

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB INSURANCE COMPANY



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

**ANNUAL STATEMENT**  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 OF THE CONDITION AND AFFAIRS OF THE  
**MOTOR CLUB INSURANCE COMPANY**

NAIC Group Code 1318 1318 NAIC Company Code 12487 Employer's ID Number 20-3462094  
 (Current) (Prior)

Organized under the Laws of Rhode Island, State of Domicile or Port of Entry RI  
 Country of Domicile United States of America

Incorporated/Organized 09/14/2005 Commenced Business 01/01/2006

Statutory Home Office 110 Royal Little Drive, Providence, RI, US 02904  
 (Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 3333 Fairview Rd. Mail Stop A357  
 (Street and Number) Costa Mesa, CA, US 92626-1698  
 (City or Town, State, Country and Zip Code) 714-850-5111  
 (Area Code) (Telephone Number)

Mail Address P.O. Box 25001 Mail Stop A357, Santa Ana, CA, US 92799-5001  
 (Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 3333 Fairview Rd. Mail Stop A357  
 (Street and Number) Costa Mesa, CA, US 92626-1698  
 (City or Town, State, Country and Zip Code) 714-885-2170  
 (Area Code) (Telephone Number)

Internet Website Address www.aaa-calif.com

Statutory Statement Contact Quynh Nguyen, 714-885-2170  
 (Name) (Area Code) (Telephone Number)  
nguyen.quynh@aaa-calif.com, 714-885-2179  
 (E-mail Address) (FAX Number)

**OFFICERS**

|                                     |                             |                                  |                                 |
|-------------------------------------|-----------------------------|----------------------------------|---------------------------------|
| President & Chief Executive Officer | <u>John Francis Boyle</u>   | Vice President & General Counsel | <u>Katherine Almstedt Sieck</u> |
| Vice President, CFO and Treasurer   | <u>Raju Thirumala Varma</u> | Secretary                        | <u>Gail Chi-way Louis</u>       |

**OTHER**

Tzechung Eric Lai, Assistant Secretary

**DIRECTORS OR TRUSTEES**

|                                      |                                     |                               |
|--------------------------------------|-------------------------------------|-------------------------------|
| <u>John Francis Boyle</u>            | <u>Christopher Michael Baggaley</u> | <u>Brian Harris Deephouse</u> |
| <u>Christopher Peter DiMartino #</u> | <u>John Raymond Galvin</u>          | <u>Marta Genovese</u>         |

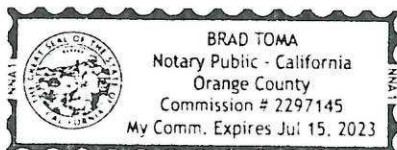
State of California SS  
 County of Orange

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.

|   |                                 |   |
|---|---------------------------------|---|
|   |                                 |   |
| John Francis Boyle<br>President & Chief Executive Officer | Gail Chi-way Louis<br>Secretary | Raju Thirumala Varma<br>Vice President, CFO and Treasurer |

Subscribed and sworn to before me this 6th day of Feb, 2023

- 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 2022 OF THE MOTOR CLUB 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) .....   | 33,850,963   |                         | 33,850,963                                | 33,962,303                  |
| 2. Stocks (Schedule D):   |              |                         |   |                             |
| 2.1 Preferred stocks .....  |              |                         |   |                             |
| 2.2 Common stocks .....   | 35,117,973   |                         | 35,117,973                                | 43,613,697                  |
| 3. Mortgage loans on real estate (Schedule B):  |              |                         |   |                             |
| 3.1 First liens .....   |              |                         |   |                             |
| 3.2 Other than first liens .....  |              |                         |   |                             |
| 4. Real estate (Schedule A):  |              |                         |   |                             |
| 4.1 Properties occupied by the company (less \$<br>encumbrances) .....  |              |                         |   |                             |
| 4.2 Properties held for the production of income (less<br>\$ ..... encumbrances) .....  |              |                         |   |                             |
| 4.3 Properties held for sale (less \$<br>encumbrances) .....  |              |                         |   |                             |
| 5. Cash (\$ ..... 1,676,271 , Schedule E - Part 1), cash equivalents<br>(\$ ..... 1,494,340 , Schedule E - Part 2) and short-term<br>investments (\$ ..... , Schedule DA) ..... | 3,170,611    |                         | 3,170,611                                 | 272,124                     |
| 6. Contract loans (including \$ ..... premium notes) .....  |              |                         |   |                             |
| 7. Derivatives (Schedule DB) .....  |              |                         |   |                             |
| 8. Other invested assets (Schedule BA) .....  |              |                         |   |                             |
| 9. Receivable for securities .....  | 2,065        |                         | 2,065                                     | 8,817                       |
| 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) .....   | 72,141,612   |                         | 72,141,612                                | 77,856,941                  |
| 13. Title plants less \$ ..... charged off (for Title insurers<br>only) .....   |              |                         |   |                             |
| 14. Investment income due and accrued .....   | 182,093      |                         | 182,093                                   | 151,728                     |
| 15. Premiums and considerations:  |              |                         |   |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....  | 422,043      | 23,368                  | 398,675                                   | 145,100                     |
| 15.2 Deferred premiums, agents' balances and installments booked but<br>deferred and not yet due (including \$ .....<br>earned but unbilled premiums) .....                     | 11,459,043   |                         | 11,459,043                                | 4,287,623                   |
| 15.3 Accrued retrospective premiums (\$ ..... ) and<br>contracts subject to redetermination (\$ ..... ) .....   |              |                         |   |                             |
| 16. Reinsurance:  |              |                         |   |                             |
| 16.1 Amounts recoverable from reinsurers .....  | 2,790,647    |                         | 2,790,647                                 | 2,153,732                   |
| 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 ....   | 182,327      |                         | 182,327                                   |                             |
| 18.2 Net deferred tax asset .....   |              |                         |   |                             |
| 19. Guaranty funds receivable or on deposit .....   |              |                         |   |                             |
| 20. Electronic data processing equipment and software .....   |              |                         |   |                             |
| 21. Furniture and equipment, including health care delivery assets<br>(\$ ..... ) .....   |              |                         |   |                             |
| 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 .....  | 751,753      | 204,775                 | 546,978                                   | 149,846                     |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 12 to 25) .....   | 87,929,518   | 228,143                 | 87,701,375                                | 84,744,970                  |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell<br>Accounts .....  |              |                         |   |                             |
| 28. Total (Lines 26 and 27)   | 87,929,518   | 228,143                 | 87,701,375                                | 84,744,970                  |
| <b>DETAILS OF WRITE-INS</b>   |              |                         |   |                             |
| 1101. ....  |              |                         |   |                             |
| 1102. ....  |              |                         |   |                             |
| 1103. ....  |              |                         |   |                             |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....   |              |                         |   |                             |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)  |              |                         |   |                             |
| 2501. Prepaid Expenses .....  | 204,775      | 204,775                 |   |                             |
| 2502. Premium Tax Deposit .....   |              |                         |   | 19,670                      |
| 2503. Other Miscellaneous Assets .....  | 546,978      |                         | 546,978                                   | 130,176                     |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....   |              |                         |   |                             |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)  | 751,753      | 204,775                 | 546,978                                   | 149,846                     |

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB INSURANCE COMPANY  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8) .....  |                   |                 |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....   |                   |                 |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....  |                   |                 |
| 4. Commissions payable, contingent commissions and other similar charges .....  | 340,904           | 14,078          |
| 5. Other expenses (excluding taxes, licenses and fees) .....  | 471,630           | 421,914         |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....  | 244,435           | 165,114         |
| 7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....  |                   | 39,061          |
| 7.2 Net deferred tax liability .....  | 2,645,383         | 4,437,207       |
| 8. Borrowed money \$ ..... and interest thereon \$ .....  |                   |                 |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... 28,174,309 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) ..... |                   |                 |
| 10. Advance premium .....   | 1,038,094         | 684,073         |
| 11. Dividends declared and unpaid:  |                   |                 |
| 11.1 Stockholders .....   |                   |                 |
| 11.2 Policyholders .....  |                   |                 |
| 12. Ceded reinsurance premiums payable (net of ceding commissions) .....  | 16,218,436        | 6,939,038       |
| 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 .....   | 30,772            | 28,896          |
| 15. Remittances and items not allocated .....   | 31,494            | 11,091          |
| 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 .....  | 2,131,503         | 1,203,132       |
| 20. Derivatives .....   |                   |                 |
| 21. Payable for securities .....  | 595,145           | 640,478         |
| 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 .....   | 100,589           | 46,060          |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....   | 23,848,385        | 14,630,142      |
| 27. Protected cell liabilities .....  |                   |                 |
| 28. Total liabilities (Lines 26 and 27) .....   | 23,848,385        | 14,630,142      |
| 29. Aggregate write-ins for special surplus funds .....   |                   |                 |
| 30. Common capital stock .....  | 1,620,000         | 1,620,000       |
| 31. Preferred capital stock .....   |                   |                 |
| 32. Aggregate write-ins for other than special surplus funds .....  |                   |                 |
| 33. Surplus notes .....   |                   |                 |
| 34. Gross paid in and contributed surplus .....   | 30,880,000        | 30,880,000      |
| 35. Unassigned funds (surplus) .....  | 31,352,990        | 37,614,828      |
| 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) .....  | 63,852,990        | 70,114,828      |
| 38. TOTALS (Page 2, Line 28, Col. 3) .....  | 87,701,375        | 84,744,970      |
| <b>DETAILS OF WRITE-INS</b>   |                   |                 |
| 2501. Other Miscellaneous Liabilities .....   | 100,589           | 46,060          |
| 2502. ....  |                   |                 |
| 2503. ....  |                   |                 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....   |                   |                 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....  | 100,589           | 46,060          |
| 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 2022 OF THE MOTOR CLUB INSURANCE COMPANY

**STATEMENT OF INCOME**

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| <b>UNDERWRITING INCOME</b>  |                   |                 |
| 1. Premiums earned (Part 1, Line 35, Column 4).....   |                   |                 |
| <b>DEDUCTIONS:</b>  |                   |                 |
| 2. Losses incurred (Part 2, Line 35, Column 7) .....  |                   |                 |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....  |                   |                 |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....   |                   |                 |
| 5. Aggregate write-ins for underwriting deductions .....  |                   |                 |
| 6. Total underwriting deductions (Lines 2 through 5) .....  |                   |                 |
| 7. Net income of protected cells .....  |                   |                 |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....   |                   |                 |
| <b>INVESTMENT INCOME</b>  |                   |                 |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....   | 1,202,997         | 1,481,876       |
| 10. Net realized capital gains (losses) less capital gains tax of \$ ..... (162,516) (Exhibit of Capital Gains (Losses) ) .....                               | (603,438)         | 432,458         |
| 11. Net investment gain (loss) (Lines 9 + 10) .....   | 599,559           | 1,914,334       |
| <b>OTHER INCOME</b>   |                   |                 |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ ..... ) .....                               |                   |                 |
| 13. Finance and service charges not included in premiums .....  |                   |                 |
| 14. Aggregate write-ins for miscellaneous income .....  |                   |                 |
| 15. Total other income (Lines 12 through 14) .....  |                   |                 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....     | 599,559           | 1,914,334       |
| 17. Dividends to policyholders .....  |                   |                 |
| 18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17) ..... | 599,559           | 1,914,334       |
| 19. Federal and foreign income taxes incurred .....   | 238,606           | 284,194         |
| 20. Net income (Line 18 minus Line 19)(to Line 22) .....  | 360,953           | 1,630,140       |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>  |                   |                 |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....  | 70,114,828        | 63,439,140      |
| 22. Net income (from Line 20) .....   | 360,953           | 1,630,140       |
| 23. Net transfers (to) from Protected Cell accounts .....   |                   |                 |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ ..... (1,775,391) .....   | (6,678,852)       | 5,102,868       |
| 25. Change in net unrealized foreign exchange capital gain (loss) .....   |                   |                 |
| 26. Change in net deferred income tax .....   | 16,434            | 57,553          |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3) .....   | 39,628            | (114,873)       |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....  |                   |                 |
| 29. Change in surplus notes .....   |                   |                 |
| 30. Surplus (contributed to) withdrawn from protected cells .....   |                   |                 |
| 31. Cumulative effect of changes in accounting principles .....   |                   |                 |
| 32. Capital changes:  |                   |                 |
| 32.1 Paid in .....  |                   |                 |
| 32.2 Transferred from surplus (Stock Dividend) .....  |                   |                 |
| 32.3 Transferred to surplus .....   |                   |                 |
| 33. Surplus adjustments:  |                   |                 |
| 33.1 Paid in .....  |                   |                 |
| 33.2 Transferred to capital (Stock Dividend) .....  |                   |                 |
| 33.3 Transferred from capital .....   |                   |                 |
| 34. Net remittances from or (to) Home Office .....  |                   |                 |
| 35. Dividends to stockholders .....   |                   |                 |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1) .....   |                   |                 |
| 37. Aggregate write-ins for gains and losses in surplus .....   |                   |                 |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....   | (6,261,837)       | 6,675,688       |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....   | 63,852,990        | 70,114,828      |
| <b>DETAILS OF WRITE-INS</b>   |                   |                 |
| 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. ....  |                   |                 |
| 1402. ....  |                   |                 |
| 1403. ....  |                   |                 |
| 1498. Summary of remaining write-ins for Line 14 from overflow page .....   |                   |                 |
| 1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....  |                   |                 |
| 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 2022 OF THE MOTOR CLUB INSURANCE COMPANY

**CASH FLOW**

|  | 1            | 2           |
|--|--------------|-------------|
|  | Current Year | Prior Year  |
| <b>Cash from Operations</b>  |              |             |
| 1. Premiums collected net of reinsurance .....   | 2,191,376    | 1,266,276   |
| 2. Net investment income .....   | 1,246,900    | 1,658,201   |
| 3. Miscellaneous income .....  |              |             |
| 4. Total (Lines 1 through 3) .....   | 3,438,276    | 2,924,476   |
| 5. Benefit and loss related payments .....   | 636,915      | 992,500     |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                       |              |             |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....   | (455,863)    | 514,202     |
| 8. Dividends paid to policyholders .....   |              |             |
| 9. Federal and foreign income taxes paid (recovered) net of \$ ..... (162,516) tax on capital gains (losses) ..... | 297,478      | 445,141     |
| 10. Total (Lines 5 through 9) .....  | 478,530      | 1,951,843   |
| 11. Net cash from operations (Line 4 minus Line 10) .....  | 2,959,746    | 972,634     |
| <b>Cash from Investments</b>   |              |             |
| 12. Proceeds from investments sold, matured or repaid:   |              |             |
| 12.1 Bonds .....   | 13,912,688   | 16,690,325  |
| 12.2 Stocks .....  | 3,713,519    | 1,872,926   |
| 12.3 Mortgage loans .....  |              |             |
| 12.4 Real estate .....   |              |             |
| 12.5 Other invested assets .....   |              |             |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....                              |              |             |
| 12.7 Miscellaneous proceeds .....  | 6,752        | 2,299       |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) .....  | 17,632,959   | 18,565,550  |
| 13. Cost of investments acquired (long-term only):   |              |             |
| 13.1 Bonds .....   | 14,671,057   | 18,283,635  |
| 13.2 Stocks .....  | 3,642,550    | 1,704,170   |
| 13.3 Mortgage loans .....  |              |             |
| 13.4 Real estate .....   |              |             |
| 13.5 Other invested assets .....   |              |             |
| 13.6 Miscellaneous applications .....  | 45,333       | 153,300     |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) .....   | 18,358,940   | 20,141,105  |
| 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) .....                                      | (725,981)    | (1,575,555) |
| <b>Cash from Financing and Miscellaneous Sources</b>   |              |             |
| 16. Cash provided (applied):   |              |             |
| 16.1 Surplus notes, capital notes .....  |              |             |
| 16.2 Capital and paid in surplus, less treasury stock .....  |              |             |
| 16.3 Borrowed funds .....  |              |             |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities .....                                  |              |             |
| 16.5 Dividends to stockholders .....   |              |             |
| 16.6 Other cash provided (applied) .....   | 664,723      | (335,415)   |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....    | 664,723      | (335,415)   |
| <b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>   |              |             |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....          | 2,898,487    | (938,336)   |
| 19. Cash, cash equivalents and short-term investments:   |              |             |
| 19.1 Beginning of year .....   | 272,124      | 1,210,460   |
| 19.2 End of period (Line 18 plus Line 19.1) .....  | 3,170,611    | 272,124     |

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

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

Underwriting and Investment Exhibit - Part 1 - Premiums Earned

**N O N E**

Underwriting and Investment Exhibit - Part 1A - Recapitulation of all Premiums

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1B - PREMIUMS WRITTEN

| Line of Business  | 1                   | Reinsurance Assumed  |                          | Reinsurance Ceded  |                        | 6<br>Net Premiums<br>Written<br>Cols. 1+2+3-4-5 |
|---|---------------------|----------------------|--------------------------|--------------------|------------------------|---|
|   | Direct Business (a) | 2<br>From Affiliates | 3<br>From Non-Affiliates | 4<br>To Affiliates | 5<br>To Non-Affiliates |   |
| 1. Fire .....   |                     |                      |                          |                    |                        |   |
| 2.1 Allied lines .....  |                     |                      |                          |                    |                        |   |
| 2.2 Multiple peril crop .....   |                     |                      |                          |                    |                        |   |
| 2.3 Federal flood .....   |                     |                      |                          |                    |                        |   |
| 2.4 Private crop .....  |                     |                      |                          |                    |                        |   |
| 2.5 Private flood .....   |                     |                      |                          |                    |                        |   |
| 3. Farmowners multiple peril .....  |                     |                      |                          |                    |                        |   |
| 4. Homeowners multiple peril .....  | 18,665,743          |                      |                          | 18,665,743         |                        |   |
| 5.1 Commercial multiple peril (non-liability portion) .....               |                     |                      |                          |                    |                        |   |
| 5.2 Commercial multiple peril (liability portion) .....                   |                     |                      |                          |                    |                        |   |
| 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 .....  |                     |                      |                          |                    |                        |   |
| 13.1 Comprehensive (hospital and medical) individual .....                |                     |                      |                          |                    |                        |   |
| 13.2 Comprehensive (hospital and medical) group .....                     |                     |                      |                          |                    |                        |   |
| 14. Credit accident and health (group and individual) .....               |                     |                      |                          |                    |                        |   |
| 15.1 Vision only .....  |                     |                      |                          |                    |                        |   |
| 15.2 Dental only .....  |                     |                      |                          |                    |                        |   |
| 15.3 Disability income .....  |                     |                      |                          |                    |                        |   |
| 15.4 Medicare supplement .....  |                     |                      |                          |                    |                        |   |
| 15.5 Medicaid Title XIX .....   |                     |                      |                          |                    |                        |   |
| 15.6 Medicare Title XVIII .....   |                     |                      |                          |                    |                        |   |
| 15.7 Long-term care .....   |                     |                      |                          |                    |                        |   |
| 15.8 Federal employees health benefits plan .....                         |                     |                      |                          |                    |                        |   |
| 15.9 Other health .....   |                     |                      |                          |                    |                        |   |
| 16. Workers' compensation .....   |                     |                      |                          |                    |                        |   |
| 17.1 Other liability - occurrence .....                                   | 355,954             |                      |                          | 355,954            |                        |   |
| 17.2 Other liability - claims-made .....                                  |                     |                      |                          |                    |                        |   |
| 17.3 Excess workers' compensation .....                                   |                     |                      |                          |                    |                        |   |
| 18.1 Products liability - occurrence .....                                |                     |                      |                          |                    |                        |   |
| 18.2 Products liability - claims-made .....                               |                     |                      |                          |                    |                        |   |
| 19.1 Private passenger auto no-fault (personal injury protection) .....   |                     |                      |                          |                    |                        |   |
| 19.2 Other private passenger auto liability .....                         | 29,586,422          |                      |                          | 29,586,422         |                        |   |
| 19.3 Commercial auto no-fault (personal injury protection) .....          |                     |                      |                          |                    |                        |   |
| 19.4 Other commercial auto liability .....                                |                     |                      |                          |                    |                        |   |
| 21.1 Private passenger auto physical damage .....                         | 14,998,901          |                      |                          | 14,998,901         |                        |   |
| 21.2 Commercial auto physical damage .....                                |                     |                      |                          |                    |                        |   |
| 22. Aircraft (all perils) .....   |                     |                      |                          |                    |                        |   |
| 23. Fidelity .....  |                     |                      |                          |                    |                        |   |
| 24. Surety .....  |                     |                      |                          |                    |                        |   |
| 26. Burglary and theft .....  |                     |                      |                          |                    |                        |   |
| 27. Boiler and machinery .....  |                     |                      |                          |                    |                        |   |
| 28. Credit .....  |                     |                      |                          |                    |                        |   |
| 29. International .....   |                     |                      |                          |                    |                        |   |
| 30. Warranty .....  |                     |                      |                          |                    |                        |   |
| 31. Reinsurance - nonproportional assumed property .....                  | XXX                 |                      |                          |                    |                        |   |
| 32. Reinsurance - nonproportional assumed liability .....                 | XXX                 |                      |                          |                    |                        |   |
| 33. Reinsurance - nonproportional assumed financial lines .....           | XXX                 |                      |                          |                    |                        |   |
| 34. Aggregate write-ins for other lines of business .....                 |                     |                      |                          |                    |                        |   |
| 35. TOTALS  | 63,607,020          |                      |                          | 63,607,020         |                        |   |
| <b>DETAILS OF WRITE-INS</b>   |                     |                      |                          |                    |                        |   |
| 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 2022 OF THE MOTOR CLUB INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - LOSSES PAID AND INCURRED

| Line of Business  | Losses Paid Less Salvage |                             |                               |  | 5<br>Net Losses Unpaid<br>Current Year<br>(Part 2A , Col. 8) | 6<br>Net Losses Unpaid<br>Prior Year | 7<br>Losses Incurred<br>Current Year<br>(Cols. 4 + 5 - 6) | 8<br>Percentage of<br>Losses Incurred<br>(Col. 7, Part 2) to<br>Premiums Earned<br>(Col. 4, Part 1) |
|---|--------------------------|-----------------------------|-------------------------------|--|--|--------------------------------------|---|---|
|   | 1<br>Direct Business     | 2<br>Reinsurance<br>Assumed | 3<br>Reinsurance<br>Recovered | 4<br>Net Payments<br>(Cols. 1 + 2 -3 ) |  |                                      |   |   |
| 1. Fire .....   |                          |                             |                               |  |  |                                      |   |   |
| 2.1 Allied lines .....  |                          |                             |                               |  |  |                                      |   |   |
| 2.2 Multiple peril crop .....   |                          |                             |                               |  |  |                                      |   |   |
| 2.3 Federal flood .....   |                          |                             |                               |  |  |                                      |   |   |
| 2.4 Private crop .....  |                          |                             |                               |  |  |                                      |   |   |
| 2.5 Private flood .....   |                          |                             |                               |  |  |                                      |   |   |
| 3. Farmowners multiple peril .....  |                          |                             |                               |  |  |                                      |   |   |
| 4. Homeowners multiple peril .....  | 7,903,900                |                             |                               | 7,903,900                              |  |                                      |   |   |
| 5.1 Commercial multiple peril (non-liability portion) .....               |                          |                             |                               |  |  |                                      |   |   |
| 5.2 Commercial multiple peril (liability portion) .....                   |                          |                             |                               |  |  |                                      |   |   |
| 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 .....  |                          |                             |                               |  |  |                                      |   |   |
| 13.1 Comprehensive (hospital and medical) individual .....                |                          |                             |                               |  |  |                                      |   |   |
| 13.2 Comprehensive (hospital and medical) group .....                     |                          |                             |                               |  |  |                                      |   |   |
| 14. Credit accident and health (group and individual) .....               |                          |                             |                               |  |  |                                      |   |   |
| 15.1 Vision only .....  |                          |                             |                               |  |  |                                      |   |   |
| 15.2 Dental only .....  |                          |                             |                               |  |  |                                      |   |   |
| 15.3 Disability income .....  |                          |                             |                               |  |  |                                      |   |   |
| 15.4 Medicare supplement .....  |                          |                             |                               |  |  |                                      |   |   |
| 15.5 Medicaid Title XIX .....   |                          |                             |                               |  |  |                                      |   |   |
| 15.6 Medicare Title XVIII .....   |                          |                             |                               |  |  |                                      |   |   |
| 15.7 Long-term care .....   |                          |                             |                               |  |  |                                      |   |   |
| 15.8 Federal employees health benefits plan .....                         |                          |                             |                               |  |  |                                      |   |   |
| 15.9 Other 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 Private passenger auto no-fault (personal injury protection) .....   |                          |                             |                               |  |  |                                      |   |   |
| 19.2 Other private passenger auto liability.....                          | 10,775,712               |                             |                               | 10,775,712                             |  |                                      |   |   |
| 19.3 Commercial auto no-fault (personal injury protection) .....          |                          |                             |                               |  |  |                                      |   |   |
| 19.4 Other commercial auto liability.....                                 |                          |                             |                               |  |  |                                      |   |   |
| 21.1 Private passenger auto physical damage .....                         | 9,235,248                |                             |                               | 9,235,248                              |  |                                      |   |   |
| 21.2 Commercial auto physical damage .....                                |                          |                             |                               |  |  |                                      |   |   |
| 22. Aircraft (all perils) .....   |                          |                             |                               |  |  |                                      |   |   |
| 23. Fidelity .....  |                          |                             |                               |  |  |                                      |   |   |
| 24. Surety .....  |                          |                             |                               |  |  |                                      |   |   |
| 26. Burglary and theft .....  |                          |                             |                               |  |  |                                      |   |   |
| 27. Boiler and machinery .....  |                          |                             |                               |  |  |                                      |   |   |
| 28. Credit .....  |                          |                             |                               |  |  |                                      |   |   |
| 29. International .....   |                          |                             |                               |  |  |                                      |   |   |
| 30. Warranty .....  |                          |                             |                               |  |  |                                      |   |   |
| 31. Reinsurance - nonproportional assumed property .....                  | XXX                      |                             |                               |  |  |                                      |   |   |
| 32. Reinsurance - nonproportional assumed liability .....                 | XXX                      |                             |                               |  |  |                                      |   |   |
| 33. Reinsurance - nonproportional assumed financial lines .....           | XXX                      |                             |                               |  |  |                                      |   |   |
| 34. Aggregate write-ins for other lines of business .....                 |                          |                             |                               |  |  |                                      |   |   |
| 35. TOTALS  | 27,914,860               |                             |                               | 27,914,860                             |  |                                      |   |   |
| <b>DETAILS OF WRITE-INS</b>   |                          |                             |                               |  |  |                                      |   |   |
| 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 2022 OF THE MOTOR CLUB INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

| Line of Business  | Reported Losses |                             |   |  | Incurred But Not Reported |                             |                           | 8<br>Net Losses Unpaid<br>(Cols. 4 + 5 + 6 - 7) | 9<br>Net Unpaid<br>Loss Adjustment<br>Expenses |
|---|-----------------|-----------------------------|---|--|---------------------------|-----------------------------|---------------------------|---|--|
|   | 1<br>Direct     | 2<br>Reinsurance<br>Assumed | 3<br>Deduct<br>Reinsurance<br>Recoverable | 4<br>Net Losses Excl.<br>Incurred But Not<br>Reported<br>(Cols. 1 + 2 - 3) | 5<br>Direct               | 6<br>Reinsurance<br>Assumed | 7<br>Reinsurance<br>Ceded |   |  |
| 1. Fire .....   |                 |                             |   |  |                           |                             |                           |   |  |
| 2.1 Allied lines .....  |                 |                             |   |  |                           |                             |                           |   |  |
| 2.2 Multiple peril crop .....   |                 |                             |   |  |                           |                             |                           |   |  |
| 2.3 Federal flood .....   |                 |                             |   |  |                           |                             |                           |   |  |
| 2.4 Private crop .....  |                 |                             |   |  |                           |                             |                           |   |  |
| 2.5 Private flood .....   |                 |                             |   |  |                           |                             |                           |   |  |
| 3. Farmowners multiple peril .....  |                 |                             |   |  |                           |                             |                           |   |  |
| 4. Homeowners multiple peril .....  | 1,315,093       |                             | 1,315,093                                 |  | 1,148,000                 |                             | 1,148,000                 |   |  |
| 5.1 Commercial multiple peril (non-liability portion) .....               |                 |                             |   |  |                           |                             |                           |   |  |
| 5.2 Commercial multiple peril (liability portion) .....                   |                 |                             |   |  |                           |                             |                           |   |  |
| 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 .....  |                 |                             |   |  |                           |                             |                           |   |  |
| 13.1 Comprehensive (hospital and medical) individual .....                |                 |                             |   |  |                           |                             |                           | (a)   |  |
| 13.2 Comprehensive (hospital and medical) group .....                     |                 |                             |   |  |                           |                             |                           | (a)   |  |
| 14. Credit accident and health (group and individual) .....               |                 |                             |   |  |                           |                             |                           |   |  |
| 15.1 Vision only .....  |                 |                             |   |  |                           |                             |                           | (a)   |  |
| 15.2 Dental only .....  |                 |                             |   |  |                           |                             |                           | (a)   |  |
| 15.3 Disability income .....  |                 |                             |   |  |                           |                             |                           | (a)   |  |
| 15.4 Medicare supplement .....  |                 |                             |   |  |                           |                             |                           | (a)   |  |
| 15.5 Medicaid Title XIX .....   |                 |                             |   |  |                           |                             |                           | (a)   |  |
| 15.6 Medicare Title XVIII .....   |                 |                             |   |  |                           |                             |                           | (a)   |  |
| 15.7 Long-term care .....   |                 |                             |   |  |                           |                             |                           | (a)   |  |
| 15.8 Federal employees health benefits plan .....                         |                 |                             |   |  |                           |                             |                           | (a)   |  |
| 15.9 Other 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 Private passenger auto no-fault (personal injury protection) .....   |                 |                             |   |  |                           |                             |                           |   |  |
| 19.2 Other private passenger auto liability.....                          | 6,656,628       |                             | 6,656,628                                 |  | 8,156,000                 |                             | 8,156,000                 |   |  |
| 19.3 Commercial auto no-fault (personal injury protection) .....          |                 |                             |   |  |                           |                             |                           |   |  |
| 19.4 Other commercial auto liability.....                                 |                 |                             |   |  |                           |                             |                           |   |  |
| 21.1 Private passenger auto physical damage .....                         | 1,660,699       |                             | 1,660,699                                 |  | (1,107,000)               |                             | (1,107,000)               |   |  |
| 21.2 Commercial auto physical damage .....                                |                 |                             |   |  |                           |                             |                           |   |  |
| 22. Aircraft (all perils) .....   |                 |                             |   |  |                           |                             |                           |   |  |
| 23. Fidelity .....  |                 |                             |   |  |                           |                             |                           |   |  |
| 24. Surety .....  |                 |                             |   |  |                           |                             |                           |   |  |
| 26. Burglary and theft .....  |                 |                             |   |  |                           |                             |                           |   |  |
| 27. Boiler and machinery .....  |                 |                             |   |  |                           |                             |                           |   |  |
| 28. Credit .....  |                 |                             |   |  |                           |                             |                           |   |  |
| 29. International .....   |                 |                             |   |  |                           |                             |                           |   |  |
| 30. Warranty .....  |                 |                             |   |  |                           |                             |                           |   |  |
| 31. Reinsurance - nonproportional assumed property .....                  | XXX             |                             |   |  | XXX                       |                             |                           |   |  |
| 32. Reinsurance - nonproportional assumed liability .....                 | XXX             |                             |   |  | XXX                       |                             |                           |   |  |
| 33. Reinsurance - nonproportional assumed financial lines .....           | XXX             |                             |   |  | XXX                       |                             |                           |   |  |
| 34. Aggregate write-ins for other lines of business .....                 |                 |                             |   |  |                           |                             |                           |   |  |
| 35. TOTALS .....  | 9,632,420       |                             | 9,632,420                                 |  | 8,197,000                 |                             | 8,197,000                 |   |  |
| <b>DETAILS OF WRITE-INS</b>   |                 |                             |   |  |                           |                             |                           |   |  |
| 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 reported in Lines 13 and 15.

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 3 - EXPENSES

|   | 1                        | 2                           | 3                   | 4           |
|---|--------------------------|-----------------------------|---------------------|-------------|
|   | Loss Adjustment Expenses | Other Underwriting Expenses | Investment Expenses | Total       |
| 1. Claim adjustment services:   |                          |                             |                     |             |
| 1.1 Direct .....  | 812,500                  |                             |                     | 812,500     |
| 1.2 Reinsurance assumed .....   |                          |                             |                     |             |
| 1.3 Reinsurance ceded .....   | 812,500                  |                             |                     | 812,500     |
| 1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....                                |                          |                             |                     |             |
| 2. Commission and brokerage:  |                          |                             |                     |             |
| 2.1 Direct excluding contingent .....   |                          | 3,551,892                   |                     | 3,551,892   |
| 2.2 Reinsurance assumed, excluding contingent .....                                     |                          |                             |                     |             |
| 2.3 Reinsurance ceded, excluding contingent .....                                       |                          | 3,551,892                   |                     | 3,551,892   |
| 2.4 Contingent - direct .....   |                          |                             |                     |             |
| 2.5 Contingent - reinsurance assumed .....  |                          |                             |                     |             |
| 2.6 Contingent - reinsurance ceded .....  |                          |                             |                     |             |
| 2.7 Policy and membership fees .....  |                          |                             |                     |             |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) ..           |                          |                             |                     |             |
| 3. Allowances to managers and agents .....  |                          |                             |                     |             |
| 4. Advertising .....  |                          |                             |                     |             |
| 5. Boards, bureaus and associations .....   |                          |                             |                     |             |
| 6. Surveys and underwriting reports .....   |                          |                             |                     |             |
| 7. Audit of assureds' records .....   |                          |                             |                     |             |
| 8. Salary and related items:  |                          |                             |                     |             |
| 8.1 Salaries .....  |                          |                             |                     |             |
| 8.2 Payroll taxes .....   |                          |                             |                     |             |
| 9. Employee relations and welfare .....   |                          |                             |                     |             |
| 10. Insurance .....   |                          |                             |                     |             |
| 11. Directors' fees .....   |                          |                             |                     |             |
| 12. Travel and travel items .....   |                          |                             |                     |             |
| 13. Rent and rent items .....   |                          |                             |                     |             |
| 14. Equipment .....   |                          |                             |                     |             |
| 15. Cost or depreciation of EDP equipment and software .....                            |                          |                             |                     |             |
| 16. Printing and stationery .....   |                          |                             |                     |             |
| 17. Postage, telephone and telegraph, exchange and express .....                        |                          |                             |                     |             |
| 18. Legal and auditing .....  |                          |                             |                     |             |
| 19. Totals (Lines 3 to 18) .....  |                          |                             |                     |             |
| 20. Taxes, licenses and fees:   |                          |                             |                     |             |
| 20.1 State and local insurance taxes deducting guaranty association credits of \$ ..... |                          |                             |                     |             |
| 20.2 Insurance department licenses and fees .....                                       |                          |                             |                     |             |
| 20.3 Gross guaranty association assessments .....                                       |                          |                             |                     |             |
| 20.4 All other (excluding federal and foreign income and real estate) .....             |                          |                             |                     |             |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....                   |                          |                             |                     |             |
| 21. Real estate expenses .....  |                          |                             |                     |             |
| 22. Real estate taxes .....   |                          |                             |                     |             |
| 23. Reimbursements by uninsured plans .....   |                          |                             |                     |             |
| 24. Aggregate write-ins for miscellaneous expenses .....                                |                          |                             | 104,166             | 104,166     |
| 25. Total expenses incurred .....   |                          |                             | 104,166             | (a) 104,166 |
| 26. Less unpaid expenses - current year .....   |                          | 1,034,634                   | 22,335              | 1,056,969   |
| 27. Add unpaid expenses - prior year .....  |                          | 578,818                     | 22,288              | 601,106     |
| 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)                                  |                          | (455,816)                   | 104,119             | (351,697)   |
| <b>DETAILS OF WRITE-INS</b>   |                          |                             |                     |             |
| 2401. Investment Fee .....  |                          |                             | 104,166             | 104,166     |
| 2402. ....  |                          |                             |                     |             |
| 2403. ....  |                          |                             |                     |             |
| 2498. Summary of remaining write-ins for Line 24 from overflow page .....               |                          |                             |                     |             |
| 2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)                            |                          |                             | 104,166             | 104,166     |

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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB INSURANCE COMPANY

**EXHIBIT OF NET INVESTMENT INCOME**

|   | 1<br>Collected During Year | 2<br>Earned During Year |
|---|----------------------------|-------------------------|
| 1. U.S. Government bonds  | (a) 155,446                | 170,515                 |
| 1.1 Bonds exempt from U.S. tax  | (a)                        |                         |
| 1.2 Other bonds (unaffiliated)  | (a) 597,186                | 606,413                 |
| 1.3 Bonds of affiliates   | (a)                        |                         |
| 2.1 Preferred stocks (unaffiliated)                                     | (b)                        |                         |
| 2.11 Preferred stocks of affiliates                                     | (b)                        |                         |
| 2.2 Common stocks (unaffiliated)  | 492,687                    | 494,089                 |
| 2.21 Common stocks of affiliates  |                            |                         |
| 3. Mortgage loans   | (c)                        |                         |
| 4. Real estate  | (d)                        |                         |
| 5. Contract loans   |                            |                         |
| 6. Cash, cash equivalents and short-term investments                    | (e) 31,478                 | 36,145                  |
| 7. Derivative instruments   | (f)                        |                         |
| 8. Other invested assets  |                            |                         |
| 9. Aggregate write-ins for investment income                            |                            |                         |
| 10. Total gross investment income                                       | 1,276,798                  | 1,307,163               |
| 11. Investment expenses   |                            | (g) 104,166             |
| 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)                     |
| 15. Aggregate write-ins for deductions from investment income           |                            |                         |
| 16. Total deductions (Lines 11 through 15)                              |                            | 104,166                 |
| 17. Net investment income (Line 10 minus Line 16)                       |                            | 1,202,997               |
| <b>DETAILS OF WRITE-INS</b>   |                            |                         |
| 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 \$ 42,394 accrual of discount less \$ 116,662 amortization of premium and less \$ 36,776 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 \$ 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   | (183,744)                                    |                               | (183,744)  | 6,439  |   |
| 1.1 Bonds exempt from U.S. tax                                     |  |                               |  |  |   |
| 1.2 Other bonds (unaffiliated)                                     | (605,490)                                    | (12,647)                      | (618,137)  |  |   |
| 1.3 Bonds of affiliates  |  |                               |  |  |   |
| 2.1 Preferred stocks (unaffiliated)                                |  |                               |  |  |   |
| 2.11 Preferred stocks of affiliates                                |  |                               |  |  |   |
| 2.2 Common stocks (unaffiliated)                                   | 187,418                                      | (151,491)                     | 35,927   | (8,460,682)                                    |   |
| 2.21 Common stocks of affiliates                                   |  |                               |  |  |   |
| 3. Mortgage loans  |  |                               |  |  |   |
| 4. Real estate   |  |                               |  |  |   |
| 5. Contract loans  |  |                               |  |  |   |
| 6. Cash, cash equivalents and short-term investments               |  |                               |  |  |   |
| 7. Derivative instruments  |  |                               |  |  |   |
| 8. Other invested assets   |  |                               |  |  |   |
| 9. Aggregate write-ins for capital gains (losses)                  |  |                               |  |  |   |
| 10. Total capital gains (losses)                                   | (601,816)                                    | (164,138)                     | (765,954)  | (8,454,243)                                    |   |
| <b>DETAILS OF WRITE-INS</b>  |  |                               |  |  |   |
| 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)      |  |                               |  |  |   |

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB 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) .....  |  |  |  |
| 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) .....   |  |  |  |
| 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 .....  | 23,368                                   | 6,320                                  | (17,048)   |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due ..                        |  |  |  |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination .....                                      |  |  |  |
| 16. Reinsurance:  |  |  |  |
| 16.1 Amounts recoverable from reinsurers .....  |  |  |  |
| 16.2 Funds held by or deposited with reinsured companies .....  |  |  |  |
| 16.3 Other amounts receivable under reinsurance contracts .....   |  |  |  |
| 17. Amounts receivable relating to uninsured plans .....  |  |  |  |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....                                      |  |  |  |
| 18.2 Net deferred tax asset .....   |  |  |  |
| 19. Guaranty funds receivable or on deposit .....   |  |  |  |
| 20. Electronic data processing equipment and software .....   |  |  |  |
| 21. Furniture and equipment, including health care delivery assets .....  |  |  |  |
| 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 .....  | 204,775                                  | 261,451                                | 56,676   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts<br>(Lines 12 to 25) ..... | 228,143                                  | 267,771                                | 39,628   |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                                       |  |  |  |
| 28. Total (Lines 26 and 27)   | 228,143                                  | 267,771                                | 39,628   |
| <b>DETAILS OF WRITE-INS</b>   |  |  |  |
| 1101. ....  |  |  |  |
| 1102. ....  |  |  |  |
| 1103. ....  |  |  |  |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....   |  |  |  |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)  |  |  |  |
| 2501. Prepaid Expenses .....  | 204,775                                  | 261,451                                | 56,676   |
| 2502. ....  |  |  |  |
| 2503. ....  |  |  |  |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....   |  |  |  |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)  | 204,775                                  | 261,451                                | 56,676   |

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

The financial statements of Motor Club Insurance Company (the Company) are presented on the basis of accounting practices prescribed or permitted by the state of Rhode Island Department of Business Regulation - Insurance Division. The National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual (NAIC SAP)* has been adopted as a component of prescribed or permitted practices by the state of Rhode Island.

|   | SSAP # | F/S Page | F/S Line # | 2022                 | 2021                 |
|---|--------|----------|------------|----------------------|----------------------|
| Net Income  |        |          |            |                      |                      |
| (1) State basis (Page 4, Line 20, Columns 1 & 2)                                | XXX    | XXX      | XXX        | \$ 360,953           | \$ 1,630,140         |
| (2) State prescribed practices that are an increase / (decrease) from NAIC SAP: |        |          |            |                      |                      |
| (3) State permitted practices that are an increase / (decrease) from NAIC SAP:  |        |          |            |                      |                      |
| (4) NAIC SAP (1-2-3=4)  | XXX    | XXX      | XXX        | <u>\$ 360,953</u>    | <u>\$ 1,630,140</u>  |
| Surplus   |        |          |            |                      |                      |
| (5) State basis (Page 3, Line 37, Columns 1 & 2)                                | XXX    | XXX      | XXX        | \$ 63,852,990        | \$ 70,114,828        |
| (6) State prescribed practices that are an increase / (decrease) from NAIC SAP: |        |          |            |                      |                      |
| (7) State permitted practices that are an increase / (decrease) from NAIC SAP:  |        |          |            |                      |                      |
| (8) NAIC SAP (5-6-7=8)  | XXX    | XXX      | XXX        | <u>\$ 63,852,990</u> | <u>\$ 70,114,828</u> |

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

The preparation of financial statements in conformity with NAIC Statutory Accounting Practices and Procedures (NAIC SAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. 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. Accounting Policy

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

In addition, the Company uses the following accounting policies:

- (1) Short-investments designated highest quality and high quality (NAIC designations 1 and 2, respectively) are stated at amortized cost using the modified scientific method. All other investments not backed by other loans (NAIC designations 3 to 6) are reported at the lower of amortized cost or fair value.
- (2) Bonds not backed by other loans designated highest quality and high quality (NAIC designations 1 and 2, respectively) are stated at amortized cost using the modified scientific method. All other bonds not backed by other loans (NAIC designations 3 to 6) are reported at the lower of amortized cost or fair value.
- (3) Common stocks, other than the investment in subsidiary, are reported at values published by the NAIC, which are generally based on market values. Changes in the values of these securities are reflected directly as unrealized gains or losses, net of deferred income taxes, in statutory surplus.
- (4) The Company has no investments in preferred stocks.
- (5) The Company has no investments in mortgage loans.
- (6) Loan-backed securities are carried at either amortized cost or the lower of amortized cost or fair market value and are adjusted using the retrospective method, with the exception of other than temporarily impaired securities which are adjusted using the prospective method.
- (7) The Company has no subsidiary, controlled and affiliated type investments.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company has no investments in derivatives.
- (10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) The Company's unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has a written capitalization policy for Electronic Data Processing (EDP) equipment, software, furniture and equipment. The capitalization thresholds under this policy have not changed from those of the prior year.
- (13) The Company does not write major medical insurance with prescription drug coverage.

#### D. Going Concern - None

### 2. Accounting Changes and Corrections of Errors - Not Applicable

### 3. Business Combinations and Goodwill - Not Applicable

### 4. Discontinued Operations - Not Applicable

## Notes to the Financial Statements

### 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 are obtained from the broker dealer survey values through the Bloomberg System and are consistent with the current interest rate and economic environment.

(2) Loan-backed and structured securities with a recognized other-than-temporary impairment (OTTI) - Not Applicable

(3) Securities held that were other-than-temporarily impaired due to the present value of cash flows expected to be collected was less than the amortized cost of securities - Not Applicable

(4) All impaired securities for which an OTTI has not been recognized in earnings as a realized loss

a. The aggregate amount of unrealized losses:

|                             |         |           |
|-----------------------------|---------|-----------|
| 1. Less than 12 months..... | \$..... | 494,112   |
| 2. 12 months or longer..... |         | 1,220,236 |

b. The aggregate related fair value of securities with unrealized losses:

|                             |         |           |
|-----------------------------|---------|-----------|
| 1. Less than 12 months..... | \$..... | 5,134,324 |
| 2. 12 months or longer..... |         | 5,805,639 |

(5) All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether OTTI should be recognized. The Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are supported by a detailed analysis of the underlying credit and cash flows of each security. Unrealized losses are primarily attributable to increases in the general level of interest rates since the purchase of a particular security, credit spread widening, and/or increased liquidity discounts. It is possible that the Company could recognize OTTI impairments in the future on some of the securities if future events, new information and/or the passage of time cause it to conclude that declines in value are other-than temporary.

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 Credits (LIHTC) - Not Applicable

**Notes to the Financial Statements**

**5. Investments (Continued)**

L. Restricted Assets

(1) Restricted assets (including pledged)

| Restricted Asset Category  | Gross (Admitted & Nonadmitted) Restricted |  |  |  |                   |                       |                               |                              |                                 |  |   |
|--|---|--|--|--|-------------------|-----------------------|-------------------------------|------------------------------|---------------------------------|--|---|
|  | Current Year                              |  |  |  |                   |                       |                               | Current Year                 |                                 |  |   |
|  | (1)                                       | (2)  | (3)  | (4)  | (5)               | (6)                   | (7)                           | (8)                          | (9)                             | (10)   | (11)  |
|  | Total General Account (G/A)               | G/A Supporting Protected Cell Account Activity | Total Protected Cell Account Restricted Assets | Protected Cell Account Supporting G/A Activity | Total (1 + 3)     | Total From Prior Year | Increase / (Decrease) (5 - 6) | Total Nonadmitted Restricted | Total Admitted Restricted (5-8) | Gross (Admitted & Nonadmitted) Restricted to Total Assets, % | Admitted Restricted to Total Admitted Assets, % |
| a. Subject to contractual obligation for which liability is not shown              | \$ -                                      | \$ -   | \$ -   | \$ -   | \$ -              | \$ -                  | \$ -                          | \$ -                         | \$ -                            | - %  | - %   |
| b. Collateral held under security lending agreements                               | -   | -  | -  | -  | -                 | -                     | -                             | -                            | -                               | -  | -   |
| c. Subject to repurchase agreements  | -   | -  | -  | -  | -                 | -                     | -                             | -                            | -                               | -  | -   |
| d. Subject to reverse repurchase agreements  | -   | -  | -  | -  | -                 | -                     | -                             | -                            | -                               | -  | -   |
| e. Subject to dollar repurchase agreements   | -   | -  | -  | -  | -                 | -                     | -                             | -                            | -                               | -  | -   |
| f. Subject to dollar reverse repurchase agreements                                 | -   | -  | -  | -  | -                 | -                     | -                             | -                            | -                               | -  | -   |
| g. Placed under option contracts   | -   | -  | -  | -  | -                 | -                     | -                             | -                            | -                               | -  | -   |
| h. Letter stock or securities restricted as to sale - excluding FHLB capital stock | -   | -  | -  | -  | -                 | -                     | -                             | -                            | -                               | -  | -   |
| i. FHLB capital stock  | -   | -  | -  | -  | -                 | -                     | -                             | -                            | -                               | -  | -   |
| j. On deposit with states  | 609,657                                   | -  | -  | -  | 609,657           | 605,478               | 4,179                         | -                            | 609,657                         | 0.7  | 0.7   |
| 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   | -   | -  | -  | -  | -                 | -                     | -                             | -                            | -                               | -  | -   |
| <b>o. Total restricted assets (Sum of a through n)</b>                             | <b>\$ 609,657</b>                         | <b>\$ -</b>                                    | <b>\$ -</b>                                    | <b>\$ -</b>                                    | <b>\$ 609,657</b> | <b>\$ 605,478</b>     | <b>\$ 4,179</b>               | <b>\$ -</b>                  | <b>\$ 609,657</b>               | <b>0.7 %</b>   | <b>0.7 %</b>                                    |

(2) Detail of assets pledged as collateral not captured in other categories (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - Not Applicable

(3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - Not Applicable

(4) Collateral received and reflected as assets within the reporting entity's financial statements - Not Applicable

M. Working Capital Finance Investments - Not Applicable

N. Offsetting and Netting of Assets and Liabilities - Not Applicable

O. 5GI Securities - Not Applicable

P. Short Sales - Not Applicable

Q. Prepayment Penalty and Acceleration Fees

|   | General Account | Protected Cell |
|---|-----------------|----------------|
| (1) Number of CUSIPs                      | 16              | -              |
| (2) Aggregate amount of investment income | \$ (1,582)      | \$ -           |

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

**6. Joint Ventures, Partnerships and Limited Liability Companies - Not Applicable**

## Notes to the Financial Statements

## 7. Investment Income

## A. Due and Accrued Income Excluded from Surplus

The Company does not admit investment income due and accrued if amounts are over 90 days past due.

## B. Total Amount Excluded - Not Applicable

## 8. Derivative Instruments - Not Applicable

## 9. Income Taxes

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

## (1) Change between years by tax character

|  | 2022      |                |                    | 2021      |                |                    | Change                |                      |                    |
|--|-----------|----------------|--------------------|-----------|----------------|--------------------|-----------------------|----------------------|--------------------|
|  | (1)       | (2)            | (3)                | (4)       | (5)            | (6)                | (7)                   | (8)                  | (9)                |
|  | Ordinary  | Capital        | Total<br>(Col 1+2) | Ordinary  | Capital        | Total<br>(Col 4+5) | Ordinary<br>(Col 1-4) | Capital<br>(Col 2-5) | Total<br>(Col 7+8) |
| (a) Gross deferred tax assets  | \$ 43,600 | \$ 84,686      | \$ 128,286         | \$ 28,731 | \$ 82,827      | \$ 111,558         | \$ 14,869             | \$ 1,859             | \$ 16,728          |
| (b) Statutory valuation allowance adjustments                              | -         | -              | -                  | -         | -              | -                  | -                     | -                    | -                  |
| (c) Adjusted gross deferred tax assets (1a - 1b)                           | 43,600    | 84,686         | 128,286            | 28,731    | 82,827         | 111,558            | 14,869                | 1,859                | 16,728             |
| (d) Deferred tax assets nonadmitted  | -         | -              | -                  | -         | -              | -                  | -                     | -                    | -                  |
| (e) Subtotal net admitted deferred tax asset (1c - 1d)                     | \$ 43,600 | \$ 84,686      | \$ 128,286         | \$ 28,731 | \$ 82,827      | \$ 111,558         | \$ 14,869             | \$ 1,859             | \$ 16,728          |
| (f) Deferred tax liabilities   | 1,241     | 2,772,428      | 2,773,669          | 947       | 4,547,818      | 4,548,765          | 294                   | (1,775,390)          | (1,775,096)        |
| (g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f) | \$ 42,359 | \$ (2,687,742) | \$ (2,645,383)     | \$ 27,784 | \$ (4,464,991) | \$ (4,437,207)     | \$ 14,575             | \$ 1,777,249         | \$ 1,791,824       |

## (2) Admission calculation components SSAP No. 101

|  | 2022      |           |                    | 2021      |           |                    | Change                |                      |                    |
|--|-----------|-----------|--------------------|-----------|-----------|--------------------|-----------------------|----------------------|--------------------|
|  | (1)       | (2)       | (3)                | (4)       | (5)       | (6)                | (7)                   | (8)                  | (9)                |
|  | Ordinary  | Capital   | Total<br>(Col 1+2) | Ordinary  | Capital   | Total<br>(Col 4+5) | Ordinary<br>(Col 1-4) | Capital<br>(Col 2-5) | Total<br>(Col 7+8) |
| (a) Federal income taxes paid in prior years recoverable through loss carrybacks   | \$ 43,600 | -         | \$ 43,600          | \$ 28,731 | -         | \$ 28,731          | \$ 14,869             | -                    | \$ 14,869          |
| (b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (lesser of 2(b)1 and 2(b)2 below) | -         | -         | -                  | -         | -         | -                  | -                     | -                    | -                  |
| 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date   | -         | -         | -                  | -         | -         | -                  | -                     | -                    | -                  |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold   | XXX       | XXX       | 9,577,949          | XXX       | XXX       | 11,182,805         | XXX                   | XXX                  | (1,604,856)        |
| (c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities   | -         | 84,686    | 84,686             | -         | 82,827    | 82,827             | -                     | 1,859                | 1,859              |
| (d) Deferred tax assets admitted as the result of application of SSAP No. 101.<br>Total (2(a) + 2(b) + 2(c))   | \$ 43,600 | \$ 84,686 | \$ 128,286         | \$ 28,731 | \$ 82,827 | \$ 111,558         | \$ 14,869             | \$ 1,859             | \$ 16,728          |

## (3) Ratio used as basis of admissibility

|  | 2022          | 2021          |
|--|---------------|---------------|
| (a) Ratio percentage used to determine recovery period and threshold limitation amount                               | 1,356.000 %   | 1,242.000 %   |
| (b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above | \$ 63,852,990 | \$ 74,552,035 |



## Notes to the Financial Statements

## 9. Income Taxes (Continued)

## (4) Impact of tax-planning strategies

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

|  | 2022      |           | 2021      |           | Change                 |                       |
|--|-----------|-----------|-----------|-----------|------------------------|-----------------------|
|  | (1)       | (2)       | (3)       | (4)       | (5)                    | (6)                   |
|  | Ordinary  | Capital   | Ordinary  | Capital   | Ordinary<br>(Col. 1-3) | Capital<br>(Col. 2-4) |
| 1. Adjusted gross DTAs amount from Note 9A1(c)   | \$ 43,600 | \$ 84,686 | \$ 28,731 | \$ 82,827 | \$ 14,869              | \$ 1,859              |
| 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)  | \$ 43,600 | \$ 84,686 | \$ 28,731 | \$ 82,827 | \$ 14,869              | \$ 1,859              |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | - %       | - %       | - %       | - %       | - %                    | - %                   |

## (b) Use of reinsurance-related tax-planning strategies

Does the company's tax-planning strategies include the use of reinsurance? NO

## B. Regarding Deferred Tax Liabilities That Are Not Recognized - Not Applicable

## C. Major Components of Current Income Taxes Incurred

| Current income taxes incurred consist of the following major components: | (1)        | (2)        | (3)          |
|--|------------|------------|--------------|
|  | 2022       | 2021       | Change (1-2) |
| 1. Current Income Tax  |            |            |              |
| (a) Federal  | \$ 238,606 | \$ 284,194 | \$ (45,588)  |
| (b) Foreign  | -          | -          | -            |
| (c) Subtotal (1a+1b)   | \$ 238,606 | \$ 284,194 | \$ (45,588)  |
| (d) Federal income tax on net capital gains                              | -          | 184,992    | (184,992)    |
| (e) Utilization of capital loss carry-forwards                           | (162,516)  | -          | (162,516)    |
| (f) Other  | -          | -          | -            |
| (g) Federal and foreign income taxes incurred (1c+1d+1e+1f)              | \$ 76,090  | \$ 469,186 | \$ (393,096) |
|  | (1)        | (2)        | (3)          |
|  | 2022       | 2021       | Change (1-2) |
| 2. Deferred Tax Assets   |            |            |              |
| (a) Ordinary   |            |            |              |
| (1) Discounting of unpaid losses   | \$ -       | \$ -       | \$ -         |
| (2) Unearned premium reserve   | 43,600     | 28,731     | 14,869       |
| (3) Policyholder reserves  | -          | -          | -            |
| (4) Investments  | -          | -          | -            |
| (5) Deferred acquisition costs   | -          | -          | -            |
| (6) Policyholder dividends accrual                                       | -          | -          | -            |
| (7) Fixed assets   | -          | -          | -            |
| (8) Compensation and benefits accrual                                    | -          | -          | -            |
| (9) Pension accrual  | -          | -          | -            |
| (10) Receivables - nonadmitted   | -          | -          | -            |
| (11) Net operating loss carry-forward                                    | -          | -          | -            |
| (12) Tax credit carry-forward  | -          | -          | -            |
| (13) Other   | -          | -          | -            |
| (99) Subtotal (sum of 2a1 through 2a13)                                  | \$ 43,600  | \$ 28,731  | \$ 14,869    |
| (b) Statutory valuation allowance adjustment                             | -          | -          | -            |
| (c) Nonadmitted  | -          | -          | -            |
| (d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)               | \$ 43,600  | \$ 28,731  | \$ 14,869    |
| (e) Capital  |            |            |              |
| (1) Investments  | \$ 84,686  | \$ 82,827  | \$ 1,859     |
| (2) Net capital loss carry-forward                                       | -          | -          | -            |
| (3) Real estate  | -          | -          | -            |
| (4) Other  | -          | -          | -            |
| (99) Subtotal (2e1+2e2+2e3+2e4)  | \$ 84,686  | \$ 82,827  | \$ 1,859     |
| (f) Statutory valuation allowance adjustment                             | -          | -          | -            |
| (g) Nonadmitted  | -          | -          | -            |
| (h) Admitted capital deferred tax assets (2e99 - 2f - 2g)                | 84,686     | 82,827     | 1,859        |
| (i) Admitted deferred tax assets (2d + 2h)                               | \$ 128,286 | \$ 111,558 | \$ 16,728    |

## Notes to the Financial Statements

## 9. Income Taxes (Continued)

|  | (1)<br>2022           | (2)<br>2021           | (3)<br>Change (1-2)   |
|--|-----------------------|-----------------------|-----------------------|
| 3. Deferred Tax Liabilities                      |                       |                       |                       |
| (a) Ordinary                                     |                       |                       |                       |
| (1) Investments                                  | \$ -                  | \$ -                  | \$ -                  |
| (2) Fixed assets                                 | -                     | -                     | -                     |
| (3) Deferred and uncollected premium             | -                     | -                     | -                     |
| (4) Policyholder reserves                        | -                     | -                     | -                     |
| (5) Other  | 1,241                 | 947                   | 294                   |
| (99) Subtotal (3a1+3a2+3a3+3a4+3a5)              | <u>\$ 1,241</u>       | <u>\$ 947</u>         | <u>\$ 294</u>         |
| (b) Capital                                      |                       |                       |                       |
| (1) Investments                                  | \$ 2,772,428          | \$ 4,547,818          | \$ (1,775,390)        |
| (2) Real estate                                  | -                     | -                     | -                     |
| (3) Other  | -                     | -                     | -                     |
| (99) Subtotal (3b1+3b2+3b3)                      | <u>\$ 2,772,428</u>   | <u>\$ 4,547,818</u>   | <u>\$ (1,775,390)</u> |
| (c) Deferred tax liabilities (3a99 + 3b99)       | <u>\$ 2,773,669</u>   | <u>\$ 4,548,765</u>   | <u>\$ (1,775,096)</u> |
| 4. Net deferred tax assets/liabilities (2i - 3c) | <u>\$ (2,645,383)</u> | <u>\$ (4,437,207)</u> | <u>\$ 1,791,824</u>   |

## D. Among the More Significant Book to Tax Adjustments

The provision for federal and foreign income tax incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before taxes. The significant items causing this difference are as follows:

|                                      | 2022             | Effective Tax Rate |
|--------------------------------------|------------------|--------------------|
| Provision computed at statutory rate | \$ 91,779        | 21.0 %             |
| Dividends received deduction         | (32,756)         | -7.5 %             |
| Other                                | 633              | 0.1 %              |
| Total                                | <u>\$ 59,656</u> | <u>13.7 %</u>      |

|                                     | 2022             | Effective Tax Rate |
|-------------------------------------|------------------|--------------------|
| Federal income taxes incurred       | \$ 238,606       | 54.6 %             |
| Realized capital gains/losses tax   | (162,516)        | -37.2 %            |
| Change in net deferred income taxes | (16,434)         | -3.8 %             |
| Total statutory income taxes        | <u>\$ 59,656</u> | <u>13.7 %</u>      |

|                                      | 2021              | Effective Tax Rate |
|--------------------------------------|-------------------|--------------------|
| Provision computed at statutory rate | \$ 440,858        | 21.0 %             |
| Dividends received deduction         | (29,027)          | -1.4 %             |
| Other                                | (198)             | -0.0 %             |
| Total                                | <u>\$ 411,633</u> | <u>19.6 %</u>      |

|                                     | 2021              | Effective Tax Rate |
|-------------------------------------|-------------------|--------------------|
| Federal income taxes incurred       | \$ 284,194        | 13.5 %             |
| Realized capital gains/losses tax   | 184,992           | 8.8 %              |
| Change in net deferred income taxes | (57,553)          | -2.7 %             |
| Total statutory income taxes        | <u>\$ 411,633</u> | <u>19.6 %</u>      |

## E. Operating Loss and Tax Credit Carryforwards

(1) Unused loss carryforwards available - Not Applicable

(2) Income tax expense available for recoupment

The following are income taxes incurred in the prior years that will be available for recoupment in the event of future losses:

|      | Total      |
|------|------------|
| 2021 | \$ 466,961 |
| 2022 | \$ 77,672  |

(3) Deposits admitted under IRS Code Section 6603 - Not Applicable

F. Consolidated Federal Income Tax Return - Not Applicable

G. Federal or Foreign Income Tax Loss Contingencies - Not Applicable

H. Repatriation Transition Tax (RTT) - Not Applicable

I. Alternative Minimum Tax (AMT) Credit - Not Applicable

## Notes to the Financial Statements

### 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. The Company, which is licensed as a property and casualty insurance company domiciled in the State of Rhode Island, offers homeowner's and automobile insurance to members of AAA Northeast. The Company is 50% owned by AAA Northeast Holding, Inc. (ANEH) and 50% owned by Interinsurance Exchange of the Automobile Club (the Exchange). The Exchange is deemed to be indirectly controlled by Automobile Club of Southern California (ACSC). ACSC is a nonprofit mutual benefit corporation incorporated in the State of California. ANEH and ACSC are, accordingly, each an ultimate controlling person of the Company under insurance holding company system laws.
- B. Detail of Related Party Transactions - Not Applicable
- C. Transactions With Related Party Who Are Not Reported on Schedule Y - Not Applicable
- D. At December 31, 2022, the Company reported \$2,131,503 as the net amount due to various affiliates. As per written agreement, the terms of these settlements among the affiliates are within 60 days.
- E. The Company has administrative services agreements with the Exchange and ANEH which provide the services necessary to maintain the Company's operations as well as provide marketing and distribution services.
- F. Guarantees or Contingencies - Not Applicable
- G. Nature of Relationships that Could Affect Operations - Not Applicable
- H. Amount Deducted for Investment in Upstream Company - Not Applicable
- I. Detail of Investments in Affiliates Greater Than 10% of Admitted Assets - Not Applicable
- J. Write-Down for Impairments of Investments in Subsidiary Controlled or Affiliated Companies - Not Applicable
- K. Foreign Subsidiary Value Using CARVM - Not Applicable
- L. Downstream Holding Company Value Using Look-Through Method - Not Applicable
- M. All SCA Investments - Not Applicable
- N. Investment in Insurance SCAs - Not Applicable
- O. SCA and SSAP No. 48 Entity Loss Tracking - Not Applicable

### 11. Debt - Not Applicable

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans - Not Applicable

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

- A. The Company has 5,000 Class A and 5,000 Class B no par value common shares authorized of which 50 Class A and 50 Class B shares are issued and outstanding as of December 31, 2022
- B. Dividend Rate of Preferred Stock - Not Applicable
- C. Dividends on common stock are paid as declared by the Board of Directors of the Company.
- D. Ordinary Dividends - Not Applicable
- E. Under the insurance regulations of Rhode Island, the maximum amount of dividends that the Company may pay to shareholders in a twelve month period is limited to the lesser of 10% of the most recent year-end policyholders' surplus or the net income for that same year excluding realized capital gains.
- F. Surplus Restrictions - Not Applicable
- G. Surplus Advances - Not Applicable
- H. Stock Held for Special Purposes - Not Applicable
- I. Changes in Special Surplus Funds - Not Applicable
- J. Unassigned Funds (Surplus)  
The portion of unassigned funds represented by cumulative unrealized capital gains is \$13,187,540, less applicable deferred taxes of \$2,769,383, for a net balance of \$10,418,157.
- K. Company-Issued Surplus Debentures or Similar Obligations - Not Applicable
- L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - Not Applicable
- M. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - Not Applicable

### 14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments - Not Applicable
- B. Assessments - Not Applicable
- C. Gain Contingencies - Not Applicable
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - Not Applicable
- E. Product Warranties - Not Applicable
- F. Joint and Several Liabilities - Not Applicable

## Notes to the Financial Statements

### 14. Liabilities, Contingencies and Assessments (Continued)

#### G. All Other Contingencies

The Company is a defendant in various lawsuits, which are incidental to its operations. In some of these actions, plaintiffs assert claims for punitive damages. The Company intends to vigorously defend these actions. Litigation, by its very nature, is unpredictable and the outcome of these cases is uncertain. Moreover, the Company is unable to predict the precise nature or the relief that may be sought in any lawsuits that may be filed against it in the future. The Company has accrued an estimated amount for material cases, if any, as of December 31, 2022 as to which an unfavorable outcome is probable. Management does not expect the ultimate disposition of the remaining lawsuits to result in any material liability and accordingly, no provision has been made in the accompanying financial statements for those lawsuits.

### 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 - 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/Third Party Administrators - Not Applicable

### 20. Fair Value Measurements

#### A. Fair Value Measurement

##### (1) Fair value measurements at reporting date

| Description for each class of asset or liability | Level 1              | Level 2     | Level 3     | Net Asset Value (NAV) | Total                |
|--|----------------------|-------------|-------------|-----------------------|----------------------|
| <b>a. Assets at fair value</b>                   |                      |             |             |                       |                      |
| Bonds - industrial and miscellaneous             | \$ -                 | \$ -        | \$ -        | \$ -                  | \$ -                 |
| Common stock - industrial and miscellaneous      | 10,783,507           | -           | -           | -                     | 10,783,507           |
| Common stock - mutual funds                      | 24,334,466           | -           | -           | -                     | 24,334,466           |
| Total assets at fair value/NAV                   | <u>\$ 35,117,973</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u>           | <u>\$ 35,117,973</u> |
| <b>b. Liabilities at fair value</b>              |                      |             |             |                       |                      |
|  | \$ -                 | \$ -        | \$ -        | \$ -                  | \$ -                 |
| Total liabilities at fair value                  | <u>\$ -</u>          | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u>           | <u>\$ -</u>          |

There were no transfers between Level 1 and Level 2.

##### (2) Fair value measurements in Level 3 of the fair value hierarchy - Not Applicable

(3) At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. The Company did not have any transfers into or out of Level 3 during 2022 and 2021.

(4) When quoted prices in active markets for identical assets are available, these quoted market prices are used to determine the fair value of financial assets and these assets are classified as Level 1, primarily common stocks and U.S. Treasuries. In other cases where a quoted market price for identical assets in an active market is either not available or not observable, fair value is estimated using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets would be classified as Level 2. If quoted market prices are not available, fair value is determined by using broker quotes or an internal analysis of each investment's financial statements and cash flow projections. In these instances, financial assets will be classified based upon the lowest level of input that is significant to the valuation.

##### (5) Derivatives - Not Applicable

#### B. Other Fair Value Disclosures - Not Applicable

#### C. Fair Values for All Financial Instruments by Level 1, 2 and 3

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | Level 1      | Level 2    | Level 3 | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|--------------|------------|---------|-----------------------|----------------------------------|
| Cash                         | \$ 1,676,271         | \$ 1,676,271    | \$ 1,676,271 | \$ -       | \$ -    | \$ -                  | \$ -                             |
| Cash equivalents             | 1,494,340            | 1,494,340       | 1,494,340    | -          | -       | -                     | -                                |
| Bonds                        | 29,712,114           | 33,850,963      | 10,834,792   | 18,877,322 | -       | -                     | -                                |
| Common stocks - unaffiliated | 35,117,973           | 35,117,973      | 35,117,973   | -          | -       | -                     | -                                |

#### D. Not Practicable to Estimate Fair Value - Not Applicable

#### E. Nature and Risk of Investments Reported at NAV - Not Applicable

### 21. Other Items

#### A. Unusual or Infrequent Items - Not Applicable

#### B. Troubled Debt Restructuring - Not Applicable

#### C. Other Disclosures - Not Applicable

#### D. Business Interruption Insurance Recoveries - Not Applicable

#### E. State Transferable and Non-Transferable Tax Credits - Not Applicable

## Notes to the Financial Statements

## 21. Other Items (Continued)

## F. Subprime-Mortgage-Related Risk Exposure

- (1) The Company does not specifically address subprime exposure in its investment guidelines; however, such exposure is limited, as follows: The Company's investment guidelines limit the amount of mortgage related securities in the investment portfolio and, within that limitation, the investments guidelines restrict mortgage related securities to highly rated securities. As a result, the Company's subprime exposure is relatively small as shown below. As of December 31, 2022, the Company has experienced unrealized losses due to price volatility, but has not experienced loss of income.
- (2) Direct exposure through investments in subprime mortgage loans - Not Applicable
- (3) Direct exposure through other investments

|   | Actual Cost | Book/Adjusted<br>Carrying Value<br>(Excluding<br>Interest) | Fair Value | Other-Than-<br>Temporary<br>Impairment Losses<br>Recognized |
|---|-------------|--|------------|---|
| a. Residential mortgage-backed securities | \$ -        | \$ -   | \$ -       | \$ -  |
| b. Commercial mortgage-backed securities  | -           | -  | -          | -   |
| c. Collateralized debt obligations        | -           | -  | -          | -   |
| d. Structured securities                  | 272,434     | 272,447  | 268,082    | -   |
| e. Equity investment in SCAs              | -           | -  | -          | -   |
| f. Other assets                           | -           | -  | -          | -   |
| g. Total (a+b+c+d+e+f)                    | \$ 272,434  | \$ 272,447   | \$ 268,082 | \$ -  |

\*The Company does not have any direct exposure through investments in SCAs.

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

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

- H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy - Not Applicable

## 22. Events Subsequent

Subsequent events have been considered through February 23, 2023 for the statutory statement available to be issued on February 23, 2023. The Company did not have any material recognizable subsequent events.

## 23. Reinsurance

## A. Unsecured Reinsurance Recoverables

The Company has an unsecured aggregate recoverable for losses and loss adjustment expenses paid and unpaid including IBNR and unearned premiums with the Exchange per Schedule F-Part 3.

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

Individual Reinsurers Who Are Members of a Group

| NAIC Group<br>Code | FEIN       | Reinsurer Name                                  | Unsecured Amount |
|--------------------|------------|---|------------------|
| 1318               | 95-0865765 | Inter-insurance Exchange of the Automobile Club | \$ 35,467,761    |

## B. Reinsurance Recoverable in Dispute - Not Applicable

## C. Reinsurance Assumed and Ceded

The Company has entered into a reinsurance agreement with Exchange under which Exchange will assume and reinsure a 100% quota share of the policies written by the Company.

In 2017, the Company terminated a travel insurance quota share reinsurance agreement with BCS Insurance Company to assume 100% of certain travel insurance risks. As of December 31, 2022, there are no policies in force or claims outstanding.

- (1) Maximum amount of return commission that would have been due reinsurers if all of the company's reinsurance was canceled or if the company's insurance assumed was canceled

|                                    | Assumed Reinsurance |                      | Ceded Reinsurance  |                      | Net                |                      |
|------------------------------------|---------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
|                                    | Premium<br>Reserve  | Commission<br>Equity | Premium<br>Reserve | Commission<br>Equity | Premium<br>Reserve | Commission<br>Equity |
| a. Affiliates                      | \$ -                | \$ -                 | \$ 28,174,309      | \$ -                 | \$ (28,174,309)    | \$ -                 |
| b. All other                       | -                   | -                    | -                  | -                    | -                  | -                    |
| c. Total (a+b)                     | \$ -                | \$ -                 | \$ 28,174,309      | \$ -                 | \$ (28,174,309)    | \$ -                 |
| d. Direct unearned premium reserve |                     |                      | \$ 28,174,309      |                      |                    |                      |

- (2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this statement as a result of existing contractual arrangements is accrued as follows: - Not Applicable

- (3) Risks attributed to each of the company's protected cells - Not Applicable

## D. Uncollectible Reinsurance - Not Applicable

## E. Commutation of Ceded Reinsurance - Not Applicable

## F. Retroactive Reinsurance - Not Applicable

## Notes to the Financial Statements

### 23. Reinsurance (Continued)

- G. Reinsurance Accounted for as a Deposit - Not Applicable
- H. Disclosures for the Transfer of Property and Casualty Run-Off Agreements - Not Applicable
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - Not Applicable
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation - Not Applicable
- K. Reinsurance Credit - Not Applicable

### 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company has not entered into any retrospectively rated reinsurance contracts.

- A. Method Used to Estimate - Not Applicable
- B. Method Used to Record - Not Applicable
- C. Amount and Percent of Net Retrospective Premiums - Not Applicable
- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act - Not Applicable
- E. Calculation of Nonadmitted Retrospective Premium - Not Applicable
- F. Risk-Sharing Provisions of the Affordable Care Act (ACA)

- (1) Accident and health insurance premium subject to the Affordable Care Act risk-sharing provisions

Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions?  
NO

- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year - Not Applicable
- (3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance - Not Applicable
- (4) Roll-forward of risk corridors asset and liability balances by program benefit year - Not Applicable
- (5) ACA risk corridors receivable as of reporting date - Not Applicable

### 25. Changes in Incurred Losses and Loss Adjustment Expenses

- A. Reasons for Changes in the Provision for Incurred Loss and Loss Adjustment Expenses Attributable to Insured Events of Prior Years

Current year changes in estimates of the costs of prior year losses and LAE affect the current year Statement of Income. Increases in those estimates increase current year expense and are referred to as unfavorable development or prior year reserve shortages. Decreases in those estimates decrease current year expense and are referred to as favorable development or prior year reserve redundancies. There were no significant changes during the year in estimated cost of loss and LAE attributed to insured events of prior year.

- B. Significant Changes in Methodologies and Assumptions Used in Calculating the Liability for Unpaid Losses and Loss Adjustment Expenses - Not Applicable

### 26. Intercompany Pooling Arrangements - Not Applicable

### 27. Structured Settlements - Not Applicable

### 28. Health Care Receivables - Not Applicable

### 29. Participating Policies - Not Applicable

### 30. Premium Deficiency Reserves

The Company has a 100% quota share agreement with the Exchange, which completed a premium deficiency reserve evaluation on January 28, 2023. As a result of the evaluation by the Exchange, no premium deficiency reserve was recorded as of December 31, 2022.

- |   |            |
|---|------------|
| 1. Liability carried for premium deficiency reserves:             | \$—        |
| 2. Date of the most recent evaluation of this liability:          | 01/28/2023 |
| 3. Was anticipated investment income utilized in the calculation? | NO         |

### 31. High Deductibles - Not Applicable

### 32. Discounting of Liabilities For Unpaid Losses or Unpaid Loss Adjustment Expenses - Not Applicable

### 33. Asbestos/Environmental Reserves - 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? ..... Yes [ X ] No [ ]  
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [ X ] No [ ] N/A [ ]
- 1.3 State Regulating? ..... RHODE ISLAND
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? ..... Yes [ ] No [ X ]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] 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. .... 12/31/2019
- 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. .... 12/31/2019
- 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). .... 01/25/2021
- 3.4 By what department or departments?  
STATE OF RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION - INSURANCE DIVISION .....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] N/A [ X ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [ ] N/A [ X ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? ..... Yes [ ] No [ X ]  
4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? ..... Yes [ X ] No [ ]  
4.22 renewals? ..... Yes [ X ] No [ ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]  
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 6.2 If yes, give full information: .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [ X ]
- 7.2 If yes,  
7.21 State the percentage of foreign control; ..... %  
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB 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 [ X ] No [ ]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company? ..... 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?  
ERNST & YOUNG LLP, 725 SOUTH FIGUEROA STREET, SUITE 500, LOS ANGELES, CA 90017 .....
- 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?  
JEFFREY N. FARR, VP & CHIEF ACTUARY  
AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA  
3333 FAIRVIEW ROAD, COSTA MESA, CA 92626 .....
- 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 [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
c. Compliance with applicable governmental laws, rules and regulations;  
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:  
.....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....



**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB INSURANCE COMPANY  
GENERAL INTERROGATORIES**

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? ..... Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

**BOARD OF DIRECTORS**

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

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers.....\$ .....
  - 20.12 To stockholders not officers.....\$ .....
  - 20.13 Trustees, supreme or grand (Fraternal Only) .....\$ .....
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers.....\$ .....
  - 20.22 To stockholders not officers.....\$ .....
  - 20.23 Trustees, supreme or grand (Fraternal Only) .....\$ .....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? ..... Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others.....\$ .....
  - 21.22 Borrowed from others.....\$ .....
  - 21.23 Leased from others .....\$ .....
  - 21.24 Other .....\$ .....
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? ..... Yes [ ] No [ X ]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ .....
  - 22.22 Amount paid as expenses .....\$ .....
  - 22.23 Other amounts paid .....\$ .....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ ] No [ X ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: .....\$ .....
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? ..... Yes [ ] No [ X ]
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

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

**INVESTMENT**

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

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB 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 ..... \$ .....
- 26.28 On deposit with states ..... \$ ..... 609,657
- 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 [ ]
- 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                          |
|--------------------------------|---|
| JPMORGAN CHASE BANK, N.A. .... | 1 CHASE MANHATTAN PLAZA, NEW YORK, NY 10005 ..... |

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB 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 [ ] No [ X ]  
 29.04 If yes, give full and complete information relating thereto:

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

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

| 1<br>Name of Firm or Individual                | 2<br>Affiliation |
|--|------------------|
| NEUBERGER BERMAN INVESTMENT ADVISERS LLC ..... | U.....           |
| WELLINGTON MANAGEMENT COMPANY LLP .....        | U.....           |

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

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [ ] 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 Depository Number | 2<br>Name of Firm or Individual                | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With | 5<br>Investment Management Agreement (IMA) Filed |
|---|--|------------------------------------|----------------------|--|
| 2908 .....                                  | NEUBERGER BERMAN INVESTMENT ADVISERS LLC ..... | PWDS3JJ631D5N70JXG61 .....         | SEC .....            | NO.....  |
| 106595 .....                                | WELLINGTON MANAGEMENT COMPANY LLP .....        | 549300YHP12TEZNLX41 .....          | SEC .....            | NO.....  |

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 [ X ] No [ ]

30.2 If yes, complete the following schedule:

| 1<br>CUSIP #      | 2<br>Name of Mutual Fund                    | 3<br>Book/Adjusted Carrying Value |
|-------------------|---|-----------------------------------|
| 922908-71-0 ..... | Vanguard Total Stk Mkt Indx S & P 500 ..... | 1,546,908 .....                   |
| 922908-80-1 ..... | Vanguard Total Stk Mkt Indx .....           | 16,758,148 .....                  |
| 552966-80-6 ..... | MFS Instl Intl Equity Fund .....            | 6,029,410 .....                   |
| 30.2999 - Total   |   | 24,334,466                        |

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

| 1<br>Name of Mutual Fund (from above table) | 2<br>Name of Significant Holding of the Mutual Fund | 3<br>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding | 4<br>Date of Valuation |
|---|---|---|------------------------|
| Vanguard Total Stk Mkt Indx S & P 500 ..... | Apple Inc. ....                                     | 93,124 .....  | 12/31/2022 ..          |
| Vanguard Total Stk Mkt Indx S & P 500 ..... | Microsoft Corp. ....                                | 85,699 .....  | 12/31/2022 ..          |
| Vanguard Total Stk Mkt Indx S & P 500 ..... | Amazon.com Inc. ....                                | 35,734 .....  | 12/31/2022 ..          |
| Vanguard Total Stk Mkt Indx S & P 500 ..... | Berkshire Hathaway Inc. Class B .....               | 26,762 .....  | 12/31/2022 ..          |
| Vanguard Total Stk Mkt Indx S & P 500 ..... | Alphabet Inc. Class A .....                         | 25,215 .....  | 12/31/2022 ..          |
| Vanguard Total Stk Mkt Indx .....           | Apple Inc. ....                                     | 861,369 .....   | 12/31/2022 ..          |
| Vanguard Total Stk Mkt Indx .....           | Microsoft Corp. ....                                | 784,281 .....   | 12/31/2022 ..          |
| Vanguard Total Stk Mkt Indx .....           | Amazon.com Inc. ....                                | 320,081 .....   | 12/31/2022 ..          |
| Vanguard Total Stk Mkt Indx .....           | Alphabet Inc. Class A .....                         | 231,262 .....   | 12/31/2022 ..          |
| Vanguard Total Stk Mkt Indx .....           | Berkshire Hathaway Inc. Class B .....               | 227,911 .....   | 12/31/2022 ..          |
| MFS Instl Intl Equity Fund .....            | Nestle SA .....                                     | 219,471 .....   | 12/31/2022 ..          |
| MFS Instl Intl Equity Fund .....            | Roche Holding AG .....                              | 179,073 .....   | 12/31/2022 ..          |
| MFS Instl Intl Equity Fund .....            | Schneider Electric SE .....                         | 177,265 .....   | 12/31/2022 ..          |
| MFS Instl Intl Equity Fund .....            | Air Liquide SA .....                                | 161,588 .....   | 12/31/2022 ..          |
| MFS Instl Intl Equity Fund .....            | LVMH Moet Hennessy Louis Vuitton SE .....           | 151,338 .....   | 12/31/2022 ..          |

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB 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 .....            | 33,850,963                    | 29,712,114 | (4,138,849)  |
| 31.2 Preferred stocks ..... |                               |            |  |
| 31.3 Totals                 | 33,850,963                    | 29,712,114 | (4,138,849)  |

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

MARKET PRICES ARE OBTAINED FROM OUR CUSTODIAN, JPMORGAN .....

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

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

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

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

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

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

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

Has the reporting entity self-designated 5GI securities? ..... Yes [ ] No [ X ]

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

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

Has the reporting entity self-designated PLGI securities? ..... Yes [ ] No [ X ]

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

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? ..... Yes [ ] No [ X ]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? ..... Yes [ ] No [ ] N/A [ X ]

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB INSURANCE COMPANY**  
**GENERAL INTERROGATORIES**

38.1 Does the reporting entity directly hold cryptocurrencies? ..... Yes [ ] No [ X ]

38.2 If the response to 38.1 is yes, on what schedule are they reported?  
 .....

39.1 Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies? ..... Yes [ ] No [ X ]

39.2 If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?  
 39.21 Held directly ..... Yes [ ] No [ ]  
 39.22 Immediately converted to U.S. dollars ..... Yes [ ] No [ ]

39.3 If the response to 38.1 or 39.1 is yes, list all cryptocurrencies accepted for payments of premiums or that are held directly.

| 1                      | 2  | 3                                      |
|------------------------|--|--|
| Name of Cryptocurrency | Immediately<br>Converted to USD,<br>Directly Held, or Both | Accepted for<br>Payment of<br>Premiums |
|                        |  |  |

**OTHER**

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

40.2 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    | 2           |
|------|-------------|
| Name | Amount Paid |
|      |             |

41.1 Amount of payments for legal expenses, if any? ..... \$ .....

41.2 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    | 2           |
|------|-------------|
| Name | Amount Paid |
|      |             |

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

42.2 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    | 2           |
|------|-------------|
| Name | Amount Paid |
|      |             |

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB 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<br>Current Year | 2<br>Prior Year |
|-----------------------------------|-------------------|-----------------|
| 2.1 Premium Numerator .....       |                   |                 |
| 2.2 Premium Denominator .....     |                   |                 |
| 2.3 Premium Ratio (2.1/2.2) ..... | 0.000             | 0.000           |
| 2.4 Reserve Numerator .....       |                   |                 |
| 2.5 Reserve Denominator .....     |                   |                 |
| 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  
 .....

# 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?  
 NONE - WORKERS' COMPENSATION IS NOT WRITTEN EXCEPT INCIDENTAL TO HOMEOWNERS MULTI-PERIL POLICY. ....
- 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 or concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.  
 THE COMPANY USES AN OUTSIDE CONSULTING FIRM TO ESTIMATE PROBABLE MAXIMUM LOSS. THE TYPE OF INSURED EXPOSURES ARE COMPRISED OF HOMEOWNERS MULTI-PERIL AND ARE CONCENTRATED PRIMARILY IN SOUTHERN CALIFORNIA. ....
- 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?  
 CATASTROPHIC REINSURANCE AND MANAGEMENT ALSO ACTIVELY MONITORS RISK EXPOSURES. ....
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? ..... Yes [ X ] No [ ]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.  
 .....
- 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 cap, an aggregate limit or any similar provisions)?..... Yes [ ] No [ X ]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions: .....
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?..... Yes [ ] No [ ]
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? ..... Yes [ ] No [ X ]
- 8.2 If yes, give full information  
 .....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
 (c) Aggregate stop loss reinsurance coverage;  
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. .... Yes [ ] No [ X ]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. .... Yes [ ] No [ X ]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 36 of SSAP No. 62R - Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? ..... Yes [ ] No [ X ]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
 (a) The entity does not utilize reinsurance; or, ..... Yes [ ] No [ X ]  
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or ..... Yes [ X ] No [ ]  
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. .... Yes [ ] No [ X ]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? ..... Yes [ ] No [ ] N/A [ X ]

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? ..... Yes [ ] No [ X ]
- 11.2 If yes, give full information  
.....
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses ..... \$ .....
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) ..... \$ .....
- 12.2 Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral and other funds ..... \$ .....
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? ..... Yes [ ] No [ ] N/A [ X ]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From ..... %
- 12.42 To..... %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? ..... Yes [ ] No [ X ]
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- 12.61 Letters of credit ..... \$ .....
- 12.62 Collateral and other funds..... \$ .....
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): ..... \$ .....
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? ..... Yes [ ] No [ X ]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. ....
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? ..... Yes [ ] No [ X ]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
.....
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? ..... Yes [ ] No [ ]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? ..... Yes [ ] No [ ]
- 14.5 If the answer to 14.4 is no, please explain:  
.....
- 15.1 Has the reporting entity guaranteed any financed premium accounts? ..... Yes [ ] No [ X ]
- 15.2 If yes, give full information  
.....
- 16.1 Does the reporting entity write any warranty business? ..... Yes [ ] No [ X ]  
If yes, disclose the following information for each of the following types of warranty coverage:

|                        | 1<br>Direct Losses<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:  
.....



## GENERAL INTERROGATORIES

### PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance ..... \$ .....  
 17.12 Unfunded portion of Interrogatory 17.11 ..... \$ .....  
 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11... \$ .....  
 17.14 Case reserves portion of Interrogatory 17.11 ..... \$ .....  
 17.15 Incurred but not reported portion of Interrogatory 17.11 ..... \$ .....  
 17.16 Unearned premium portion of Interrogatory 17.11 ..... \$ .....  
 17.17 Contingent commission portion of Interrogatory 17.11 ..... \$ .....

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

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB 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>2022  | 2<br>2021  | 3<br>2020  | 4<br>2019  | 5<br>2018  |
|---|------------|------------|------------|------------|------------|
| <b>Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 &amp; 3)</b>  |            |            |            |            |            |
| 1. Liability lines (Lines 11, 16, 17, 18 & 19) .....  | 29,942,376 | 18,096,889 | 14,814,263 | 13,858,953 | 1,489,103  |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....  | 14,998,901 | 9,928,672  | 7,989,174  | 7,423,054  | 765,873    |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....  | 18,665,743 | 10,752,280 | 9,642,200  | 8,643,094  | 1,665,052  |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....   |            |            |            |            | 181        |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....  |            |            |            |            |            |
| 6. Total (Line 35) .....  | 63,607,020 | 38,777,841 | 32,445,637 | 29,925,101 | 3,920,209  |
| <b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>   |            |            |            |            |            |
| 7. Liability lines (Lines 11, 16, 17, 18 & 19) .....  |            |            |            |            |            |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....  |            |            |            | 448        | 2,985      |
| 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) .....  |            |            |            |            | 181        |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....   |            |            |            |            |            |
| 12. Total (Line 35) .....   |            |            |            | 448        | 3,166      |
| <b>Statement of Income (Page 4)</b>   |            |            |            |            |            |
| 13. Net underwriting gain (loss) (Line 8) .....   |            |            | 101        | 5,853      | (69,975)   |
| 14. Net investment gain (loss) (Line 11) .....  | 599,559    | 1,914,334  | 1,810,433  | 1,647,102  | 2,401,281  |
| 15. Total other income (Line 15) .....  |            |            |            |            |            |
| 16. Dividends to policyholders (Line 17) .....  |            |            |            |            |            |
| 17. Federal and foreign income taxes incurred (Line 19) .....   | 238,606    | 284,194    | 229,620    | 307,459    | 234,340    |
| 18. Net income (Line 20) .....  | 360,953    | 1,630,140  | 1,580,914  | 1,345,496  | 2,096,966  |
| <b>Balance Sheet Lines (Pages 2 and 3)</b>  |            |            |            |            |            |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) .....   | 87,701,375 | 84,744,970 | 75,729,028 | 66,887,248 | 54,371,897 |
| 20. Premiums and considerations (Page 2, Col. 3)  |            |            |            |            |            |
| 20.1 In course of collection (Line 15.1) .....  | 398,675    | 145,100    | 262,955    | 215,700    | 72,859     |
| 20.2 Deferred and not yet due (Line 15.2) .....   | 11,459,043 | 4,287,623  | 3,649,529  | 3,114,052  | 707,171    |
| 20.3 Accrued retrospective premiums (Line 15.3) .....   |            |            |            |            |            |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26) .....   | 23,848,385 | 14,630,142 | 12,289,888 | 9,431,129  | 3,397,072  |
| 22. Losses (Page 3, Line 1) .....   |            |            |            | 96         | 5,660      |
| 23. Loss adjustment expenses (Page 3, Line 3) .....   |            |            |            | 5          | 283        |
| 24. Unearned premiums (Page 3, Line 9) .....  |            |            |            |            | 2,130      |
| 25. Capital paid up (Page 3, Lines 30 & 31) .....   | 1,620,000  | 1,620,000  | 1,620,000  | 1,620,000  | 1,620,000  |
| 26. Surplus as regards policyholders (Page 3, Line 37) .....  | 63,852,990 | 70,114,828 | 63,439,140 | 57,456,119 | 50,974,825 |
| <b>Cash Flow (Page 5)</b>   |            |            |            |            |            |
| 27. Net cash from operations (Line 11) .....  | 2,959,746  | 972,634    | 1,309,773  | 1,562,354  | 1,889,040  |
| <b>Risk-Based Capital Analysis</b>  |            |            |            |            |            |
| 28. Total adjusted capital .....  | 63,852,990 | 70,114,828 | 63,439,140 | 57,456,119 | 50,974,825 |
| 29. Authorized control level risk-based capital .....   | 4,710,605  | 6,002,072  | 5,032,415  | 4,246,115  | 3,238,951  |
| <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) .....  | 46.9       | 43.6       | 45.8       | 48.1       | 51.6       |
| 31. Stocks (Lines 2.1 & 2.2) .....  | 48.7       | 56.0       | 52.4       | 50.4       | 45.4       |
| 32. Mortgage loans on real estate (Lines 3.1 and 3.2) .....   |            |            |            |            |            |
| 33. Real estate (Lines 4.1, 4.2 & 4.3) .....  |            |            |            |            |            |
| 34. Cash, cash equivalents and short-term investments (Line 5) .....  | 4.4        | 0.3        | 1.7        | 1.6        | 3.0        |
| 35. Contract loans (Line 6) .....   |            |            |            |            |            |
| 36. Derivatives (Line 7) .....  |            |            |            |            |            |
| 37. Other invested assets (Line 8) .....  |            |            |            |            |            |
| 38. Receivables for securities (Line 9) .....   | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 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) .....   |            |            |            |            |            |
| 45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10) .....   |            |            |            |            |            |
| 46. Affiliated mortgage loans on real estate .....  |            |            |            |            |            |
| 47. All other affiliated .....  |            |            |            |            |            |
| 48. Total of above Lines 42 to 47 .....   |            |            |            |            |            |
| 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) |            |            |            |            |            |

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE MOTOR CLUB INSURANCE COMPANY

**FIVE-YEAR HISTORICAL DATA**

(Continued)

|  | 1<br>2022   | 2<br>2021  | 3<br>2020  | 4<br>2019 | 5<br>2018   |
|--|-------------|------------|------------|-----------|-------------|
| <b>Capital and Surplus Accounts (Page 4)</b>   |             |            |            |           |             |
| 51. Net unrealized capital gains (losses) (Line 24) .....  | (6,678,852) | 5,102,868  | 4,487,073  | 5,179,229 | (2,946,931) |
| 52. Dividends to stockholders (Line 35) .....  |             |            |            |           |             |
| 53. Change in surplus as regards policyholders for the year (Line 38) .....  | (6,261,837) | 6,675,688  | 5,983,021  | 6,481,294 | (655,714)   |
| <b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>   |             |            |            |           |             |
| 54. Liability lines (Lines 11, 16, 17, 18 & 19) .....  | 10,775,712  | 8,025,781  | 5,726,989  | 2,540,035 | 92,169      |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....  | 9,235,248   | 6,318,539  | 4,357,512  | 4,062,982 | 468,273     |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....  | 7,903,900   | 5,368,305  | 3,907,385  | 1,715,380 | 64,423      |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....   |             |            |            |           | 24,165      |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....  |             |            |            |           |             |
| 59. Total (Line 35) .....  | 27,914,860  | 19,712,625 | 13,991,886 | 8,318,397 | 649,030     |
| <b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>  |             |            |            |           |             |
| 60. Liability lines (Lines 11, 16, 17, 18 & 19) .....  |             |            |            |           |             |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....  |             |            |            | 718       | 243,469     |
| 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) .....   |             |            |            |           | 24,165      |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....  |             |            |            |           |             |
| 65. Total (Line 35) .....  |             |            |            | 718       | 267,634     |
| <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) .....   |             |            |            | (188.0)   | 115.0       |
| 68. Loss expenses incurred (Line 3) .....  |             |            |            | (9.4)     | 4.0         |
| 69. Other underwriting expenses incurred (Line 4) .....  |             |            |            | 70.3      | 44.3        |
| 70. Net underwriting gain (loss) (Line 8) .....  |             |            |            | 227.0     | (63.3)      |
| <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) .....   |             |            |            | 404.7     | 1,547.5     |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....   |             |            |            | (197.4)   | 119.0       |
| 73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0) .....   |             |            |            | 0.0       | 0.0         |
| <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) .....   |             |            | 0          | (6)       | 439         |
| 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).....                  |             |            | 0.0        | 0.0       | 0.9         |
| <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) .....                       |             | 0          | (9)        | 439       | (4,794)     |
| 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) ..... |             | 0.0        | 0.0        | 0.8       | (10.2)      |

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 2022 OF THE MOTOR CLUB INSURANCE COMPANY  
**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**  
**SCHEDULE P - PART 1 - SUMMARY**

(\$000 OMITTED)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                  | Loss and Loss Expense Payments |        |                                       |       |                              |       | 12<br>Number of Claims Reported Direct and Assumed |  |   |
|--|-------------------------|------------|------------------|--------------------------------|--------|---------------------------------------|-------|------------------------------|-------|--|--|---|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (1 - 2) | Loss Payments                  |        | Defense and Cost Containment Payments |       | Adjusting and Other Payments |       |  | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9) |
|  |                         |            |                  | 4                              | 5      | 6                                     | 7     | 8                            | 9     |  |  |   |
|  |                         |            |                  | Direct and Assumed             | Ceded  | Direct and Assumed                    | Ceded | Direct and Assumed           | Ceded |  |  |   |
| 1. Prior.....  | XXX                     | XXX        | XXX              |                                |        |                                       |       |                              |       |  | XXX                                    |   |
| 2. 2013.....   |                         |            |                  |                                |        |                                       |       |                              |       |  | XXX                                    |   |
| 3. 2014.....   | 3                       |            | 3                | 2                              |        |                                       |       |                              |       |  | XXX                                    |   |
| 4. 2015.....   | 13                      |            | 13               | 12                             |        |                                       |       | 1                            |       |  | 13                                     |   |
| 5. 2016.....   | 1,636                   |            | 1,636            | 792                            |        |                                       |       | 40                           |       |  | 832                                    |   |
| 6. 2017.....   | 1,473                   |            | 1,473            | 5,566                          |        | 612                                   |       | 44                           |       | 1  | 6,223                                  |   |
| 7. 2018.....   | 1,613                   | 1,503      | 111              | 867                            | 731    | 12                                    | 5     | 145                          | 145   | 100  | 143                                    |   |
| 8. 2019.....   | 21,642                  | 21,640     | 3                | 13,177                         | 13,177 | 180                                   | 180   | 1,216                        | 1,216 | 1,585  |  |   |
| 9. 2020.....   | 31,476                  | 31,476     |                  | 15,962                         | 15,962 | 268                                   | 268   | 1,543                        | 1,543 | 1,638  |  |   |
| 10. 2021.....  | 37,503                  | 37,503     |                  | 19,439                         | 19,439 | 167                                   | 167   | 1,764                        | 1,764 | 2,044  |  |   |
| 11. 2022.....  | 48,376                  | 48,376     |                  | 21,010                         | 21,010 | 94                                    | 94    | 1,880                        | 1,880 | 1,164  |  |   |
| 12. Totals   | XXX                     | XXX        | XXX              | 76,827                         | 70,318 | 1,334                                 | 714   | 6,632                        | 6,547 | 6,532  | 7,213                                  |   |

|               | Losses Unpaid      |       |                    |       | Defense and Cost Containment Unpaid |       |                    |       | Adjusting and Other Unpaid |       | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding Direct and Assumed |
|---------------|--------------------|-------|--------------------|-------|-------------------------------------|-------|--------------------|-------|----------------------------|-------|---|--|---|
|               | Case Basis         |       | Bulk + IBNR        |       | Case Basis                          |       | Bulk + IBNR        |       | Adjusting and Other Unpaid |       |   |  |   |
|               | 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..... |                    |       |                    |       |                                     |       |                    |       |                            |       |   |  | XXX   |
| 2. 2013.....  |                    |       |                    |       |                                     |       |                    |       |                            |       |   |  | XXX   |
| 3. 2014.....  |                    |       |                    |       |                                     |       |                    |       |                            |       |   |  | XXX   |
| 4. 2015.....  |                    |       |                    |       |                                     |       |                    |       |                            |       |   |  | XXX   |
| 5. 2016.....  |                    |       |                    |       |                                     |       |                    |       |                            |       |   |  | XXX   |
| 6. 2017.....  |                    |       |                    |       |                                     |       |                    |       |                            |       |   |  | XXX   |
| 7. 2018.....  | 75                 | 75    | 2                  | 2     |                                     | 9     | 9                  | 2     | 2                          |       |   |  | XXX   |
| 8. 2019.....  | 131                | 131   | 175                | 175   |                                     | 96    | 96                 | 14    | 14                         |       |   |  | XXX   |
| 9. 2020.....  | 559                | 559   | 482                | 482   |                                     | 157   | 157                | 61    | 61                         | 1     |   |  | XXX   |
| 10. 2021..... | 2,030              | 2,030 | 1,459              | 1,459 |                                     | 292   | 292                | 190   | 190                        | 27    |   |  | XXX   |
| 11. 2022..... | 6,837              | 6,837 | 6,079              | 6,079 |                                     | 884   | 884                | 1,187 | 1,187                      | 1,497 |   |  | XXX   |
| 12. Totals    | 9,632              | 9,632 | 8,197              | 8,197 |                                     | 1,438 | 1,438              | 1,454 | 1,454                      | 1,525 |   |  | 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. 2013.....  |   |        |       |   |       |       |                     |              |  |   |                      |
| 3. 2014.....  | 2                                       |        | 2     | 66.7  |       | 66.7  |                     |              |  |   |                      |
| 4. 2015.....  | 13                                      |        | 13    | 100.0   |       | 100.0 |                     |              |  |   |                      |
| 5. 2016.....  | 832                                     |        | 832   | 50.9  |       | 50.9  |                     |              |  |   |                      |
| 6. 2017.....  | 6,223                                   |        | 6,223 | 422.5   |       | 422.5 |                     |              |  |   |                      |
| 7. 2018.....  | 1,111                                   | 968    | 143   | 68.9  | 64.4  | 129.3 |                     |              |  |   |                      |
| 8. 2019.....  | 14,988                                  | 14,988 |       | 69.3  | 69.3  |       |                     |              |  |   |                      |
| 9. 2020.....  | 19,033                                  | 19,033 |       | 60.5  | 60.5  |       |                     |              |  |   |                      |
| 10. 2021..... | 25,340                                  | 25,340 |       | 67.6  | 67.6  |       |                     |              |  |   |                      |
| 11. 2022..... | 37,972                                  | 37,972 |       | 78.5  | 78.5  |       |                     |              |  |   |                      |
| 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 2022 OF THE MOTOR CLUB INSURANCE COMPANY

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

| States, Etc.   | 1<br>Active Status (a) | Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken |                             | 4<br>Dividends Paid or Credited to Policyholders on Direct Business | 5<br>Direct Losses Paid (Deducting Salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Finance and Service Charges Not Included in Premiums | 9<br>Direct Premiums Written for Federal Purchasing Groups (Included in Column 2) |
|--|------------------------|---|-----------------------------|---|---|-----------------------------|---------------------------|---|---|
|  |                        | 2<br>Direct Premiums Written  | 3<br>Direct Premiums Earned |   |   |                             |                           |   |   |
| 1. Alabama   | AL                     | N   |                             |   |   |                             |                           |   |   |
| 2. Alaska  | AK                     | N   |                             |   |   |                             |                           |   |   |
| 3. Arizona   | AZ                     | N   |                             |   |   |                             |                           |   |   |
| 4. Arkansas  | AR                     | N   |                             |   |   |                             |                           |   |   |
| 5. California  | CA                     | N   |                             |   |   |                             |                           |   |   |
| 6. Colorado  | CO                     | N   |                             |   |   |                             |                           |   |   |
| 7. Connecticut   | CT                     | L   | 20,202,205                  | 7,008,365   | 2,251,715                                   | 4,810,547                   | 2,562,825                 | 62,169  |   |
| 8. Delaware  | DE                     | N   |                             |   |   |                             |                           |   |   |
| 9. District of Columbia  | DC                     | N   |                             |   |   |                             |                           |   |   |
| 10. Florida  | FL                     | N   |                             |   |   |                             |                           |   |   |
| 11. Georgia  | GA                     | N   |                             |   |   |                             |                           |   |   |
| 12. Hawaii   | HI                     | N   |                             |   |   |                             |                           |   |   |
| 13. Idaho  | ID                     | N   |                             |   |   |                             |                           |   |   |
| 14. Illinois   | IL                     | N   |                             |   |   |                             |                           |   |   |
| 15. Indiana  | IN                     | N   |                             |   |   |                             |                           |   |   |
| 16. Iowa   | IA                     | N   |                             |   |   |                             |                           |   |   |
| 17. Kansas   | KS                     | N   |                             |   |   |                             |                           |   |   |
| 18. Kentucky   | KY                     | N   |                             |   |   |                             |                           |   |   |
| 19. Louisiana  | LA                     | N   |                             |   |   |                             |                           |   |   |
| 20. Maine  | ME                     | N   |                             |   |   |                             |                           |   |   |
| 21. Maryland   | MD                     | N   |                             |   |   |                             |                           |   |   |
| 22. Massachusetts  | MA                     | N   |                             |   |   |                             |                           |   |   |
| 23. Michigan   | MI                     | N   |                             |   |   |                             |                           |   |   |
| 24. Minnesota  | MN                     | N   |                             |   |   |                             |                           |   |   |
| 25. Mississippi  | MS                     | N   |                             |   |   |                             |                           |   |   |
| 26. Missouri   | MO                     | N   |                             |   |   |                             |                           |   |   |
| 27. Montana  | MT                     | N   |                             |   |   |                             |                           |   |   |
| 28. Nebraska   | NE                     | N   |                             |   |   |                             |                           |   |   |
| 29. Nevada   | NV                     | N   |                             |   |   |                             |                           |   |   |
| 30. New Hampshire  | NH                     | N   |                             |   |   |                             |                           |   |   |
| 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                     | N   |                             |   |   |                             |                           |   |   |
| 37. Oklahoma   | OK                     | N   |                             |   |   |                             |                           |   |   |
| 38. Oregon   | OR                     | N   |                             |   |   |                             |                           |   |   |
| 39. Pennsylvania   | PA                     | N   |                             |   |   |                             |                           |   |   |
| 40. Rhode Island   | RI                     | L   | 43,404,815                  | 41,367,740  | 25,663,145                                  | 27,308,882                  | 15,266,595                | 207,399   |   |
| 41. South Carolina   | SC                     | N   |                             |   |   |                             |                           |   |   |
| 42. South Dakota   | SD                     | N   |                             |   |   |                             |                           |   |   |
| 43. Tennessee  | TN                     | N   |                             |   |   |                             |                           |   |   |
| 44. Texas  | TX                     | N   |                             |   |   |                             |                           |   |   |
| 45. Utah   | UT                     | N   |                             |   |   |                             |                           |   |   |
| 46. Vermont  | VT                     | N   |                             |   |   |                             |                           |   |   |
| 47. Virginia   | VA                     | N   |                             |   |   |                             |                           |   |   |
| 48. Washington   | WA                     | N   |                             |   |   |                             |                           |   |   |
| 49. West Virginia  | WV                     | N   |                             |   |   |                             |                           |   |   |
| 50. Wisconsin  | WI                     | N   |                             |   |   |                             |                           |   |   |
| 51. Wyoming  | WY                     | N   |                             |   |   |                             |                           |   |   |
| 52. American Samoa   | AS                     | N   |                             |   |   |                             |                           |   |   |
| 53. Guam   | GU                     | N   |                             |   |   |                             |                           |   |   |
| 54. Puerto Rico  | PR                     | N   |                             |   |   |                             |                           |   |   |
| 55. U.S. Virgin Islands  | VI                     | N   |                             |   |   |                             |                           |   |   |
| 56. Northern Mariana Islands   | MP                     | N   |                             |   |   |                             |                           |   |   |
| 57. Canada   | CAN                    | N   |                             |   |   |                             |                           |   |   |
| 58. Aggregate other alien  | OT                     | XXX   |                             |   |   |                             |                           |   |   |
| 59. Totals   | XXX                    |   | 63,607,020                  | 48,376,105  | 27,914,860                                  | 32,119,429                  | 17,829,420                | 269,568   |   |
| 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:

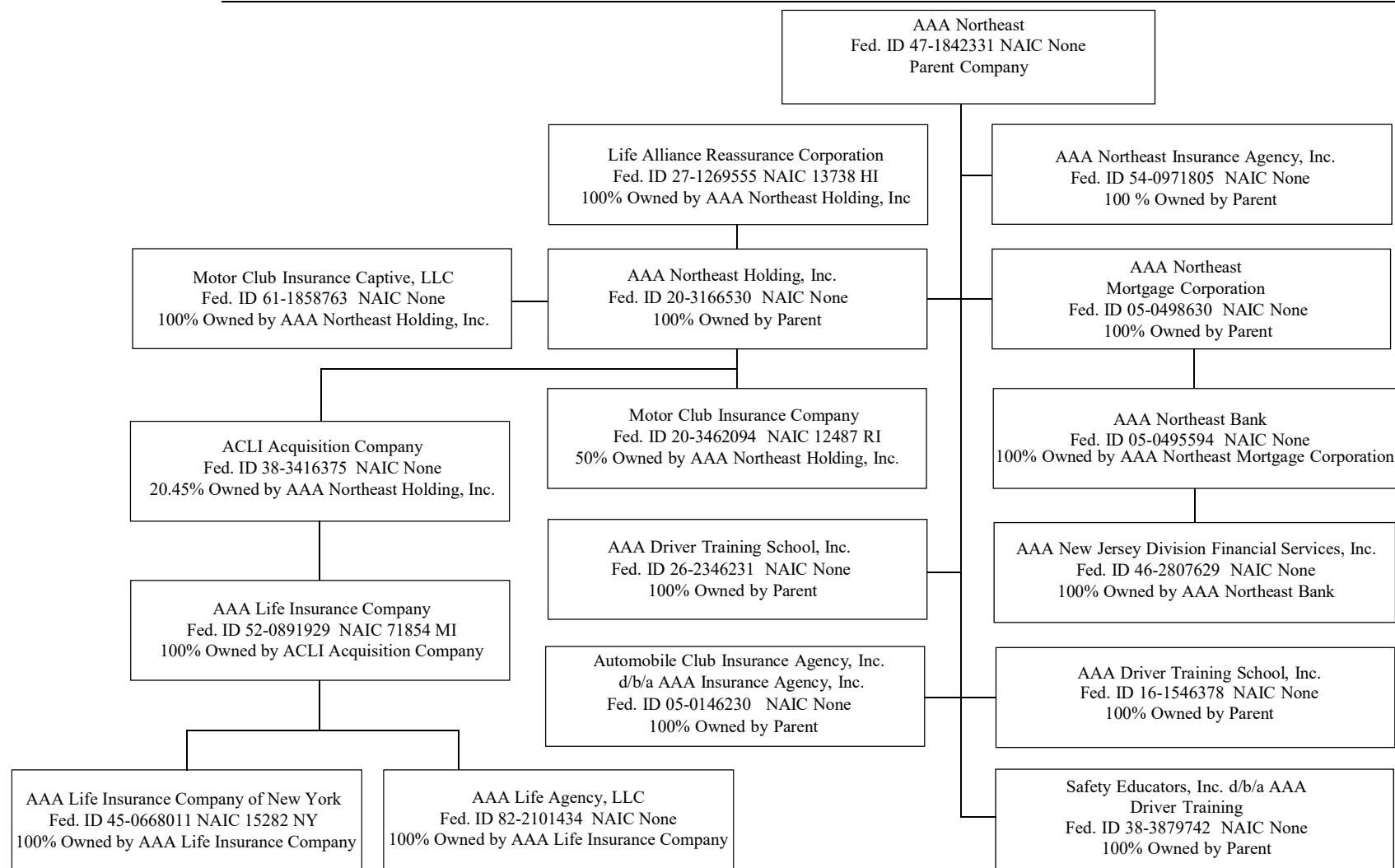
- 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 2
- 2. R - Registered - Non-domiciled RRGs.....
- 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI).....
- 4. Q - Qualified - Qualified or accredited reinsurer.....
- 5. D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile.....
- 6. N - None of the above - Not allowed to write business in the state..... 55

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

Allocated by location of risk

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

PART 1 – ORGANIZATIONAL CHART







LIST OF ADDITIONAL SUBSIDIARIES/AFFILIATED COMPANIES

**PARENT/CONTROLLING COMPANY**

**SUBSIDIARY/AFFILIATE**

Auto Club Services, LLC

Automobile Club of Hawaii, Inc. (HI; FEIN N/A)  
 Automobile Club of New Mexico, Inc. (NM; FEIN N/A)  
 Automobile Club of Texas, Inc. (TX; FEIN 01-1855420)

AAA East Central

AAA East Central Insurance Agency, Inc. (PA; FEIN 25-0951930)  
 Auto Club Driving Schools, Inc. (PA; FEIN 25-1846506)  
 The Ashland County Automobile Club (OH; FEIN 34-0074310)  
 The Massillon Automobile Club (OH; FEIN 34-0383238)

AAA New Mexico, LLC

All-City Towing, Inc. (NM; FEIN 85-0267099)

AAA Northern New England

AAA Car Care Center (ME; FEIN 01-0518954)  
 AAA Driving School, Inc. (ME; FEIN 54-2106828)  
 AAA Northern New England Insurance (ME; FEIN 01-0022895)  
 Hewins Travel LLC (ME; FEIN N/A)  
 Triple A Leasing (ME; FEIN 01-0411376)

Automobile Club of Missouri

AAA Arkansas Insurance Agency, Inc. (AR; FEIN 52-0958851)  
 Club Insurance Agency, Inc. (MO; FEIN 43-0822493)  
 ACLI Acquisition Company (DE FEIN: 38-3416375) (0.1% ownership)

Automobile Club of Southern California

Automobile Club of California (CA; FEIN N/A)

|              |   |
|--------------|---|
| CONTROL KEY: | Subsidiaries/affiliated companies are wholly controlled by their respective parent/controlling company unless otherwise noted |
| FEIN KEY:    | Non-operating entities with no FEIN = N/A   |

LIST OF ADDITIONAL SUBSIDIARIES/AFFILIATED COMPANIES - CONTINUED

**PARENT/CONTROLLING COMPANY**

**SUBSIDIARY/AFFILIATE**

|  |   |
|--|---|
| Tidewater Automobile Association of Virginia, Incorporated | AAA Tidewater Virginia Car Care Center, LLC (VA; FEIN 54-2040600)<br>AAA Tidewater Virginia Fleet Operations, LLC (VA; FEIN 27-2311305)<br>TAA Chesapeake Branch Office Property, LLC (VA; FEIN N/A)<br>TAA Corporate Center Office Property, LLC (VA; FEIN N/A)<br>TAA Greenbrier Car Care Center Property, LLC (VA; FEIN N/A)<br>TAA Hampton Branch/Car Care Center Property, LLC (VA; FEIN N/A)<br>TAA Newport News Branch Property, LLC (VA; FEIN N/A)<br>TAA Norfolk Car Care Center Property, LLC (VA; FEIN N/A)<br>TAA Suffolk Branch Car Care Center Property, LLC (VA; FEIN N/A)<br>TAA Virginia Beach Branch Property, LLC (VA; FEIN N/A)<br>TAA Williamsburg Branch/Car Care Center Property, LLC (VA; FEIN N/A) |
|--|---|

|              |   |
|--------------|---|
| CONTROL KEY: | Subsidiaries/affiliated companies are wholly controlled by their respective parent/controlling company unless otherwise noted |
| FEIN KEY:    | Non-operating entities with no FEIN = N/A   |

**NONE**