular Discount		Inter-Company Pooling Participation	Net Balance Sheet Reserves After Discount	
	Direct & Assumed	Ceded	Net	Direct & Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
	26	27	28	29	30	31	32	33	34	35	36
01. Prior	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
02. 2009	7,400	1,000	6,400	83.1	142.9	78.0	0	0	0.0	0	0
03. 2010	8,900	900	8,000	56.7	100.0	54.1	0	0	0.0	0	0
04. 2011	2,000	1,000	1,000	80.0	83.3	76.9	0	0	0.0	0	0
05. 2012	1,400	500	900	51.9	41.7	60.0	0	0	0.0	0	0
06. 2013	3,000	1,900	1,100	103.4	126.7	78.6	0	0	0.0	100	0
07. 2014	1,800	1,000	800	56.3	52.6	61.5	0	0	0.0	0	0
08. 2015	1,200	700	500	37.5	29.2	62.5	0	0	0.0	0	0
09. 2016	1,500	1,100	400	45.5	39.3	80.0	0	0	0.0	0	0
10. 2017	300	100	200	7.9	3.2	28.6	0	0	0.0	0	0
11. 2018	2,500	1,800	700	58.1	54.5	70.0	0	0	0.0	500	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	600	0



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**SCHEDULE P - PART 2C - Commercial Auto/Truck Liab./Medical**

Year in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year-End (\$000 Omitted)										Development	
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10	One Year 11	Two Year 12
01. Prior	100	100	100	100	100	100	100	100	100	100	0	0
02. 2009	11,900	11,800	6,300	5,800	5,800	5,900	5,900	5,900	5,900	5,900	0	0
03. 2010	XXX	12,700	10,700	7,700	7,600	7,600	7,600	7,600	7,600	7,600	0	0
04. 2011	XXX	XXX	600	900	1,000	1,000	1,000	1,000	1,000	900	-100	-100
05. 2012	XXX	XXX	XXX	700	700	800	800	800	900	900	0	100
06. 2013	XXX	XXX	XXX	XXX	800	1,000	1,000	1,100	1,000	1,000	0	-100
07. 2014	XXX	XXX	XXX	XXX	XXX	700	800	800	800	800	0	0
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	400	400	400	400	0	0
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	300	200	300	100	0
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	200	100	-100	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	600	XXX	XXX
12. Totals											-100	-100

**SCHEDULE P - PART 3C - Commercial Auto/Truck Liab./Medical**

Year in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year-End (\$000 Omitted)										# of Claims Closed with Loss Pay	# of Claims Closed without Loss Pay
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10	11	12
01. Prior	000	0	100	100	100	100	100	100	100	100	24	16
02. 2009	400	3,200	4,800	5,700	5,800	5,900	5,900	5,900	5,900	5,900	62	38
03. 2010	XXX	500	5,100	7,200	7,500	7,600	7,600	7,600	7,600	7,600	181	67
04. 2011	XXX	XXX	200	500	700	800	900	900	900	900	90	38
05. 2012	XXX	XXX	XXX	200	500	600	700	800	800	900	86	37
06. 2013	XXX	XXX	XXX	XXX	300	700	800	900	900	900	85	43
07. 2014	XXX	XXX	XXX	XXX	XXX	200	400	600	700	800	57	32
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	200	200	300	400	30	18
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	100	100	300	26	12
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	100	11	9
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	100	5	8

**SCHEDULE P - PART 4C - Commercial Auto/Truck Liab./Medical**

Year in Which Losses Were Incurred	Bulk & IBNR Reserves on Net Losses and DCC Expenses Reported at Year-End (\$000 Omitted)									
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10
01. Prior	0	0	0	0	0	0	0	0	0	0
02. 2009	4,500	4,300	200	0	0	0	0	0	0	0
03. 2010	XXX	4,600	1,800	100	0	0	0	0	0	0
04. 2011	XXX	XXX	0	100	100	0	0	0	0	0
05. 2012	XXX	XXX	XXX	100	0	0	0	0	0	0
06. 2013	XXX	XXX	XXX	XXX	100	100	100	0	0	0
07. 2014	XXX	XXX	XXX	XXX	XXX	200	100	100	0	0
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	100	100	0	0
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	100	0	0
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	100

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**SCHEDULE P - PART 5C - Commercial Auto/Truck Liab./Medical  
Section 1**

Year in Which Losses Were Incurred	Cumulative Number of Claims Closed with Loss Payment Direct and Assumed at Year-End									
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10
01. Prior	6	2	2	2	0	0	0	-1	-1	0
02. 2009	61	99	132	135	136	136	137	137	137	137
03. 2010	XXX	85	149	172	176	179	181	180	181	181
04. 2011	XXX	XXX	50	77	84	86	89	89	90	90
05. 2012	XXX	XXX	XXX	49	76	79	83	84	86	86
06. 2013	XXX	XXX	XXX	XXX	52	78	83	85	85	85
07. 2014	XXX	XXX	XXX	XXX	XXX	34	47	54	56	57
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	19	28	29	30
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14	22	26
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9	11
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5

**Section 2**

Year in Which Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year-End									
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10
01. Prior	3	3	1	0	0	0	0	0	0	0
02. 2009	68	23	6	1	1	1	0	0	0	0
03. 2010	XXX	83	27	8	5	3	1	1	1	0
04. 2011	XXX	XXX	33	12	7	4	2	1	1	0
05. 2012	XXX	XXX	XXX	27	10	6	3	2	1	1
06. 2013	XXX	XXX	XXX	XXX	31	9	5	5	4	5
07. 2014	XXX	XXX	XXX	XXX	XXX	24	12	5	3	3
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	8	5	2	3
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11	4	2
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4	2
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10

**Section 3**

Year in Which Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year-End									
	2009 1	2010 2	2011 3	2012 4	2013 5	2014 6	2015 7	2016 8	2017 9	2018 10
01. Prior	5	2	1	0	0	0	0	0	0	0
02. 2009	160	185	187	187	187	187	187	187	187	187
03. 2010	XXX	205	240	245	248	248	248	248	248	248
04. 2011	XXX	XXX	111	125	127	128	128	128	128	128
05. 2012	XXX	XXX	XXX	107	121	123	123	123	124	124
06. 2013	XXX	XXX	XXX	XXX	116	130	131	133	133	133
07. 2014	XXX	XXX	XXX	XXX	XXX	80	90	91	92	92
08. 2015	XXX	XXX	XXX	XXX	XXX	XXX	40	48	49	50
09. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32	37	39
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21	22
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	23

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7.1.14 Schedule P, Parts 1 to 4 for Line I (Pages 45/59/64/69)

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**SCHEDULE P - PART 1I - Special Property (Fire, Inland Marine)**

(\$000 Omitted)

Year in Which Premiums Were Earned and Losses Incurred	Premiums Earned			Loss and Loss Expense Payments						Salvage and Subrogation Received	Total Net Paid	Number of Claims Reported Direct & Assumed
	Direct & Assumed	Ceded	Net	Loss Payments		DCC Payments		AO Payments				
				Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded			
1	2	3	4	5	6	7	8	9	10	11	12	
01. Prior	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX
02. 2017	0	0	0	0	0	0	0	0	0	0	0	XXX
03. 2018	400	0	400	0	0	0	0	0	0	0	0	XXX
04. Totals	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct & Assumed
	Case Basis		Bulk + Ibrnr		Case Basis		Bulk + Ibrnr		Direct & Assumed	Ceded			
	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded					
13	14	15	16	17	18	19	20	21	22	23	24	25	
01. Prior	0	0	0	0	0	0	0	0	0	0	0	0	XXX
02. 2017	0	0	0	0	0	0	0	0	0	0	0	0	XXX
03. 2018	0	0	0	0	0	0	0	0	0	0	0	0	XXX
04. Totals	0	0	0	0	0	0	0	0	0	0	0	0	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage			Nontabular Discount		Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	Direct & Assumed	Ceded	Net	Direct & Assumed	Ceded	Net	Loss	Expense		Losses Unpaid	Loss Expenses Unpaid
	26	27	28	29	30	31	32	33	34	35	36
01. Prior	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
02. 2017	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
03. 2018	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
04. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0

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**SCHEDULE P - PART 2I - Special Property (Fire, Inland Marine)**

Year in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year-End (\$000 Omitted)										Development		
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	One Year	Two Year	
	1	2	3	4	5	6	7	8	9	10	11	12	
01. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	
02. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX	
03. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX	
											12. Totals	0	0

**SCHEDULE P - PART 3I - Special Property (Fire, Inland Marine)**

Year in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year-End (\$000 Omitted)										# of Claims Closed with Loss Pay	# of Claims Closed without Loss Pay
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	11	12
	1	2	3	4	5	6	7	8	9	10		
01. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	0	0	XXX	XXX
02. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
03. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

**SCHEDULE P - PART 4I - Special Property (Fire, Inland Marine)**

Year in Which Losses Were Incurred	Bulk & IBNR Reserves on Net Losses and DCC Expenses Reported at Year-End (\$000 Omitted)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	1	2	3	4	5	6	7	8	9	10
01. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
02. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
03. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

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7.1.15 Schedule P, Parts 1 to 4 for Line J (Pages 46/59,64,69)

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SCHEDULE P - PART 1J - Auto Physical Damage

(\$000 Omitted)

Year in Which Premiums Were Earned and Losses Incurred	Premiums Earned			Loss and Loss Expense Payments						Salvage and Subrogation Received	Total Net Paid	Number of Claims Reported Direct & Assumed
	Direct & Assumed	Ceded	Net	Loss Payments		DCC Payments		AO Payments				
				Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded			
	1	2	3	4	5	6	7	8	9	10	11	12
01. Prior	XXX	XXX	XXX	-300	-4,400	200	-100	100	-200	800	4,700	XXX
02. 2017	156,900	1,000	155,900	111,700	0	400	0	14,200	0	41,400	126,300	XXX
03. 2018	173,500	900	172,600	128,700	100	200	0	22,400	0	32,500	151,200	XXX
04. Totals	XXX	XXX	XXX	240,100	-4,300	800	-100	36,700	-200	74,700	282,200	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct & Assumed
	Case Basis		Bulk + Ibrnr		Case Basis		Bulk + Ibrnr		Adjusting and Other Unpaid				
	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded	Direct & Assumed	Ceded			
	13	14	15	16	17	18	19	20	21	22	23	24	25
01. Prior	100	0	-400	0	0	0	0	0	0	0	600	-300	XXX
02. 2017	0	0	-400	0	0	0	0	0	100	0	700	-300	XXX
03. 2018	6,200	0	-3,800	0	0	0	100	0	1,800	0	15,700	4,300	XXX
04. Totals	6,300	0	-4,600	0	0	0	100	0	1,900	0	17,000	3,700	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage			Nontabular Discount		Inter-Company Pooling Participation Percentage	Reserves After Discount	
	Direct & Assumed	Ceded	Net	Direct & Assumed	Ceded	Net	Loss	Expense		Losses Unpaid	Loss Expenses Unpaid
	26	27	28	29	30	31	32	33	34	35	36
01. Prior	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	-300	0
02. 2017	126,100	0	126,100	80.4	0.0	80.9	0	0	0.0	-400	100
03. 2018	155,700	100	155,600	89.7	11.1	90.2	0	0	0.0	2,400	1,900
04. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,700	2,000

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**SCHEDULE P - PART 2J - Auto Physical Damage**

Year in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year-End (\$000 Omitted)										Development		
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	One Year	Two Year	
	1	2	3	4	5	6	7	8	9	10	11	12	
01. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,000	600	900	300	-1100	
02. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	112,900	111,800	-1100	XXX	
03. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	131,400	XXX	XXX	
											12. Totals	-800	-1,100

**SCHEDULE P - PART 3J - Auto Physical Damage**

Year in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year-End (\$000 Omitted)										# of Claims Closed with Loss Pay	# of Claims Closed without Loss Pay
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	11	12
	1	2	3	4	5	6	7	8	9	10		
01. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	1,600	1,000	XXX	XXX
02. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	111,500	112,100	XXX	XXX
03. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	128,900	XXX	XXX

**SCHEDULE P - PART 4J - Auto Physical Damage**

Year in Which Losses Were Incurred	Bulk & IBNR Reserves on Net Losses and DCC Expenses Reported at Year-End (\$000 Omitted)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	1	2	3	4	5	6	7	8	9	10
01. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-3,200	-900	-400
02. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-3,600	-300
03. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	-3,700

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7.2 Excerpts from the Insurance Expense Exhibit

IEE Page 3

INSURANCE EXPENSE EXHIBIT FOR THE YEAR 2018

PART I - ALLOCATION TO EXPENSE GROUPS

(\$000 Omitted)

Operating Expense Classifications	Loss Adjustment Expense 1	Other Underwriting Expenses			Investment Expenses 5	Total Expenses 6
		Acquisition, Field Supervision and Collection Expenses 2	General Expenses 3	Taxes, Licenses and Fees 4		
1 Claims adjustment services:						
1.1 Direct	22,100	-	-	-	-	22,100
1.4 Net claim adjustment services	22,100	-	-	-	-	22,100
2 Commission and brokerage						
2.1 Direct, excluding contingent	-	16,500	-	-	-	16,500
2.3 Reinsurance ceded, excluding contingent	-	800	-	-	-	800
2.4 Contingent-direct	-	-	-	-	-	-
2.8 Net commission and brokerage	-	15,700	-	-	-	15,700
4 Advertising	100	10,400	-	-	-	10,500
5 Boards, bureaus and associations	500	-	2,100	-	-	2,600
6 Surveys and underwriting reports	600	-	3,800	-	-	4,400
8 Salary and related items:						
8.1 Salaries	30,100	13,500	13,800	-	300	57,700
8.2 Payroll taxes	2,200	1,100	1,100	-	-	4,400
9 Employee relations and welfare	6,700	3,200	3,200	-	100	13,200
10 Insurance	-	800	800	-	-	1,600
11 Directors' fees	-	-	-	-	-	-
12 Travel and travel items	300	200	200	-	-	700
13 Rent and rent items	1,100	800	900	-	400	3,200
14 Equipment	2,700	1,600	1,200	-	-	5,500
15 Cost or depreciation of EDP equipment and software	1,100	600	2,700	-	100	4,500
16 Printing and stationary	100	600	-	-	-	700
17 Postage, telephone and telegraph, exchange and express	2,000	1,000	1,100	-	-	4,100
18 Legal and auditing	900	700	400	-	-	2,000
19 Totals (Lines 3 to 18)	48,400	34,500	31,300	-	900	115,100
20 Taxes, licenses and fees						
20.1 State and local insurance taxes	-	-	-	13,200	-	13,200
20.2 Insurance department licenses and fees	100	-	-	900	-	1,000
20.4 All other	-	-	-	300	-	300
20.5 Total taxes, licenses and fees	100	-	-	14,400	-	14,500
24 Aggregate write-ins for miscellaneous expenses	-	100	2,300	-	400	2,800
25 Total expenses incurred	70,600	50,300	33,600	14,400	1,300	170,200

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INSURANCE EXPENSE EXHIBIT FOR THE YEAR 2018

IEE Pages 4 and 5

**PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE**

(\$500 Omitted)

	Premiums Written		Premiums Earned		Incurred Loss		Loss Adjustment Expenses			
	1 Amount	2 %	3 Amount	4 %	7 Amount	8 %	DCC Incurred		AO Incurred	
							9 Amount	10 %	11 Amount	12 %
1 Fire	-	XXX	-	100.0	-	0.0	-	0.0	-	0.0
4 Homeowners multiple peril	184,100	XXX	167,200	100.0	119,400	71.4	2,200	1.3	18,200	10.9
9 Inland marine	1,500	XXX	400	100.0	-	0.0	-	0.0	100	25.0
19.1, 19.2 Private passenger auto liability	242,900	XXX	237,300	100.0	232,300	97.9	17,500	7.4	19,100	8.0
19.3, 19.4 Commercial auto liability	1,000	XXX	1,000	100.0	500	50.0	-	0.0	200	20.0
21.1 Private passenger auto PD	178,200	XXX	172,600	100.0	129,900	75.3	700	0.4	12,700	7.4
21.2 Commercial auto PD	-	XXX	-	100.0	-	0.0	-	0.0	-	0.0
35 TOTALS	607,700	XXX	578,500	100.0	482,100	83.3	20,400	3.5	50,300	8.7

	Unpaid Losses		Loss Adjustment Expenses				Unearned Premium Reserve		Agents' Balances	
	13 Amount	14 %	DCC Unpaid		AO Unpaid		19 Amount	20 %	21 Amount	22 %
			15 Amount	16 %	17 Amount	18 %				
1 Fire	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
4 Homeowners multiple peril	29,300	17.5	1,600	1.0	5,200	3.1	98,700	59.0	16,700	10.0
9 Inland marine	-	0.0	-	0.0	-	0.0	1,100	275.0	-	0.0
19.1, 19.2 Private passenger auto liability	207,000	87.2	33,900	14.3	7,900	3.3	62,500	26.3	22,000	9.3
19.3, 19.4 Commercial auto liability	800	80.0	-	0.0	-	0.0	500	50.0	-	0.0
21.1 Private passenger auto PD	1,700	1.0	200	0.1	1,900	1.1	46,000	26.7	16,000	9.3
21.2 Commercial auto PD	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
35 TOTALS	238,800	41.3	35,700	6.2	15,000	2.6	208,800	36.1	54,700	9.5

	Other Underwriting Expenses Incurred								Other Income Less Other Expenses	
	Commission & Brokerage		Taxes, Licenses & Fees		Other Acquisitions, Field Supervision and Collection		General Expenses Incurred			
	23 Amount	24 %	25 Amount	26 %	27 Amount	28 %	29 Amount	30 %		
1 Fire	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
4 Homeowners multiple peril	3,700	2.2	4,600	2.8	10,600	6.3	10,200	6.1	800	0.5
9 Inland marine	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
19.1, 19.2 Private passenger auto liability	7,400	3.1	5,800	2.4	13,700	5.8	13,300	5.6	1,000	0.4
19.3, 19.4 Commercial auto liability	(700)	-70.0	100	10.0	300	30.0	300	30.0	-	0.0
21.1 Private passenger auto PD	5,300	3.1	3,900	2.3	10,000	5.8	9,800	5.7	800	0.5
21.2 Commercial auto PD	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
35 TOTALS	15,700	2.7	14,400	2.5	34,600	6.0	33,600	5.8	2,600	0.4

	Pre-Tax Profit or Loss Excluding All Investment Gain		Investment Gain on Funds Attributable to Insurance Transactions		Profit or Loss Excluding Investment Gain Attributable to Capital & Surplus		Investment Gain Attributable to Capital & Surplus		Total Profit or Loss	
	33 Amount	34 %	35 Amount	36 %	37 Amount	38 %	39 Amount	40 %	41 Amount	42 %
1 Fire	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
4 Homeowners multiple peril	(1,000)	-0.6	5,200	3.1	4,200	2.5	3,800	2.3	8,000	4.8
9 Inland marine	300	75.0	-	0.0	300	75.0	-	0.0	300	75.0
19.1, 19.2 Private passenger auto liability	(70,600)	-29.8	14,200	6.0	(56,400)	-23.8	6,200	2.6	(50,200)	-21.2
19.3, 19.4 Commercial auto liability	300	30.0	100	10.0	400	40.0	-	0.0	400	40.0
21.1 Private passenger auto PD	1,100	0.6	1,400	0.8	2,500	1.4	2,700	1.6	5,200	3.0
21.2 Commercial auto PD	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
35 TOTALS	(69,900)	-12.1	20,900	3.6	(49,000)	-8.5	12,700	2.2	(36,300)	-6.3



### 7.3 Statement of Actuarial Opinion

**R-Dan General Insurance Company**  
**Statement of Actuarial Opinion**  
As of December 31, 2018

#### **IDENTIFICATION**

I, Sue Calvin, am a consultant with Vomisa Actuarial Consulting. I am a Member in good standing of the American Academy of Actuaries, meeting its qualification standards for signing statements of Actuarial Opinion regarding property and casualty insurance company Annual Statements. I was appointed by the Board of Directors of R-Dan General Insurance Company (the Company) on July 1, 2014 to render this Opinion with regard to loss and loss adjustment expense reserves.

#### **SCOPE**

I have examined the reserves listed in Exhibit A, as shown in the U.S. Statutory Annual Statement of the Company as prepared for filing with state regulatory officials, as of December 31, 2017. The items listed in Exhibit A, on which I am expressing an opinion, reflect disclosure items 8 through 13 in Exhibit B. The loss and loss adjustment expense reserves do not include any explicit risk margins.

In forming my opinion on the loss and loss adjustment expense reserves, I relied upon data prepared by E.J. Bailey, Chief Financial Officer for R-Dan General Insurance Company. I evaluated the data used directly in my analysis for reasonableness and consistency. I also reconciled the data to Schedule P – Part 1 of the Company’s Annual Statement as of December 31, 2018. My evaluation did not reveal any material deficiencies in the data provided to me.

I have examined the reserves listed in Exhibit A, as shown in the Annual Statement of the Company as prepared for filing with state regulatory officials, as of December 31, 2018, and reviewed information provided to me through February 16, 2019. The analysis underlying my opinion included the use of such actuarial assumptions and methods and such tests of calculations as I considered necessary and consistent with actuarial standards of practice.

My review was limited to the items included in Exhibit A and did not include any other annual statement items. My opinion on the reserves assumes that there are sufficient assets held by the Company, which are appropriate for meeting the expected cash flow requirements from the unpaid claim liabilities. I have not reviewed the Company’s held assets.

#### **OPINION**

In my opinion, the amounts shown in Exhibit A for the sum of items (1) and (2), the sum of items (3) and (4), and the sum of items (1), (2), (5) and (6):

- A. Meet the requirements of the insurance laws of the State of Nebraska.
- B. Are consistent with reserves computed in accordance with accepted actuarial standards and principles.
- C. Make a reasonable provision for all unpaid loss and loss adjustment expense obligations of the Company under the terms of its contracts and agreements.

## **RELEVANT COMMENTS**

### Risk of Material Adverse Deviation

For this Opinion, I evaluated materiality as the minimum of (1) 7.5% of statutory surplus, and (2) 5% of net loss and loss adjustment expense reserves, or \$14.5 million. Therefore, I consider the potential for adverse deviation of the Company's reserves for unpaid losses and loss adjustment expenses of \$14.5 million or greater to be material. It is my opinion that there exist significant risks associated with the Company's net loss and loss adjustment expenses that could result in material adverse deviation. These risks include uncertainty regarding the Company's growth in states outside of its Core territory, recent changes to claims reserving personnel and claims reserving procedures.

### Anticipated Salvage and Subrogation

The Company's reserves listed in Exhibit A are established net of anticipated salvage and subrogation.

### Accounting Standard and Discounting

The Company's reserves were recorded in accordance with Statutory Accounting Principles. The Company does not discount its reserves (as listed in Exhibit A) for the time value of money.

### Underwriting Pools and Associations

The Company noted that its participation in any pools or associations is not material.

### Reinsurance

Based on discussions with Company management and its description of the Company's ceded reinsurance:

- I am not aware of any reinsurance contract that either has been or should have been accounted for as retroactive reinsurance; and
- I am not aware of any reinsurance contract that either has been or should have been accounted for as financial reinsurance.
- Use of ceded reinsurance is minimal, resulting in an immaterial risk of reinsurance uncollectability relative to loss and loss adjustment expense reserves and surplus.
- The Company's ceded billed but uncollected balances are not material.

### IRIS Ratios

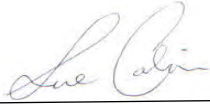
During the past year, the company reserves created an exceptional value for IRIS Test 12 Two-Year Reserve Development to Surplus. This was mainly due to an unusual level of development for accident year 2016 from the Private Passenger Automobile Liability line of business. This is likely due to a strengthening of reserves to account for unusual development patterns. This is likely due to expansion into states with development patterns considerably higher than those historically observed by the company.

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### DISTRIBUTION AND USE

An actuarial report providing the technical support for this Statement of Actuarial Opinion has been provided to the Company. This report is to be retained by the Company for a period of seven years and is available for regulatory examination.

This Statement of Actuarial Opinion is provided for use by the various state departments of insurance for which the Company files its Annual Statement. The intended primary users of this document are state regulators. It should not be used or distributed for any other purpose.



February 18, 2019

Sue Calvin, MAAA  
Consultant  
Vomisa Actuarial Consulting

### SAO EXHIBIT A: SCOPE

Amounts in \$000

Loss and Loss Adjustment Expense (LAE) Reserves		
1	Reserve for Unpaid Losses	\$238,800
2	Reserve for Unpaid LAE	\$50,700
3	Reserve for Unpaid Losses – Direct and Assumed	\$265,900
4	Reserve for Unpaid LAE – Direct and Assumed	\$50,900
5	Page 3 write-in item reserve, “Retroactive Reinsurance Reserve Assumed”	\$0
6	Other Loss Reserve items on which the AA is expressing an Opinion	\$0
Premium Reserves		
7	Reserve for Direct and Assumed Unearned Premiums for Long Duration Contracts	\$0
8	Reserve for Net Unearned Premiums for Long Duration Contracts	\$0
9	Other Premium Reserve items on which the AA is expressing an Opinion	\$0

### SAO EXHIBIT B: DISCLOSURES

Amounts in \$000

1	Name of the Appointed Actuary	Sue Calvin
2	The Appointed Actuary’s relationship to the company (C or E):	C
3	The Appointed Actuary has the following designation (F, A, M or O):	M
4	Type of Opinion, as identified in the OPINION paragraph (R, I, E, Q or N):	R
5	Materiality Standard expressed in U.S. dollars	\$14,500
6	Are there significant risks that could result in Material Adverse Deviation?	Yes
7	Statutory Surplus	\$209,400
8	Anticipated net salvage and subrogation included as a reduction to loss reserves	\$32,000
9	Discount included as a reduction to loss reserves and loss expense reserves	
	9.1 Nontabular discount	\$0
	9.2 Tabular discount	\$0
10	Net reserves for losses and expenses for the company’s share of voluntary and involuntary underwriting pools’ and associations’ unpaid losses and expenses that are included in reserves.	\$2,300
11	Net reserve for losses and loss adjustment expenses that the company carries for the following liabilities	
	11.1 Asbestos, as disclosed in the Notes to Financial Statements	\$0
	11.2 Environmental, as disclosed in the Notes to Financial Statements	\$0
12	Total claims made extended loss and expenses reserve	
	12.1 Amount reported as loss reserve	\$0
	12.2 Amount reported as unearned premium reserves	\$0
13	Other items on which the Appointed Actuary is providing Relevant Comment	\$0

## 7.4 Actuarial Opinion Summary

**R-Dan General Insurance Company**  
**Actuarial Opinion Summary**  
As of December 31, 2018

<i>Amounts in \$000s</i>		Net Reserves			Gross Reserves		
		Low	Point	High	Low	Point	High
A.	Actuary's range of estimates	282,200		349,300	305,900		378,600
B.	Actuary's point estimate		318,000			344,700	
C.	Company carried reserves		289,500			316,700	
D.	Difference between company carried and actuary's estimate	7,300	-28,500	-59,800	10,800	-28,000	-61,900

- E. The Company had one-year adverse development in excess of five percent of the prior year's surplus in at least three of the last five calendar years. I have determined that the adverse development experienced by the Company was due to a minor strengthening of reserves and the company's consistent setting of reserves at the low end of the reasonable range.

I have signed the Company's Statement of Actuarial Opinion on Feb. 18, 2019. These two documents are closely linked; the Actuarial Opinion Summary is an extension of the Statement of Actuarial Opinion. Therefore, all limitations, caveats, and reliances in the Statement of Actuarial Opinion should also be applied to the Actuarial Opinion Summary.

This Actuarial Opinion Summary was prepared solely for the Company for filing with regulatory agencies and is not intended for any other purpose. Furthermore, it is my understanding that, consistent with the Annual Statement Supplemental Filing Instructions, the information provided in this Actuarial Opinion Summary will be kept confidential by those regulatory agencies and will not be made available for public inspection, subject to applicable law.




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Sue Calvin, MAAA  
Consultant  
Vomisa Actuarial Consulting

February 18, 2019

## 7.5 Excerpts from the Actuarial Report

**R-Dan General Insurance Company  
Actuarial Report**

As of December 31, 2018

*Description of Appointed Actuary's relationship to the company*

I, Sue Calvin, am a consultant with Vomisa Actuarial Consulting. I am an independent consultant to the Company. I am a Member of the American Academy of Actuaries and fully qualified to sign statements of actuarial opinion regarding property and casualty insurance company Annual Statements. My role is to evaluate the reasonableness of the carried reserves. I do not explicitly advise management or the board of directors in the reserve setting process.

◇◇◇

A full copy of this report has been made available to the board of directors. A summary of the findings of my analysis will be presented to the board of directors on February 23, 2019.

◇◇◇



February 18, 2019

Sue Calvin, MAAA  
Consultant  
Vomisa Actuarial Consulting

*Exhibit comparing Appointed Actuary's conclusions to carried amounts in Annual Statement*

The following table reconciles the results of my analysis to the Annual Statement:

Analysis Segment <i>Amounts in \$000s</i>	Actuary Estimated	Actuarial Report Exhibit	Company Carried	Source <sup>1</sup> of Company Carried	Difference
Homeowners Multiple Peril	51,700	C	36,200	Sch.P Pt 1A	-15,500
Private Passenger Auto Liability	258,700	D	248,300	Sch.P Pt 1B	-10,400
Commercial Auto Liability	1,000	E	600	Sch.P Pt 1C	-400
All Other Lines	6,600	F + G	4,400	Total - above	-2,200
Total	318,000	A	289,500	Sch.P Pt 1	-28,500

All earned premiums, case reserves and paid loss and loss adjustment expense amounts used in my analysis reconcile to the corresponding amounts in Schedule P by line of business and year. Any differences are insignificant.

<sup>1</sup> Sch.P Pt = Annual Statement Schedule P Part

*Exhibit and discussion on change in Appointed Actuary's estimates*

The following table compares the results of my current analysis to the prior year's analysis:

	Change in actuarial estimate of net ultimate loss and DCC expenses (in 000s)										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	Total
<b>Homeowners Multiple Peril</b>											
Current estimate	129,800	95,000	78,600	74,700	61,100	49,200	53,300	32,500	31,200	19,500	
Prior estimate		94,800	78,100	74,500	61,000	49,200	53,300	32,500	31,200	19,600	
Change in estimate		200	500	200	100	-	-	-	-	(100)	900
<b>Private Passenger Auto Liability</b>											
Current estimate	209,700	191,700	192,100	188,500	183,200	160,300	153,100	146,100	130,400	130,300	
Prior estimate		187,000	191,000	187,800	182,700	159,400	152,900	146,000	130,500	130,300	
Change in estimate		4,700	1,100	700	500	900	200	100	(100)	-	8,100
<b>Commercial Auto Liability</b>											
Current estimate	800	200	300	400	800	1,000	900	900	7,600	5,900	
Prior estimate		400	300	500	900	1,000	900	1,000	7,600	5,900	
Change in estimate		(200)	-	(100)	(100)	-	-	(100)	-	-	(500)
<b>Total Auto Physical Damage</b>											
Current estimate	131,600	111,900	114,200	106,800	101,000	96,600	97,700	92,800	82,300	75,700	
Prior estimate		114,100	113,900	106,300	101,000	96,400	97,600	92,700	82,200	75,700	
Change in estimate		(2,200)	300	500	-	200	100	100	100	-	(900)

From the table above, I note that there has been adverse development over the past year for both Homeowners and Private Passenger Automobile Liability. The methodology used has remained constant. Continued development above historical averages has led to an increase in the selected development factors for all lines and an increase in the selected tail factor for Private Passenger Automobile Liability. This is the second year in a row showing adverse development. The adverse development is not from development on any large losses or catastrophic losses.

It is possible that case reserves have weakened over the past three years although the data is inconclusive. The changing development patterns may be due to the company's expansion into states outside of its Core territory for these lines of business. If the trends of the past two years regarding adverse development continue, the methodology may need to be revised to reflect the more recent patterns.

*Extended comments on risks and uncertainties*

For the Statement of Actuarial Opinion, I evaluated materiality as the minimum of (1) 7.5% of statutory surplus, and (2) 5% of net loss and loss adjustment expense reserves, or \$14.5 million. Therefore, I consider the potential for adverse deviation of the Company's reserves for unpaid losses and loss adjustment expenses of \$14.5 million or greater to be material. It is my opinion that there exist significant risks associated with the Company's net loss and loss adjustment expenses that could result in material adverse deviation. These risks include uncertainty regarding the Company's growth in states outside of its core territory, and recent changes to claims reserving personnel and claims reserving procedures.

Over the past five years, the Company's net written premium has grown by over 40% from \$424 million in 2014 to over \$607 million in 2018. Much of this growth is fuelled by growth in states

## SOA GI-FREU Case Study – Spring 2020

outside of its core territory. The Company's Core territory consists of the smaller, mostly rural states of Nebraska, Iowa, South Dakota and Wyoming. In 2014, less than 10% of the Company's net written premium was for business written outside the core territory states. By 2018, business outside the Core territory states had grown to over 30% of the Company's net written premium. States outside the Core territory are the larger, more urban states of Michigan, Illinois, and Ohio. It should be noted that Michigan is a no-fault state for automobile insurance. This rapid growth outside the core territory has required the hiring of new staff and increased the uncertainty in claims reserving especially considering the Company's challenge of reserving for Michigan no-fault claims in which it has little experience. As the volume of business grows outside the Core territory, the actuarial reserve analysis will be performed territorially for automobile liability to reduce heterogeneity of development patterns.

The Company does not have any issues with its reinsurance regarding collectibility. Its reinsurance program consists of excess of loss treaties for automobile liability, and catastrophe protection for homeowners and inland marine. Reinsurance protection provided to the Company is limited by its selection of a high attachment point for both the personal lines automobile liability excess treaty and the catastrophe coverage. Given the Company's significant growth in non-Core territories, it would be prudent to lower its attachment point and/or consider proportional reinsurance protection to reduce its risk through this period of growth. Furthermore, the company should ensure that the reinsurance limits are appropriate given its exposure to Michigan no-fault automobile medical claims. Also, consideration should be given to extending catastrophe protection to automobile physical damage.

I have reviewed the Company's exposure to asbestos and environmental claims. In my opinion, the chance of material liability is remote, since there have been no claims reported in the annual statement A&E Note, and the Company has never written commercial liability coverages on a primary, excess, or assumed basis.

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### *Extended comments on unusual values for IRIS Ratios 11, 12, and/or 13*

During the past year, the company reserves created an exceptional value for IRIS Ratio 12 Two-Year Reserve Development to Surplus. This was mainly due to an unusual level of development for accident year 2016 from the Private Passenger Liability line of business. This is likely due to a strengthening of reserves to account for unusual development patterns and expansion into states with development patterns considerably higher than those historically observed by the company.

Over the past several years, the company has been reserving near the low end of my range of estimates. I have recommended that carried reserves be adjusted closer to my central estimate.

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### 7.6 Comparison to Industry

The following table compares industry net incurred loss ratios to the Company's net incurred loss ratios over the past three years by line of business. The table also shows industry results for Core territories and non-Core Territories as defined by the Company.<sup>2</sup> It is clear that Company loss ratios are significantly higher than those experienced by the industry over this time period even though the company writes a majority of its business in Core territories.

Note that the Company can be expected to write above industry loss ratios as its expense levels are below those of the industry. However, the difference in loss ratios exceeds the expense ratio difference. A main consideration for the higher loss ratios is that the Company is attempting to increase its market share in all states in which it writes business and is using lower prices to attract new business. It is also focusing much of its growth in the non-Core territories which experience higher loss ratios.

LOB	Industry Countrywide Loss Ratio						LOB	Company Loss Ratio			
	All Territories				Core Terr	non-Core		All Territories			
	2nd Prior	Prior	Current	3 yr Avg	3 yr Avg	3 yr Avg		2nd Prior	Prior	Current	3 yr Avg
PPA Liab	68%	68%	71%	69%	62%	73%	PPA Liab	98%	95%	98%	97%
PPA PD	63%	64%	65%	64%	60%	62%	PPA PD	72%	68%	75%	71%
HO	47%	50%	50%	49%	42%	51%	HO	74%	69%	71%	71%
CA Liab	63%	65%	67%	65%	48%	60%					
CA PD	63%	63%	61%	62%	59%	62%					
CMP	45%	49%	45%	46%	43%	43%					

The following table compares industry expense ratios and combined ratios to the Company's ratios for the current year.

LOB	Industry Countrywide Expense Ratios				Industry Combined Ratio	LOB	Company Countrywide Expense Ratios				Company Combined Ratio
	LAE	Acq.	General	Other			LAE	Acq.	General	Other	
	PPA Liab	14%	17%	6%			3%	109%	15%	9%	
PPA PD	10%	17%	5%	3%	99%	8%	9%	6%	2%	100%	
HO	8%	21%	5%	3%	86%	12%	9%	6%	3%	101%	
CA Liab	14%	20%	7%	3%	111%						
CA PD	9%	20%	8%	2%	100%						
CMP	12%	24%	7%	2%	90%						

PPA Liab = Private Passenger Automobile Liability  
 PPA PD = Private Passenger Automobile Physical Damage  
 HO = Homeowners Multiple Peril  
 CA Liab = Commercial Automobile Liability  
 CA PD = Commercial Automobile Physical Damage  
 CMP = Commercial Multiple Peril  
 LAE = Loss adjustment expense  
 Acq. = Acquisition expense

<sup>2</sup> The Company's Core Territories consist of the following states: Iowa, Nebraska, South Dakota and Wyoming. The Company's non-Core territories consist of the following states: Illinois, Michigan and Ohio. The company restricts its business to the states indicated as Core and non-Core territories.



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### 7.7 NAIC RBC Factors

NAIC RBC charge factors for Reserves and Net Written Premiums <sup>3</sup>	Homeowners / Farmowners	Private Passenger Auto Liability	Commercial Auto Liability	Auto Physical Damage	Special Property
Industry average development	0.970	1.000	1.015	0.995	0.975
Industry L&LAE <sup>4</sup> RBC % for reserves	0.200	0.195	0.230	0.115	0.190
Industry average L&LAE Ratio	70.0%	79.5%	69.0%	71.0%	56.0%
Industry adverse L&LAE Ratio	92.0%	97.5%	98.5%	84.5%	92.5%
Investment income factor - Reserves	0.950	0.930	0.910	0.980	0.970
Investment income factor - Premium	0.965	0.930	0.900	0.975	0.960

NAIC RBC charge factors for assets	
Off Balance Sheet items	1.0%
Federal government bonds, guaranteed by U.S. government	0.0%
Class 1 Bonds — Highest quality	0.3%
Class 2 Bonds — High quality	1.0%
Class 3 Bonds — Medium quality	2.0%
Class 4 Bonds — Low quality	4.5%
Class 5 Bonds — Lower quality	10.0%
Class 6 Bonds — In or near default	30.0%
Cash & other short-term investments	0.3%
Mortgage / collateral Loans	5.0%
Investments in non-insurance subsidiaries	22.5%
Common stock	15.0%
Real estate	10.0%

NAIC RBC charge factors for credit	
Investment income due and accrued	1.0%
Federal tax recoverables	5.0%
Guaranty fund receivables	5.0%
Recoverable from affiliates	5.0%
Reinsurance recoverables	10.0%

NAIC RBC charge factor for catastrophes	
Earthquakes	4.8%
Hurricanes	4.8%

<sup>3</sup> The numbers in this table are not the actual NAIC RBC factors for reserving and net written premium risk. The numbers have been created specifically for use in this case study.

<sup>4</sup> L&LAE = loss and loss adjustment expense