

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

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

Patriot Insurance Company

NAIC Group Code 1309 1309 NAIC Company Code 32069 Employer's ID Number 01-6022422
(Current) (Prior)

Organized under the Laws of Maine, State of Domicile or Port of Entry ME
Country of Domicile United States of America

Incorporated/Organized 04/22/1966 Commenced Business 07/01/1966

Statutory Home Office 701 U.S. Route 1, Suite 1, Yarmouth, ME, US 04096-6927
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 701 U.S. Route 1, Suite 1
(Street and Number)
Yarmouth, ME, US 04096-6927, 207-847-1800
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address One Mutual Avenue, Frankenmuth, MI, US 48787-0001
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records One Mutual Avenue
(Street and Number)
Frankenmuth, MI, US 48787-0001, 989-652-6121
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.patriotinsurancereco.com

Statutory Statement Contact Aaron Michael Weycker, 989-480-6296
(Name) (Area Code) (Telephone Number)
aaron.weycker@fmins.com, 989-652-4069
(E-mail Address) (FAX Number)

OFFICERS

President & CEO Lincoln Jerry Merrill, Jr. Treasurer John David Rosilier
Secretary Andrew Harold Knudsen # VP Alan Robert Small

OTHER

Zachary James Martin, VP

DIRECTORS OR TRUSTEES

<u>John Stewart Benson, Chairman</u>	<u>Lyle Gerald Davis, Jr.</u>	<u>Frederick Allen Edmond, Jr.</u>
<u>Denise Gaida Essenberg #</u>	<u>Bryan Lee Gilleland</u>	<u>Andrew Harold Knudsen #</u>
<u>Scott Lee Mandel</u>	<u>Mary Rose Masek</u>	<u>Lincoln Jerry Merrill, Jr.</u>
<u>Yanina Montau-Thatcher</u>	<u>David Allen Pendleton</u>	<u>Susan DiDonato Royles</u>

State of Michigan SS
County of Saginaw

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.

Zachary J. Martin
Zachary James Martin
Vice President

Andrew H. Knudsen
Andrew Harold Knudsen
Secretary

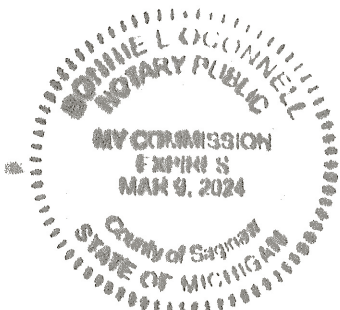
John D. Rosilier
John David Rosilier
Treasurer

Subscribed and sworn to before me this 31st day of January, 2022

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.....

Bonnie L. O'Connell
Bonnie L. O'Connell
Notary Public Saginaw County, MI
My Commission Expires: 03/09/2024



ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	114,766,596		114,766,596	108,730,807
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 (less \$0 encumbrances)	10,252,018		10,252,018	10,345,510
4.2 Properties held for the production of income (less \$0 encumbrances)				
4.3 Properties held for sale (less \$0 encumbrances)				
5. Cash (\$(313,837) , Schedule E - Part 1), cash equivalents (\$6,020,909 , Schedule E - Part 2) and short-term investments (\$0 , Schedule DA)	5,707,072		5,707,072	3,019,940
6. Contract loans (including \$0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivable for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	130,725,686		130,725,686	122,096,256
13. Title plants less \$0 charged off (for Title insurers only)				
14. Investment income due and accrued	802,454		802,454	813,189
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	11,050,778	7,574	11,043,204	10,428,556
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$363,742 earned but unbilled premiums)	12,247,410	36,374	12,211,035	12,203,152
15.3 Accrued retrospective premiums (\$0) and contracts subject to redetermination (\$0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	7,403,395		7,403,395	8,378,373
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	1,963,052	128,171	1,834,881	1,791,060
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	9,862	1	9,861	23,823
21. Furniture and equipment, including health care delivery assets (\$0)	556,197	556,197	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	4,121		4,121	62,715
24. Health care (\$0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	206,300	93,679	112,621	741
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	164,969,255	821,996	164,147,259	155,797,866
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	164,969,255	821,996	164,147,259	155,797,866
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. Other assets	93,679	93,679		
2502. Deposits and other receivables	112,621		112,621	741
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	206,300	93,679	112,621	741

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	41,412,253	39,795,986
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	9,193,862	7,956,099
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	8,001,342	6,895,568
4. Commissions payable, contingent commissions and other similar charges	2,359,766	2,612,105
5. Other expenses (excluding taxes, licenses and fees)	1,444,232	1,722,798
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	172,688	228,226
7.1 Current federal and foreign income taxes (including \$ (13,000) on realized capital gains (losses))	42,000	82,000
7.2 Net deferred tax liability		
8. Borrowed money \$0 and interest thereon \$0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$25,549,552 and including warranty reserves of \$0 and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	29,998,800	28,391,360
10. Advance premium	319,361	270,849
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	7,517,363	7,178,377
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)		33,000
14. Amounts withheld or retained by company for account of others	28,039	20,871
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$0 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	704,144	598,578
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$0 and interest thereon \$0		
25. Aggregate write-ins for liabilities		10,000
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	101,193,850	95,795,819
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	101,193,850	95,795,819
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	8,750,000	8,750,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	16,250,000	16,250,000
35. Unassigned funds (surplus)	37,953,409	35,002,047
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$0)		
36.2 .....0 shares preferred (value included in Line 31 \$0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	62,953,409	60,002,047
38. TOTALS (Page 2, Line 28, Col. 3)	164,147,259	155,797,866
DETAILS OF WRITE-INS		
2501. Other Liabilities		10,000
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)		10,000
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	60,503,428	57,094,275
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	31,536,780	30,706,421
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	5,572,909	5,198,177
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	22,570,999	20,798,559
5. Aggregate write-ins for underwriting deductions.....		
6. Total underwriting deductions (Lines 2 through 5).....	59,680,688	56,703,157
7. Net income of protected cells.....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....	822,740	391,118
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	2,805,054	2,658,598
10. Net realized capital gains or (losses) less capital gains tax of \$ (12,000) (Exhibit of Capital Gains (Losses)).....	(44,773)	14,681
11. Net investment gain (loss) (Lines 9 + 10).....	2,760,281	2,673,278
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$14,168 amount charged off \$98,326).....	(84,158)	(83,232)
13. Finance and service charges not included in premiums.....	5,916	5,309
14. Aggregate write-ins for miscellaneous income.....	(2,575)	(1,817)
15. Total other income (Lines 12 through 14).....	(80,817)	(79,740)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	3,502,204	2,984,656
17. Dividends to policyholders.....	239,998	268,376
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).....	3,262,206	2,716,280
19. Federal and foreign income taxes incurred.....	741,000	739,000
20. Net income (Line 18 minus Line 19)(to Line 22).....	2,521,206	1,977,280
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	60,002,047	57,570,571
22. Net income (from Line 20).....	2,521,206	1,977,280
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$0.....		
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	43,821	182,249
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	386,335	271,946
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).....	2,951,362	2,431,476
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	62,953,409	60,002,047
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....		
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above).....		
1401. Miscellaneous income and expense.....	(2,575)	(1,817)
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).....	(2,575)	(1,817)
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page.....		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above).....		

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	61,875,623	58,126,835
2. Net investment income	3,583,916	3,375,990
3. Miscellaneous income	(80,817)	(79,740)
4. Total (Lines 1 through 3)	65,378,722	61,423,084
5. Benefit and loss related payments	27,707,772	29,377,975
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	27,626,796	24,325,810
8. Dividends paid to policyholders	239,998	268,376
9. Federal and foreign income taxes paid (recovered) net of \$1,000 tax on capital gains (losses)	769,000	824,000
10. Total (Lines 5 through 9)	56,343,566	54,796,161
11. Net cash from operations (Line 4 minus Line 10)	9,035,156	6,626,923
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	22,243,417	18,154,950
12.2 Stocks		
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		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	22,243,417	18,154,950
13. Cost of investments acquired (long-term only):		
13.1 Bonds	28,803,793	25,845,463
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate	204,605	204,261
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	29,008,398	26,049,724
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)	(6,764,981)	(7,894,774)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	416,956	330,227
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	416,956	330,227
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,687,132	(937,623)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	3,019,940	3,957,563
19.2 End of period (Line 18 plus Line 19.1)	5,707,072	3,019,940

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

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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	377,339	177,646	200,119	354,866
2.	Allied lines	309,004	139,845	161,108	287,742
3.	Farmowners multiple peril				
4.	Homeowners multiple peril	7,762,044	4,240,835	4,260,768	7,742,111
5.	Commercial multiple peril	16,388,654	7,099,857	7,986,593	15,501,918
6.	Mortgage guaranty				
8.	Ocean marine	86,570	40,531	44,462	82,639
9.	Inland marine	2,382,261	1,096,480	1,164,795	2,313,946
10.	Financial guaranty				
11.1	Medical professional liability - occurrence				
11.2	Medical professional liability - claims-made				
12.	Earthquake	1,830	1,029	1,090	1,769
13.	Group accident and health				
14.	Credit accident and health (group and individual)				
15.	Other accident and health				
16.	Workers' compensation	6,682,659	2,657,376	2,733,303	6,606,731
17.1	Other liability - occurrence	2,605,121	1,200,848	1,243,306	2,562,663
17.2	Other liability - claims-made	198,960	87,702	88,525	198,138
17.3	Excess workers' compensation				
18.1	Products liability - occurrence	211,860	95,311	99,529	207,642
18.2	Products liability - claims-made				
19.1, 19.2	Private passenger auto liability	5,771,597	2,768,571	2,679,455	5,860,713
19.3, 19.4	Commercial auto liability	7,636,581	3,232,384	3,649,240	7,219,725
21.	Auto physical damage	10,395,765	4,663,373	4,736,435	10,322,703
22.	Aircraft (all perils)				
23.	Fidelity	3,972	1,844	2,198	3,618
24.	Surety	1,297,188	490,440	573,254	1,214,375
26.	Burglary and theft	398	181	223	357
27.	Boiler and machinery	21,866	10,563	10,656	21,773
28.	Credit				
29.	International				
30.	Warranty				
31.	Reinsurance - nonproportional assumed property				
32.	Reinsurance - nonproportional assumed liability				
33.	Reinsurance - nonproportional assumed financial lines				
34.	Aggregate write-ins for other lines of business				
35.	TOTALS	62,133,668	28,004,817	29,635,057	60,503,428
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Summary of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)				

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	200,258		(139)		200,119
2.	Allied lines	161,108		0		161,108
3.	Farmowners multiple peril					
4.	Homeowners multiple peril	4,260,768				4,260,768
5.	Commercial multiple peril	8,101,059		(114,466)		7,986,593
6.	Mortgage guaranty					
8.	Ocean marine	44,462				44,462
9.	Inland marine	1,166,540		(1,746)		1,164,795
10.	Financial guaranty					
11.1	Medical professional liability - occurrence					
11.2	Medical professional liability - claims-made					
12.	Earthquake	1,090				1,090
13.	Group accident and health					
14.	Credit accident and health (group and individual)					
15.	Other accident and health					
16.	Workers' compensation	2,949,606		(216,303)		2,733,303
17.1	Other liability - occurrence	1,260,155		(16,849)		1,243,306
17.2	Other liability - claims-made	89,762		(1,238)		88,525
17.3	Excess workers' compensation					
18.1	Products liability - occurrence	104,470		(4,941)		99,529
18.2	Products liability - claims-made					
19.1, 19.2	Private passenger auto liability	2,679,455				2,679,455
19.3, 19.4	Commercial auto liability	3,650,413		(1,173)		3,649,240
21.	Auto physical damage	4,738,199		(1,764)		4,736,435
22.	Aircraft (all perils)					
23.	Fidelity	2,198				2,198
24.	Surety	278,243	300,134	(5,124)		573,254
26.	Burglary and theft	223				223
27.	Boiler and machinery	10,657		(1)		10,656
28.	Credit					
29.	International					
30.	Warranty					
31.	Reinsurance - nonproportional assumed property					
32.	Reinsurance - nonproportional assumed liability					
33.	Reinsurance - nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS	29,698,666	300,134	(363,742)		29,635,057
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					363,742
38.	Balance (Sum of Line 35 through 37)					29,998,800
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

(a) State here basis of computation used in each case Monthly Pro-Rata

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1+2+3-4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	600,480	377,339		569,589	30,891	377,339
2. Allied lines	409,402	309,004		387,444	21,958	309,004
3. Farmowners multiple peril						
4. Homeowners multiple peril	14,082,741	7,762,044		13,501,387	581,354	7,762,044
5. Commercial multiple peril	10,746,143	16,388,654		10,232,888	513,255	16,388,654
6. Mortgage guaranty						
8. Ocean marine		86,570				86,570
9. Inland marine	1,299,678	2,382,261		1,230,359	69,318	2,382,261
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	10	1,830		9	1	1,830
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health	5,838				5,838	
16. Workers' compensation	517,465	6,682,659	50,524	549,954	18,035	6,682,659
17.1 Other liability - occurrence	2,750,099	2,605,121		2,330,545	419,554	2,605,121
17.2 Other liability - claims-made	291,985	198,960		114,865	177,120	198,960
17.3 Excess workers' compensation						
18.1 Products liability - occurrence	16,922	211,860		16,239	683	211,860
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	7,294,200	5,771,597		7,089,893	204,307	5,771,597
19.3, 19.4 Commercial auto liability	2,020,305	7,636,581		1,962,454	57,851	7,636,581
21. Auto physical damage	11,185,732	10,395,765		11,021,927	163,805	10,395,765
22. Aircraft (all perils)						
23. Fidelity	1,103	3,972		1,103		3,972
24. Surety		1,297,188				1,297,188
26. Burglary and theft	146	398		146		398
27. Boiler and machinery	766,812	21,866		13,641	753,171	21,866
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	51,989,061	62,133,668	50,524	49,022,444	3,017,140	62,133,668
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	4,371	84,640	4,371	84,640	262,355	68,944	278,051	78.4
2. Allied lines	86,262	207,442	86,262	207,442	159,022	75,170	291,294	101.2
3. Farmowners multiple peril								
4. Homeowners multiple peril	3,629,205	5,242,719	3,629,205	5,242,719	2,616,826	1,799,695	6,059,850	78.3
5. Commercial multiple peril	4,124,146	6,159,987	4,124,146	6,159,987	12,102,418	11,049,995	7,212,409	46.5
6. Mortgage guaranty								
8. Ocean marine		94,097		94,097	38,090	36,539	95,648	115.7
9. Inland marine	289,962	794,925	289,962	794,925	441,799	345,495	891,229	38.5
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake					462	0	461	26.1
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation	118,895	3,010,919	149,463	2,980,351	6,279,191	6,451,497	2,808,045	42.5
17.1 Other liability - occurrence	1,400,542	516,848	1,400,542	516,848	1,979,317	1,508,778	987,387	38.5
17.2 Other liability - claims-made	67,287	9,423	67,287	9,423	38,130	16,411	31,143	15.7
17.3 Excess workers' compensation								
18.1 Products liability - occurrence	50,403	22,666	50,403	22,666	244,126	196,097	70,696	34.0
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	5,412,443	3,406,831	5,412,443	3,406,831	7,777,111	8,317,349	2,866,594	48.9
19.3, 19.4 Commercial auto liability	1,874,957	3,874,550	1,874,957	3,874,550	8,304,866	9,065,039	3,114,377	43.1
21. Auto physical damage	5,741,440	6,297,551	5,741,440	6,297,551	900,962	549,824	6,648,689	64.4
22. Aircraft (all perils)								
23. Fidelity					6,430	30	6,400	176.9
24. Surety		228,706		228,706	220,589	274,311	174,984	14.4
26. Burglary and theft					14	14		0.0
27. Boiler and machinery	8,161	(486)	8,161	(486)	0	0	(485)	(2.2)
28. Credit								
29. International								
30. Warranty								
31. Reinsurance - nonproportional assumed property	XXX							
32. Reinsurance - nonproportional assumed liability	XXX	261		261	40,543	40,797	7	
33. Reinsurance - nonproportional assumed financial lines	XXX							
34. Aggregate write-ins for other lines of business								
35. TOTALS	22,808,073	29,951,081	22,838,641	29,920,513	41,412,253	39,795,986	31,536,780	52.1
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498.	Summary of remaining write-ins for Line 34 from overflow page							
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)							

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	2,996	125,699	2,996	125,699	128,051	136,656	128,051	262,355	44,208
2. Allied lines	2,036	46,719	2,036	46,719	72,808	112,303	72,808	159,022	13,703
3. Farmowners multiple peril									
4. Homeowners multiple peril	2,580,039	1,688,002	2,580,039	1,688,002	544,223	928,824	544,223	2,616,826	287,892
5. Commercial multiple peril	4,055,063	7,370,026	4,055,063	7,370,026	4,112,194	4,732,392	4,112,194	12,102,418	3,858,421
6. Mortgage guaranty									
8. Ocean marine		23,639		23,639		14,451		38,090	4,897
9. Inland marine	6,482	82,586	6,482	82,586	401,756	359,214	401,756	441,799	39,404
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake						462		462	25
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health								(a)	
16. Workers' compensation	269,302	3,801,183	301,602	3,768,883	1,936,350	2,585,071	2,011,113	6,279,191	887,513
17.1 Other liability - occurrence	410	882,926	410	882,926	846,533	1,096,391	846,533	1,979,317	403,777
17.2 Other liability - claims-made	49,468	31,443	49,468	31,443	19,919	6,687	19,919	38,130	6,015
17.3 Excess workers' compensation									
18.1 Products liability - occurrence	2,578	150,158	2,578	150,158	31,873	93,968	31,873	244,126	17,070
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability	5,107,134	4,624,703	5,107,134	4,624,703	1,788,568	3,152,408	1,788,568	7,777,111	1,463,999
19.3, 19.4 Commercial auto liability	517,755	5,040,339	517,755	5,040,339	1,216,256	3,264,527	1,216,256	8,304,866	699,870
21. Auto physical damage	927,019	411,979	927,019	411,979	209,106	488,983	209,106	900,962	198,496
22. Aircraft (all perils)									
23. Fidelity		6,400		6,400		30		6,430	7
24. Surety		166,058		166,058		54,532		220,589	75,401
26. Burglary and theft						14		14	0
27. Boiler and machinery	10,000		10,000		122,594	0	122,594	0	643
28. Credit									
29. International									
30. Warranty									
31. Reinsurance - nonproportional assumed property	XXX				XXX				
32. Reinsurance - nonproportional assumed liability	XXX	12,273		12,273	XXX	28,270		40,543	
33. Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	13,530,282	24,464,133	13,562,581	24,431,834	11,430,229	17,055,182	11,504,992	41,412,253	8,001,342
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)									

(a) Including \$ 0 for present value of life indemnity claims.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot 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	1,277,587			1,277,587
1.2 Reinsurance assumed	3,244,654			3,244,654
1.3 Reinsurance ceded	1,277,587			1,277,587
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	3,244,654			3,244,654
2. Commission and brokerage:				
2.1 Direct excluding contingent		8,819,945		8,819,945
2.2 Reinsurance assumed, excluding contingent		10,101,899		10,101,899
2.3 Reinsurance ceded, excluding contingent		8,831,470		8,831,470
2.4 Contingent - direct		1,623,459		1,623,459
2.5 Contingent - reinsurance assumed		2,167,271		2,167,271
2.6 Contingent - reinsurance ceded		1,623,459		1,623,459
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)		12,257,645		12,257,645
3. Allowances to managers and agents		137,626		137,626
4. Advertising		138,854		138,854
5. Boards, bureaus and associations	35,745	272,829		308,574
6. Surveys and underwriting reports		285,481		285,481
7. Audit of assureds' records		50,062		50,062
8. Salary and related items:				
8.1 Salaries	1,403,877	4,294,335	50,572	5,748,784
8.2 Payroll taxes	105,791	307,163	5,235	418,189
9. Employee relations and welfare	316,253	922,400	9,161	1,247,814
10. Insurance	2,884	11,466		14,350
11. Directors' fees	7,554	40,455		48,009
12. Travel and travel items	27,322	116,511	2,641	146,474
13. Rent and rent items	87,953	232,806	2,535	323,293
14. Equipment	165,457	595,207	2,008	762,672
15. Cost or depreciation of EDP equipment and software	22,959	87,053	60	110,071
16. Printing and stationery	8,848	56,634	438	65,921
17. Postage, telephone and telegraph, exchange and express	34,307	174,987	911	210,206
18. Legal and auditing	98,513	1,142,807		1,241,320
19. Totals (Lines 3 to 18)	2,317,463	8,866,676	73,562	11,257,701
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		1,282,759		1,282,759
20.2 Insurance department licenses and fees		53,606		53,606
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)		32,711		32,711
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		1,369,077		1,369,077
21. Real estate expenses			996,041	996,041
22. Real estate taxes			74,153	74,153
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	10,793	77,601	122,613	211,006
25. Total expenses incurred	5,572,909	22,570,999	1,266,369 (a)	29,410,277
26. Less unpaid expenses - current year	8,001,342	3,930,904	45,781	11,978,028
27. Add unpaid expenses - prior year	6,895,568	4,520,146	42,983	11,458,697
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)	4,467,135	23,160,240	1,263,571	28,890,946
DETAILS OF WRITE-INS				
2401. Bank and investment expenses	10,793	32,534	122,613	165,940
2402. Other miscellaneous expense		45,067		45,067
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	10,793	77,601	122,613	211,006

(a) Includes management fees of \$ 1,417,090 to affiliates and \$ to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U.S. Government bonds	(a) 29,939	29,903
1.1 Bonds exempt from U.S. tax	(a) 626,269	601,044
1.2 Other bonds (unaffiliated)	(a) 2,723,052	2,737,575
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d) 1,000,181	1,000,181
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 814	817
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	4,380,255	4,369,519
11. Investment expenses		(g) 1,266,369
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) 298,096
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		1,564,466
17. Net investment income (Line 10 minus Line 16)		2,805,054
DETAILS OF WRITE-INS		
0901. Interest on assumed reinsurance pools	0	0
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)	0	0
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 \$ 54,926 accrual of discount less \$ 522,739 amortization of premium and less \$ 20,404 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 \$ 814,000 for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ 298,096 depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax	(31,708)		(31,708)		
1.2 Other bonds (unaffiliated)	(25,065)		(25,065)		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
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)	(56,773)		(56,773)		
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)					

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
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	7,574	5,083	(2,491)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	36,374	38,654	2,280
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	128,171	128,171	
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	1	32	31
21. Furniture and equipment, including health care delivery assets	556,197	909,954	353,757
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	93,679	126,436	32,757
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	821,996	1,208,331	386,335
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	821,996	1,208,331	386,335
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Other assets	93,679	126,436	32,757
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)	93,679	126,436	32,757

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Patriot Insurance Company (Company) are presented on the basis of accounting practices prescribed or permitted by the State of Maine Bureau of Insurance.

The State of Maine Bureau of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Maine for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Maine Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Maine. During 2021 and 2020 there were no recorded differences between State of Maine prescribed practices and NAIC statutory accounting practices.

	SSAP#	F/S Page	F/S Line #	2021	2020
NET INCOME (LOSS)					
(1) Patriot Insurance Company state basis (Page 4, Line 20, Columns 1&2)	XXX	XXX	XXX	\$2,521,000	\$1,977,000
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:	N/A	N/A	N/A	0	0
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:	N/A	N/A	N/A	0	0
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$2,521,000	\$1,977,000
SURPLUS					
(5) Patriot Insurance Company state basis (Page 3, Line 37, Columns 1&2)	XXX	XXX	XXX	\$62,953,000	\$60,002,000
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:	N/A	N/A	N/A	0	0
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:	N/A	N/A	N/A	0	0
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$62,953,000	\$60,002,000

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

In preparing the financial statements in conformity with Statutory Accounting Principles, management is required 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 may differ from those estimates.

C. Accounting Policies

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct and ceded business and are based on reports received from ceding companies for reinsurance assumed. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Real estate investments are classified in the balance sheet as properties occupied by the company. Properties occupied by the company are carried at depreciated cost less encumbrances. Fair values of properties occupied by the company are based upon market appraisals performed when deemed necessary by the Company using certified valuation techniques.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost which approximates fair value.
2. Bonds not backed by other loans are stated at amortized cost using the Scientific Yield to Worst Method. Bonds that are defined by the NAIC as non-investment grade (rated 3 through 6) are carried at the lower of amortized cost or fair market value.
3. The Company does not have investments in common stocks.
4. Preferred stocks are stated in accordance with the guidance provided in Statement of Statutory Accounting Principle (SSAP) No. 32.
5. The Company does not participate in mortgage loans as an investment vehicle.
6. Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield has become negative, which are valued using the prospective method.
7. The Company does not have investments in subsidiaries, controlled or affiliated companies.
8. The Company does not have investments in joint ventures, partnerships or limited liability companies.
9. The Company does not have investments in derivative instruments.
10. The Company anticipates investment income as a factor in premium deficiency calculations, in accordance with SSAP No. 53, Property-Casualty Contracts – Premiums.
11. 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 of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
12. The Company has a written capitalization policy for purchases of items such as real estate, electronic data processing equipment, software, furniture, vehicles and other equipment. This policy was not modified from the prior year.
13. The Company does not have pharmaceutical rebate receivables.

D. Going Concern

Not applicable.

2. Accounting Changes and Corrections of Errors

None.

3. Business Combinations and Goodwill

Not applicable.

NOTES TO FINANCIAL STATEMENTS

4. Discontinued Operations

None.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

None.

B. Debt Restructuring

None.

C. Reverse Mortgages

None.

D. Loan-Backed Securities

1. The Company's investment advisor uses proprietary models for loss assumptions and widely accepted models for prepayment assumptions in valuing mortgage-backed and asset-backed securities with inputs from major third-party data providers. The models combine the effects of interest rates, volatility and prepayment speeds based on various scenario simulations which produce effective analytics (spreads, duration, convexity) and cash flows on a monthly basis. Credit sensitive cash flows are calculated using a proprietary model which estimates future loan defaults in terms of timing and severity. Model assumptions are specific to asset class and collateral types and are regularly evaluated and adjusted where appropriate.
2. The Company did not recognize any other-than-temporary impairments on loan-backed securities during the period.
3. The Company did not recognize any other-than-temporary impairments on loan-backed securities during the period.
4. The following summarizes gross unrealized investment losses on loan-backed and structured securities by the length of time that securities have continuously been in an unrealized loss position as of December 31, 2021.

a.	The aggregate amount of unrealized losses:	
1.	Less than twelve months	\$108,000
2.	Twelve months or longer	\$60,000
b.	The aggregate related fair value of securities with unrealized losses:	
1.	Less than twelve months	\$5,751,000
2.	Twelve months or longer	\$1,530,000

5. The Company held certain loan-backed and structured securities that have been continuously in an unrealized loss position at December 31, 2021, as summarized in the above table. After an evaluation of each security, management concluded these securities have not suffered an other-than-temporary impairment in value. Each security has paid all scheduled contractual payments. Nothing has come to management's attention which would lead to the belief that each issuer would not have the ability to meet the remaining contractual obligations of the security, including payment at maturity, and the Company has the capacity to hold the security until the scheduled maturity date.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

None.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

None.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

None.

H. Repurchase Agreements Transactions Accounted for as a Sale

None.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

None.

J. Real Estate

1. The Company has not recorded any impairment writedowns on real estate during 2021.
2. The Company has not sold or classified real estate as held for sale during 2021.
3. The Company has not experienced changes to a plan of sale for an investment in real estate during 2021.
4. The Company has not engaged in retail land sales operations during 2021.
5. The Company did not hold real estate investments with participating mortgage loans during 2021.

K. Low-Income Housing Tax Credits (LIHTC)

None.

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

1. Restricted assets (including pledged) summarized by restricted asset category

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year					(6)	(7)	(8)	(9)	Percentage	
	(1)	(2)	(3)	(4)	(5)					(10)	(11)
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity ^(a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity ^(b)	Total (Col 1+3)	Total From Prior Year	Increase (Decrease) (Col 5-6)	Total Nonadmitted Restricted	Total Admitted Restricted (Col 5-8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets ^(c)	Admitted Restricted to Total Admitted Assets ^(d)
(a) Subject to contractual obligation for which liability is not shown	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	0%
(b) Collateral held under security lending agreements	0	0	0	0	0	0	0	0	0	0%	0%
(c) Subject to repurchase agreements	0	0	0	0	0	0	0	0	0	0%	0%
(d) Subject to reverse repurchase agreements	0	0	0	0	0	0	0	0	0	0%	0%
(e) Subject to dollar repurchase agreements	0	0	0	0	0	0	0	0	0	0%	0%
(f) Subject to dollar reverse repurchase agreements	0	0	0	0	0	0	0	0	0	0%	0%
(g) Placed under option contracts	0	0	0	0	0	0	0	0	0	0%	0%
(h) Letter stock or securities restricted as to sale-excluding FHLB capital stock	0	0	0	0	0	0	0	0	0	0%	0%
(i) FHLB capital stock	0	0	0	0	0	0	0	0	0	0%	0%
(j) On deposit with states	1,017,000	0	0	0	1,017,000	1,015,000	2,000	0	1,017,000	0.6%	0.6%
(k) On deposit with other regulatory bodies	0	0	0	0	0	0	0	0	0	0%	0%
(l) Pledged as collateral to FHLB (including assets backing fund agreements)	0	0	0	0	0	0	0	0	0	0%	0%
(m) Pledged as collateral not captured in other categories	0	0	0	0	0	0	0	0	0	0%	0%
(n) Other restricted assets	0	0	0	0	0	0	0	0	0	0%	0%
(o) Total restricted assets	\$1,017,000	\$0	\$0	\$0	\$1,017,000	\$1,015,000	\$2,000	\$0	\$1,017,000	0.6%	0.6%

- (a) Subset of Column 1
- (b) Subset of Column 3
- (c) Column 5 divided by Asset Page, Column 1, Line 28
- (d) Column 9 divided by Asset Page, Column 3, Line 28

2. Not applicable.

3. Not applicable.

4. Not applicable.

M. Working Capital Finance Investments

Not applicable.

N. Offsetting and Netting of Assets and Liabilities

Not applicable.

O. 5GI Securities

None.

P. Short Sales

None.

Q. Prepayment Penalty and Acceleration Fees

The Company had eighteen bonds called during 2021, seven of which included prepayment penalties of \$165,000.

	General Account	Protected Cell Account
(1) Number of CUSIPs	18	0
(2) Aggregate Amount of Insurance Income	\$165,000	\$0

R. Reporting Entity's Share of Cash Pool by Asset Type

None.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for those greater than 10% of Admitted Assets

Not applicable.

B. Writedowns for Impairment

Not applicable.

NOTES TO FINANCIAL STATEMENTS

7. Investment Income

A. Accrued Investment Income

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

B. Amounts Nonadmitted

None.

8. Derivative Instruments

None.

9. Income Taxes

A. Deferred Tax Asset/(Liability)

1. Components of Net Deferred Tax Asset/(Liability)

	December 31, 2021		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross deferred tax assets	\$2,277,000	\$128,000	\$2,405,000
(b) Statutory valuation allowance adjustments	0	0	0
(c) Adjusted gross deferred tax assets (1a-1b)	2,277,000	128,000	2,405,000
(d) Deferred tax assets nonadmitted	0	128,000	128,000
(e) Subtotal net admitted deferred tax asset (1c-1d)	2,277,000	0	2,277,000
(f) Deferred tax liabilities	442,000	0	442,000
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e-1f)	\$1,835,000	\$0	\$1,835,000

	December 31, 2020		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross deferred tax assets	\$2,328,000	\$128,000	\$2,456,000
(b) Statutory valuation allowance adjustments	0	0	0
(c) Adjusted gross deferred tax assets (1a-1b)	2,328,000	128,000	2,456,000
(d) Deferred tax assets nonadmitted	0	128,000	128,000
(e) Subtotal net admitted deferred tax asset (1c-1d)	2,328,000	0	2,328,000
(f) Deferred tax liabilities	537,000	0	537,000
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e-1f)	\$1,791,000	\$0	\$1,791,000

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross deferred tax assets	\$(51,000)	\$0	\$(51,000)
(b) Statutory valuation allowance adjustments	0	0	0
(c) Adjusted gross deferred tax assets (1a-1b)	(51,000)	0	(51,000)
(d) Deferred tax assets nonadmitted	0	0	0
(e) Subtotal net admitted deferred tax asset (1c-1d)	(51,000)	0	(51,000)
(f) Deferred tax liabilities	(95,000)	0	(95,000)
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e-1f)	\$44,000	\$0	\$44,000

2. Admission Calculation Components (SSAP No. 101)

	December 31, 2021		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$1,485,000	\$0	\$1,485,000
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (the lesser of 2(b)1 and 2(b)2 below)	462,000	0	462,000
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	462,000	0	462,000
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	9,166,000
(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	330,000	0	330,000
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total (2(a)+2(b)+2(c))	\$2,277,000	\$0	\$2,277,000

NOTES TO FINANCIAL STATEMENTS

	December 31, 2020		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$1,361,000	\$0	\$1,361,000
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (the lesser of 2(b)1 and 2(b)2 below)	619,000	0	619,000
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	619,000	0	619,000
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	8,728,000
(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	348,000	0	348,000
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total (2(a)+2(b)+2(c))	\$2,328,000	\$0	\$2,328,000

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$124,000	\$0	\$124,000
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (the lesser of 2(b)1 and 2(b)2 below)	(157,000)	0	(157,000)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	(157,000)	0	(157,000)
2. Adjusted gross deferred tax assets allowed per limitation threshold	xxxx	xxxx	438,000
(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	(18,000)	0	(18,000)
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total (2(a)+2(b)+2(c))	\$(51,000)	\$0	\$(51,000)

3. Other Admissibility Criteria

	2021	2020
(a) Ratio percentage used to determine recovery period and threshold limitation amount	1,040.2%	1,067.4%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$61,119,000	\$58,211,000

4. Impact of Tax Planning Strategies

	December 31, 2021		December 31, 2020		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage						
1. Adjusted gross DTAs amount from Note 9A1(c)	\$2,277,000	\$128,000	\$2,328,000	\$128,000	\$(51,000)	\$0
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	2,277,000	0	2,328,000	0	(51,000)	0
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(b) Do the Company's tax planning strategies include the use of reinsurance?	Yes ___ No <input checked="" type="checkbox"/>					

B. Deferred Tax Liabilities (DTLs) Not Recognized

Not applicable.

NOTES TO FINANCIAL STATEMENTS

C. Current and Deferred Income Taxes

	(1) December 31, 2021	(2) December 31, 2020	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$741,000	\$739,000	\$2,000
(b) Foreign	0	0	0
(c) Subtotal	741,000	739,000	2,000
(d) Federal income tax on net capital gains	(12,000)	4,000	(16,000)
(e) Utilization of capital loss carry-forwards	0	0	0
(f) Other	0	0	0
(g) Federal and foreign income taxes incurred	\$729,000	\$743,000	\$(14,000)
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	\$737,000	\$711,000	\$26,000
(2) Unearned premium reserve	1,260,000	1,192,000	68,000
(3) Policyholder reserves	0	0	0
(4) Investments	0	0	0
(5) Deferred acquisition costs	0	0	0
(6) Policyholder dividends accrual	0	0	0
(7) Fixed assets	0	0	0
(8) Compensation and benefits accrual	116,000	183,000	(67,000)
(9) Pension accrual	0	0	0
(10) Receivables – nonadmitted	0	0	0
(11) Net operating loss carry-forward	0	0	0
(12) Tax credit carry-forward	0	0	0
(13) Other (including items <5% of total ordinary tax assets)	18,000	15,000	3,000
(14) Nonadmitted assets	146,000	227,000	(81,000)
(99) Subtotal	2,277,000	2,328,000	(51,000)
(b) Statutory valuation allowance adjustment	0	0	0
(c) Nonadmitted	0	0	0
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	2,277,000	2,328,000	(51,000)
(e) Capital			
(1) Investments	128,000	128,000	0
(2) Net capital loss carry-forward	0	0	0
(3) Real estate	0	0	0
(4) Other (including items <5% of total capital tax assets)	0	0	0
(99) Subtotal	128,000	128,000	0
(f) Statutory valuation allowance adjustment	0	0	0
(g) Nonadmitted	128,000	128,000	0
(h) Admitted capital deferred tax assets (2e99-2f-2g)	0	0	0
(i) Admitted deferred tax assets (2d+2h)	\$2,277,000	\$2,328,000	\$(51,000)
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	\$33,000	\$28,000	\$5,000
(2) Fixed assets	247,000	312,000	(65,000)
(3) Deferred and uncollected premium	0	0	0
(4) Policyholder reserves	0	0	0
(5) Other (including items <5% of total ordinary tax liabilities)	0	0	0
(6) Subro salvage reserves	8,000	5,000	3,000
(7) Accelerated premium expense	4,000	2,000	2,000
(8) Loss discounting transition adjustment	150,000	190,000	(40,000)
(99) Subtotal	442,000	537,000	(95,000)
(b) Capital			
(1) Investments	0	0	0
(2) Real estate	0	0	0
(3) Other (including items <5% of total capital tax liabilities)	0	0	0
(99) Subtotal	0	0	0
(c) Deferred tax liabilities (3a99+3b99)	\$442,000	\$537,000	\$(95,000)
4. Net deferred tax assets/liabilities (2i-3c)	\$1,835,000	\$1,791,000	\$44,000

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

The significant book to tax adjustments are as follows:

Description	December 31, 2021	Tax Effect at 21%	December 31, 2020	Tax Effect at 21%
Provision at statutory rate	\$683,000	21.0%	\$571,000	21.0%
Non-taxable interest	(126,000)	(3.9)%	(113,000)	(4.2)%
Change in non-admitted assets	81,000	2.5%	57,000	2.1%
Travel and entertainment	4,000	0.1%	3,000	0.1%
Tax rate true-up adjustment	0	0.0%	0	0.0%
Other adjustments	43,000	1.4%	43,000	1.6%
Total	\$685,000	21.1%	\$561,000	20.6%
Federal income taxes incurred	\$729,000	22.4%	\$743,000	27.3%
Change in net deferred income tax	(44,000)	(1.3)%	(182,000)	(6.7)%
Total statutory income taxes	\$685,000	21.1%	\$561,000	20.6%

E. Operating Loss and Tax Credit Carryforwards

1. At December 31, 2021, the Company did not have any unused operating loss carryforwards or tax credit carryforwards available to offset against future taxable income.

2. The following is income tax expense for 2021 and 2020 that is available for recoupment in the event of future net losses:

Year	Amount
2021	\$812,000
2020	\$673,000

3. There are no deposits reported as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code as of December 31, 2021.

NOTES TO FINANCIAL STATEMENTS

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:

Frankenmuth Mutual Insurance Company
Ansur America Insurance Company
ASure Worldwide Insurance Company
Fortuity Insurance Company
Patriot Life Insurance Company
Frankenmuth Agency, Inc.

2. The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return. Intercompany tax balances are settled quarterly.

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is more likely than not that the total liability will significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax (RTT)

The Company does not have any RTT as of December 31, 2021 or 2020.

I. Alternative Minimum Tax (AMT) Credit

The Company does not have any alternative minimum tax credits as of December 31, 2021 or 2020.

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

A. Nature of Relationships

The Company is a wholly owned subsidiary of Frankenmuth Mutual Insurance Company ("Parent"), a licensed mutual insurer domiciled in the State of Michigan.

B. Significant Transactions and Changes in Terms of Intercompany Arrangements

None.

C. Transactions with Related Parties who are not Reported on Schedule Y

None.

D. Amounts Due to or from Related Parties

The Company reported \$700,000 and \$536,000 due to its Parent and affiliated companies (net) at December 31, 2021 and 2020, respectively. Amounts due to and from affiliated companies are settled on a monthly basis.

E. Management, Service Contracts, Cost Sharing Arrangements

The Company has a management service agreement for the allocation of certain administrative costs with its Parent.

F. Guarantees or Undertakings for Related Parties

None.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company's common stock are owned by its Parent.

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 in Subsidiary, Controlled or Affiliated Companies (SCA's)

Not applicable.

K. Investments in Foreign Insurance Subsidiaries

None.

L. Investments in Downstream Noninsurance Holding Company

None.

M. All SCA Investments

None.

N. Investments in Insurance SCA's

None.

O. SCA and SSAP No. 48 Entity Loss Tracking

None.

NOTES TO FINANCIAL STATEMENTS

11. Debt

A. Debt and Holding Company Obligations

None.

B. Federal Home Loan Bank (FHLB) Agreements

None.

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

A. Defined Benefit Plan

Not applicable.

B., C. and D. Description of Investment Policies, Fair Value of Plan Assets, Rate of Return Assumptions

Not applicable.

E. Defined Contribution Plans

The Company has a qualified noncontributory incentive bonus plan for the benefit of employees meeting certain eligibility requirements. The Company's charge to income under the plan was approximately \$882,000 and \$675,000 for 2021 and 2020, respectively.

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

The Company participates in a noncontributory defined benefit pension plan and certain postretirement benefits sponsored by its Parent. The Company has no legal obligations for benefits under these plans. The Parent allocates amounts to the Company based on salary ratios.

The Company participates in the Frankenmuth Insurance 401(k) Savings Plan (the "Plan"), a defined contribution plan under which employees may defer a portion of their salary annually, subject to regulatory limitations. The Company will match 100% of the participant's contributions up to a maximum of 6% of the participant's eligible compensation. Additionally, all matching contributions to the Plan will vest 100% after two years of service. The charge to income under the Plan for the Company match was approximately \$303,000 and \$317,000 for 2021 and 2020, respectively.

H. Postemployment Benefits and Compensated Absences

The Company has accrued its obligation for postemployment benefits and compensated absences in accordance with SSAP No. 11.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

As indicated in Note 12G, the Company participates in certain postretirement benefits sponsored by the Parent.

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

A. Outstanding Shares

The Company has 100,000 shares of \$100 par value common stock authorized and 87,500 shares issued and outstanding.

B. Dividend Rate of Preferred Stock

Not applicable.

C., D. and E. Dividend Restrictions and Payments

Dividends may be paid only from earned surplus (unassigned funds). The maximum amount of dividends which can be paid by the Company to its shareholder without approval from the State of Maine Bureau of Insurance is limited to the greater of the net gain from operations from the prior 12-month period or 10 percent of surplus as regards policyholders at December 31, 2021. There were no dividend payments made in 2021. Accordingly, the Company may pay dividends of approximately \$6,295,000 in 2022 without prior approval.

Within the limitations noted above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

F. Restrictions Placed on Unassigned Funds (Surplus)

None.

G. Mutual Surplus Advances

Not applicable.

H. Company Stock Held for Special Purposes

Not applicable.

I. Changes in Special Surplus Funds

Not applicable.

J. Changes in Unassigned Funds

There are no cumulative unrealized gains or losses represented in unassigned funds (surplus).

K. Surplus Notes

Not applicable.

L. and M. Quasi Reorganizations

Not applicable.

NOTES TO FINANCIAL STATEMENTS

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company has no commitments or contingent commitments to its Parent or other entities. As indicated in Note 10F, the Company has made no guarantees on behalf of its Parent.

B. Assessments

The Company is subject to guaranty fund and other assessments by states in which it writes premium. Most assessments are recorded either at the time the assessments are levied or, in the case of premium-based assessments, at the time the premiums are written. The Company is also subject to loss-based assessments.

Insurance company insolvencies in states where the Company writes business may result in guaranty fund assessments on future premiums. These assessments will be recorded as future premiums are written. The Company is not aware of any state which requires the payment of future premium assessments once the Company discontinues writing premium in that state.

The Company has accrued a liability for guaranty fund and other assessments of \$393,000 and \$428,000 at December 31, 2021 and 2020, respectively, and has not recorded an offset for estimated premium tax credits. The amounts recorded represent management's best estimates based on assessment rate information received from the states in which the Company writes business and the direct premiums written in those states. Assessments to date are not significant and the Company does not expect future assessments to materially affect its financial condition or results of operations.

C. Gain Contingencies

None.

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

None.

E. Product Warranties

None.

F. Joint and Several Liabilities

None.

G. All Other Contingencies

1. At December 31, 2021 and 2020, the Company had admitted assets of \$23,254,000 and \$22,632,000, respectively, in premiums receivable due from policyholders, agents and ceding insurers. The Company routinely assesses the collectability of these receivables. Based upon Company experience, certain balances may become uncollectible; however, any potential loss is not expected to be material to the Company's financial condition.
2. The Company is not aware of potential lawsuits or other legal action beyond the ordinary course of business which would be considered material in relation to the financial position of the Company.

15. Leases

A. Lessee Leasing Arrangements

1. The Company leases equipment under various noncancelable operating leases that expire through May 2024. Rental expense for 2021 and 2020 was approximately \$16,000 for both years. There are no contingent rental payments or unusual renewal options, escalation clauses or restrictions. There have been no early terminations of existing leases.
2. Future minimum rental payments are as follows:

Year Ending December 31	Operating Leases
2022	\$16,000
2023	4,000
2024	2,000
2025	0
2026	0
Total	\$22,000

3. The Company has not entered into any sale-leaseback arrangements.

B. Lessor Leasing Arrangements

1. Operating Leases

- a. The Company leases office space located inside of its Home Office property. Consistent with SSAP No. 40R, since more than 50% of this property is occupied by the Company, the leased space is not classified as property held for the production of income. The typical lease period is ten years and contains two five-year renewal options. Both the Company and the tenant are responsible for the payment of their respective share of property taxes, insurance, operating expenses and maintenance costs related to the property.
- b. Rental income for 2021 and 2020 was approximately \$186,000 and \$184,000, respectively.

NOTES TO FINANCIAL STATEMENTS

- c. Future minimum lease receivables are as follows:

Year	Amount
2022	\$169,000
2023	174,000
2024	179,000
2025	185,000
2026	190,000
Total	\$897,000

- d. The Company does not have any contingent rentals.

2. Leveraged Leases

Not applicable.

16. Information About Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk

None.

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

A. Transfers of Receivables Reported as Sales

None.

B. Transfers and Servicing of Financial Assets

None.

C. Wash Sales

None.

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

A. Administrative Services Only (ASO) Plans

Not applicable.

B. Administrative Services Contract (ASC) Plans

Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contracts

Not applicable.

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

Not applicable.

20. Fair Value Measurements

Financial assets and liabilities that are recorded at fair value on the statutory statements of admitted assets, liabilities and policyholders' surplus are classified based on the level of the fair value measurements hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is composed of the following levels:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets that our pricing sources have the ability to access. Since the valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant amount of degree of judgment.

Level 2 – Valuations based upon quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, default rates, loss severities) or can be corroborated by observable market data.

Level 3 – Valuations that are derived from techniques in which one or more of the significant inputs are unobservable, including broker quotes which are non-binding.

NOTES TO FINANCIAL STATEMENTS

A. Inputs Used for Assets and Liabilities Measured at Fair Value on Recurring Basis

1. Fair Value Measurements at Reporting Date

Description	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Bonds					
Industrial and Misc	\$0	\$0	\$0	\$0	\$0
Total Bonds	0	0	0	0	0
Preferred Stocks					
Industrial and Misc	0	0	0	0	0
Parent, Subsidiaries and Affiliates	0	0	0	0	0
Total Preferred Stocks	0	0	0	0	0
Common Stocks					
Industrial and Misc	0	0	0	0	0
Mutual Funds	0	0	0	0	0
Total Common Stocks	0	0	0	0	0
Cash, cash equivalents and short-term investments					
Money Market Mutual Funds	6,021,000	0	0	0	6,021,000
Other Invested Assets	0	0	0	0	0
Derivative Assets					
Call Options	0	0	0	0	0
Total Derivatives	0	0	0	0	0
Separate Account Assets	0	0	0	0	0
Total assets at fair value/(NAV)	\$6,021,000	\$0	\$0	\$0	\$6,021,000
b. Liabilities at fair value					
Derivative liabilities					
Call Options	\$0	\$0	\$0	\$0	\$0
Put Options	0	0	0	0	0
Total Derivatives	0	0	0	0	0
Total liabilities at fair value	\$0	\$0	\$0	\$0	\$0

2. Fair Value Measurements in Level 3 of the Fair Value Hierarchy

None.

3. Policy on Transfers Into and Out of Level 3

None.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

None.

5. Derivative Fair Values

Not applicable.

B. Other Fair Value Disclosures

Not applicable.

C. Fair Values for All Financial Instruments by Levels 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)
Financial instruments – assets							
Bonds	\$118,596,000	\$114,767,000	\$0	\$118,596,000	\$0	\$0	\$0
Preferred stocks	0	0	0	0	0	0	0
Common stocks	0	0	0	0	0	0	0
Mortgage loans	0	0	0	0	0	0	0
Cash, cash equivalents and short-term investments	5,707,000	5,707,000	5,707,000	0	0	0	0
Other – collateral loan	0	0	0	0	0	0	0
Total assets	\$124,303,000	\$120,474,000	\$5,707,000	\$118,596,000	\$0	\$0	\$0
Financial instruments – liabilities							
Derivative liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0

D. Reasons Not Practical to Estimate Fair Value

Not applicable.

E. Investments Measured using Net Asset Value (NAV)

Not applicable.

21. Other Items

A. Unusual or Infrequent Items

In May 2020, as a result of the COVID-19 outbreak, the Company issued premium refund payments totaling \$529,000 to those personal auto policies in force as of April 30, 2020. The one-time refund reflected 15% of premium paid for April and May 2020 subject to a \$20 minimum refund amount. The COVID-19 premium refunds were reflected as a reduction to the Company's premiums earned on line one of the income statement.

B. Troubled Debt Restructuring for Debtors

Not applicable.

NOTES TO FINANCIAL STATEMENTS

C. Other Disclosures

Assets in the amount of \$1,017,000 and \$1,015,000 at December 31, 2021 and 2020, respectively, were on deposit with government authorities or trustees as required by law.

D. Business Interruption Insurance Recoveries

Not applicable.

E. State Transferable and Non-transferable Tax Credits

None.

F. Subprime Mortgage-Related Risk Exposure

The Company does not engage in subprime residential mortgage lending as indicated in Note 1C. The Company's exposure to subprime lending is limited to investments within the investment portfolio of fixed-income securities which contain securities collateralized by mortgages having characteristics of subprime lending. These investments are primarily in the form of asset-backed securities supported by subprime mortgage loans or collateralized mortgage obligations backed by alternative documentation mortgages. The Company held no fixed-income securities with such characteristics at December 31, 2021 or 2020.

G. Insurance-Linked Securities (ILS) Contracts

None.

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

Not applicable.

22. Events Subsequent

Subsequent events have been considered through February 18, 2022, the date these statutory financial statements were available to be issued.

A.-H. None.

23. Reinsurance

A. Unsecured Reinsurance Recoverables

The Company's unsecured reinsurance recoverables from individual reinsurers in excess of 3% of policyholders' surplus at December 31, 2021 follows:

<u>Name of Reinsurer</u>	<u>NAIC Company Code Number</u>	<u>Federal Employer ID Number</u>	<u>Unsecured Reinsurance Recoverable</u>
Frankenmuth Mutual Insurance Company	13986	38-0555290	\$48,574,000
TransAtlantic Reinsurance Company	19453	13-5616275	\$1,891,000

B. Reinsurance Recoverable in Dispute

None.

C. Reinsurance Assumed and Ceded

1. As of December 31, 2021:

	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>	<u>Premium Reserve</u>	<u>Commission Equity</u>
Affiliates	\$29,999,000	\$8,100,000	\$24,894,000	\$6,721,000	\$5,105,000	\$1,379,000
All Other	<u>20,000</u>	<u>5,000</u>	<u>656,000</u>	<u>195,000</u>	<u>(636,000)</u>	<u>(190,000)</u>
Total	\$30,019,000	\$8,105,000	\$25,550,000	\$6,916,000	\$4,469,000	\$1,189,000

Direct Unearned Premium Reserve as of December 31, 2021: \$25,529,000.

2. Additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements, is accrued as follows as of December 31, 2021:

	<u>Reinsurance</u>			<u>Net</u>
	<u>Direct</u>	<u>Assumed</u>	<u>Ceded</u>	
Contingent Commission	\$1,623,000	\$0	\$0	\$1,623,000
Sliding Scale Adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Profit Commission Arrangements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$1,623,000	\$0	\$0	\$1,623,000

3. As of December 31, 2021, the Company does not use protected cells as an alternative to traditional reinsurance.

D. Uncollectible Reinsurance

As of December 31, 2021, the Company did not write off any reinsurance balances.

E. Commutation of Ceded Reinsurance

None.

F. Retroactive Reinsurance

None.

NOTES TO FINANCIAL STATEMENTS

G. Reinsurance Accounted for as a Deposit

None.

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

None.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

None.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

None.

K. Reinsurance Credit

Not applicable.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company does not have any retrospectively rated contracts or contracts subject to redetermination.

25. Change in Incurred Losses and Loss Adjustment Expenses

A. Reserves as of December 31, 2020 were \$46,691,000. As of December 31, 2021, \$14,033,000 has been paid for incurred losses and loss adjustment expenses (LAE) attributable to insured events of prior years. Reserves remaining for prior years are now \$26,318,000 as a result of re-estimation of unpaid losses and LAE. The estimated cost of losses and LAE attributable to insured events of prior years' decreased by \$6,341,000 or 13.6% of the unpaid losses and LAE as of the end of the prior year. The \$6,341,000 favorable development in incurred losses and LAE related to prior accident years is primarily due to the favorable development in commercial auto liability, private passenger auto liability and commercial multiple peril. This change is generally the result of the on-going analysis of loss development trends. Increases or decreases of this nature occur as the result of claim settlements during the current year, and as additional information is received regarding unpaid individual claims. The Company does not write retrospectively rated policies, and accordingly, prior year loss development was not impacted by this type of policy.

B. There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid loss and loss adjustment expenses.

26. Intercompany Pooling Arrangements

The Company, its Parent and its Parent's wholly owned property and casualty insurance subsidiaries (identified in the table below) are party to a pooling reinsurance agreement ("Agreement"), under which all property and casualty lines of business are pooled.

Under the terms of the Agreement, the participants will cede to the lead insurer all of their insurance business, net of inuring reinsurance, and assume from the lead insurer an amount equal to their respective participation percentages as outlined below:

Name of Insurer	NAIC Co. Code	Participation Percentage
Frankenmuth Mutual Insurance Company (lead insurer)	13986	78%
Ansur America Insurance Company	10984	8%
Patriot Insurance Company	32069	8%
Fortuity Insurance Company	10985	3%
ASure Worldwide Insurance Company	11511	3%

There are no discrepancies related to the pooled business between the assumed and ceded reinsurance schedules of the pool participants.

Amounts due to/from the lead insurer and pool participants as of December 31, 2021:

Name of Insurer	Receivable	Payable
Frankenmuth Mutual Insurance Company	\$36,056,000	\$36,653,000
Ansur America Insurance Company	11,367,000	10,430,000
Patriot Insurance Company	15,849,000	16,144,000
Fortuity Insurance Company	3,426,000	3,445,000
ASure Worldwide Insurance Company	3,419,000	3,445,000

27. Structured Settlements

A. Reserves Released due to Purchase of Annuities

In the course of the claim settlement process, the Company has purchased annuities from a number of life insurance companies where the claimant is payee. For all of these annuities, a qualified assignment of further liability has been made to a third party; therefore, the Company has no contingent liability remaining for these annuities.

B. Annuity Insurers with Balances Due Greater than 1% of Policyholders' Surplus

None.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

NOTES TO FINANCIAL STATEMENTS

30. Premium Deficiency Reserves

The Company anticipates investment income as a factor in premium deficiency calculations. The results of this calculation, completed on January 12, 2022, did not indicate a deficiency at December 31, 2021.

1. Liability for premium deficiency reserves	\$0
2. Date of the most recent evaluation of this liability	January 12, 2022
3. Was anticipated investment income utilized in calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

31. High Deductibles

The Company has no claims with high deductibles.

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

The Company does not discount its liabilities for unpaid losses or unpaid loss adjustment expenses. The Company records assumed liabilities for losses from participation reports as received and is not aware of any loss reserves that may be discounted.

33. Asbestos/Environmental Reserves

A. The Company has exposure to asbestos claims arising from the sale of commercial multiple peril and general liability insurance by companies party to the pooling reinsurance agreement, as identified in Note 26.

The Company estimates the full impact of its asbestos exposure by estimating full case basis reserves on all known losses and beginning in 1996 computing incurred but not reported losses based on previous experience and industry standards.

The Company's asbestos related losses (including coverage dispute costs) for each of the five most recent calendar years follow:

(1) Direct

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
(a) Beginning reserves	\$490,000	\$474,000	\$376,000	\$404,000	\$368,000
(b) Incurred losses and loss adjustment expense	31,000	(62,000)	70,000	(6,000)	(14,000)
(c) Calendar year payments for losses and loss adjustment expenses	<u>47,000</u>	<u>36,000</u>	<u>42,000</u>	<u>30,000</u>	<u>38,000</u>
(d) Ending reserves	<u>\$474,000</u>	<u>\$376,000</u>	<u>\$404,000</u>	<u>\$368,000</u>	<u>\$316,000</u>

(2) Assumed Reinsurance

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
(a) Beginning reserves	\$0	\$0	\$0	\$0	\$0
(b) Incurred losses and loss adjustment expense	0	0	0	0	0
(c) Calendar year payments for losses and loss adjustment expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(d) Ending reserves	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(3) Net of Ceded Reinsurance

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
(a) Beginning reserves	\$124,000	\$110,000	\$76,000	\$67,000	\$60,000
(b) Incurred losses and loss adjustment expense	(6,000)	(33,000)	(8,000)	0	7,000
(c) Calendar year payments for losses and loss adjustment expenses	<u>8,000</u>	<u>1,000</u>	<u>1,000</u>	<u>7,000</u>	<u>6,000</u>
(d) Ending reserves	<u>\$110,000</u>	<u>\$76,000</u>	<u>\$67,000</u>	<u>\$60,000</u>	<u>\$61,000</u>

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

1. Direct basis	\$250,000
2. Assumed reinsurance basis	\$0
3. Net of ceded reinsurance basis	\$32,000

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

1. Direct basis	\$17,000
2. Assumed reinsurance basis	\$0
3. Net of ceded reinsurance basis	\$11,000

D. The Company has exposure to environmental claims arising from the sale of commercial multiple peril and general liability insurance by companies party to the pooling reinsurance agreement, as identified in Note 26.

The Company's environmental related losses (including coverage dispute costs) for each of the five most recent calendar years follow:

(1) Direct

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
(a) Beginning reserves	\$821,000	\$835,000	\$839,000	\$763,000	\$746,000
(b) Incurred losses and loss adjustment expense	31,000	11,000	(67,000)	(2,000)	82,000
(c) Calendar year payments for losses and loss adjustment expenses	<u>17,000</u>	<u>7,000</u>	<u>9,000</u>	<u>15,000</u>	<u>53,000</u>
(d) Ending reserves	<u>\$835,000</u>	<u>\$839,000</u>	<u>\$763,000</u>	<u>\$746,000</u>	<u>\$775,000</u>

(2) Assumed Reinsurance

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
(a) Beginning reserves	\$0	\$0	\$0	\$0	\$0
(b) Incurred losses and loss adjustment expense	0	0	0	0	0
(c) Calendar year payments for losses and loss adjustment expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(d) Ending reserves	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

NOTES TO FINANCIAL STATEMENTS

(3) Net of Ceded Reinsurance

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
(a) Beginning reserves	\$276,000	\$277,000	\$233,000	\$215,000	\$222,000
(b) Incurred losses and loss adjustment expense	16,000	(40,000)	(11,000)	17,000	156,000
(c) Calendar year payments for losses and loss adjustment expenses	<u>15,000</u>	<u>4,000</u>	<u>7,000</u>	<u>10,000</u>	<u>48,000</u>
(d) Ending reserves	<u>\$277,000</u>	<u>\$233,000</u>	<u>\$215,000</u>	<u>\$222,000</u>	<u>\$330,000</u>

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

1. Direct basis	\$691,000
2. Assumed reinsurance basis	\$0
3. Net of ceded reinsurance basis	\$258,000

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

1. Direct basis	\$24,000
2. Assumed reinsurance basis	\$0
3. Net of ceded reinsurance basis	\$23,000

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

The Company does not write Multiple Peril Crop Insurance.

36. Financial Guaranty Insurance

The Company does not write Financial Guaranty Insurance.

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? Michigan
- 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). 04/07/2021
- 3.4 By what department or departments?
Maine Bureau of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

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

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If the response to 8.1 is yes, please identify the name of the DIHC.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity? Yes [] No [X]
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? Yes [] No [] N/A [X]
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BDO USA, LLP, 2600 West Big Beaver, Suite 600, Troy, MI 48084-0178
- 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?
Zachary J. Martin, FCAS, MAAA, FSA, CSPA, One Mutual Avenue, Frankenmuth, MI 48787
- 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).
.....

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

BOARD OF DIRECTORS

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

FINANCIAL

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

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

INVESTMENT

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot 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)
 Not applicable.
- 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 \$1,016,704
- 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 Nature of Restriction	2 Description	3 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 Name of Custodian(s)	2 Custodian's Address
State Street Bank & Trust Company	801 Pennsylvania, Kansas City, MO 64105

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot 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 Name(s)	2 Location(s)	3 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 Old Custodian	2 New Custodian	3 Date of Change	4 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 Name of Firm or Individual	2 Affiliation
Conning Asset Management Company	U.....

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107423	Conning Asset Management Company	549300Z0G14KK37BDV40	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 [] No [X]

30.2 If yes, complete the following schedule:

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot 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) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds	114,766,596	118,596,072	3,829,476
31.2 Preferred stocks			
31.3 Totals	114,766,596	118,596,072	3,829,476

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

External price provider sources are used in obtaining fair value prices. If an external source is not available, internal analytical system or broker quotes are utilized.

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 [] No [X]

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:
 Prices are obtained from the dealers/market makers for these securities. These prices are non-binding but represent their best estimate of fair value per market conditions.

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

33.2 If no, list exceptions:

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

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

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

OTHER

38.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$208,350

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

1 Name	2 Amount Paid
Insurance Services Office, Inc.	201,670
.....

39.1 Amount of payments for legal expenses, if any?\$10,985

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

1 Name	2 Amount Paid
The Bennett Law Firm PA	7,770
.....

40.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$12,211

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

1 Name	2 Amount Paid
Soltan Bass LLC	11,866
.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ _____
 1.31 Reason for excluding

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

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

1.6 Individual policies:

	Most current three years:	
1.61 Total premium earned		\$
1.62 Total incurred claims		\$
1.63 Number of covered lives .....		.....
All years prior to most current three years		
1.64 Total premium earned		\$
1.65 Total incurred claims		\$
1.66 Number of covered lives .....		.....

1.7 Group policies:

	Most current three years:	
1.71 Total premium earned		\$
1.72 Total incurred claims		\$
1.73 Number of covered lives .....		.....
All years prior to most current three years		
1.74 Total premium earned		\$
1.75 Total incurred claims		\$
1.76 Number of covered lives .....		.....

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator		
2.2 Premium Denominator	60,503,428	57,094,275
2.3 Premium Ratio (2.1/2.2)	0.000	0.000
2.4 Reserve Numerator		
2.5 Reserve Denominator	88,606,257	83,039,013
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?
The Company maintains excess of loss agreements providing \$23.25 million excess of \$1.75 million and catastrophe for \$35 million excess of \$25 million with a \$10 million maximum any one employee.
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
The Company has property catastrophe insurance coverage with its Parent under a single reinsurance contract. The parent utilized RMS Risk Link DLM v18.1 Severe Thunderstorm, Hurricane and U.S. Earthquake model to analyze its probable maximum loss from Severe Thunderstorm, Hurricane and U.S. Earthquake exposure. The model employs generally accepted statistical methods, historical frequency and loss patterns.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The Company, along with its Parent, purchased catastrophe insurance that provided protections against a probable maximum loss between 1 in 250 and 1 in 500 year event.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes No
- 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 ratio cap, an aggregate limit or any similar provisions)? Yes No
- 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
- 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
- 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
- 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
- 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
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes No
(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
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

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 [X] N/A []
- 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):\$ 3,250,000
- 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.5
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Reinsurance is allocated and recorded among the cedants based on their respective portion of the total cession.
- 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 [X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [X] 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 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home					
16.12 Products					
16.13 Automobile					
16.14 Other*					

* Disclose type of coverage:
.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

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

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

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

FIVE-YEAR HISTORICAL DATA

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

	1 2021	2 2020	3 2019	4 2018	5 2017
Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	36,048,277	35,092,644	36,147,993	35,524,245	32,707,588
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	26,962,044	26,627,386	27,741,988	27,126,329	25,583,765
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	49,854,830	47,439,549	46,844,007	45,019,034	43,409,763
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,308,101	1,065,804	794,628	439,207	219,843
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	114,173,252	110,225,384	111,528,616	108,108,814	101,920,959
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	23,106,777	21,820,753	21,825,821	21,556,253	19,337,047
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	13,466,596	12,861,723	13,103,096	12,792,452	11,598,307
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	24,259,134	22,216,224	21,495,555	20,756,349	19,581,158
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	1,301,160	1,057,806	788,378	429,470	209,199
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	62,133,668	57,956,506	57,212,850	55,534,524	50,725,711
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	822,740	391,118	(538,472)	1,980,737	3,810,089
14. Net investment gain or (loss) (Line 11)	2,760,281	2,673,278	3,333,041	2,734,521	1,783,686
15. Total other income (Line 15)	(80,817)	(79,740)	(131,730)	9,836	8,420
16. Dividends to policyholders (Line 17)	239,998	268,376	293,548	285,957	247,696
17. Federal and foreign income taxes incurred (Line 19)	741,000	739,000	431,000	613,000	1,257,000
18. Net income (Line 20)	2,521,206	1,977,280	1,938,291	3,826,137	4,097,499
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	164,147,259	155,797,866	148,625,181	141,941,455	130,745,324
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	11,043,204	10,428,556	10,441,925	11,008,806	9,800,270
20.2 Deferred and not yet due (Line 15.2)	12,211,035	12,203,152	12,933,169	13,332,225	13,181,377
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	101,193,850	95,795,819	91,054,610	86,642,180	79,364,713
22. Losses (Page 3, Line 1)	41,412,253	39,795,986	36,618,143	32,677,240	29,944,693
23. Loss adjustment expenses (Page 3, Line 3)	8,001,342	6,895,568	6,250,800	5,818,464	5,234,458
24. Unearned premiums (Page 3, Line 9)	29,998,800	28,391,360	27,539,441	26,758,216	24,285,926
25. Capital paid up (Page 3, Lines 30 & 31)	8,750,000	8,750,000	8,750,000	8,750,000	8,750,000
26. Surplus as regards policyholders (Page 3, Line 37)	62,953,409	60,002,047	57,570,571	55,299,275	51,380,612
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	9,035,156	6,626,923	8,253,468	12,125,469	3,971,686
Risk-Based Capital Analysis					
28. Total adjusted capital	62,953,409	60,002,047	57,570,571	55,299,275	51,380,612
29. Authorized control level risk-based capital	5,875,663	5,453,373	4,902,385	4,346,966	4,131,246
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	87.8	89.1	87.6	88.1	86.4
31. Stocks (Lines 2.1 & 2.2)					
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	7.8	8.5	9.0	9.1	9.8
34. Cash, cash equivalents and short-term investments (Line 5)	4.4	2.5	3.4	2.8	3.8
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)					
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 2021 OF THE Patriot Insurance Company

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2021	2 2020	3 2019	4 2018	5 2017
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)					
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	2,951,362	2,431,476	2,271,296	3,918,664	1,946,943
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	19,765,764	18,171,367	19,292,912	21,085,163	15,856,550
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	13,506,593	12,325,704	14,970,880	13,315,964	11,836,446
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	19,257,829	24,333,385	20,230,048	18,830,246	19,316,537
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	228,706	57,098	19,218	28,901	2,285
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	261		269	1,329	904
59. Total (Line 35)	52,759,153	54,887,553	54,513,326	53,261,603	47,012,721
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	10,810,670	10,212,874	11,523,310	10,740,207	9,260,753
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	7,384,558	6,423,762	7,298,394	6,686,700	5,737,903
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	11,496,317	10,834,845	10,261,505	8,760,822	9,459,919
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	228,706	57,098	19,218	28,901	2,285
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	261		269	1,329	904
65. Total (Line 35)	29,920,513	27,528,579	29,102,696	26,217,959	24,461,765
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	52.1	53.8	58.5	54.5	50.4
68. Loss expenses incurred (Line 3)	9.2	9.1	8.6	8.6	8.7
69. Other underwriting expenses incurred (Line 4)	37.3	36.4	33.9	33.2	33.2
70. Net underwriting gain (loss) (Line 8)	1.4	0.7	(1.0)	3.7	7.7
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	36.5	36.0	33.6	31.7	32.3
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	61.3	62.9	67.1	63.1	59.0
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)	98.7	96.6	99.4	100.4	98.7
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(5,943)	(5,609)	(2,996)	(3,773)	(4,509)
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)	(9.9)	(9.7)	(5.4)	(7.3)	(9.1)
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(5,737)	(4,141)	(3,630)	(5,486)	(4,292)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(10.0)	(7.5)	(7.1)	(11.1)	(12.8)

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

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

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	424	277	88	21	5		10	220	XXX
2. 2012.....	46,505	5,388	41,117	25,998	1,615	1,594	41	1,745		730	27,682	XXX
3. 2013.....	47,196	5,532	41,665	25,185	2,181	1,528	38	1,688	0	751	26,182	XXX
4. 2014.....	48,520	5,444	43,076	27,679	1,894	1,639	39	1,827		920	29,213	XXX
5. 2015.....	50,783	5,394	45,389	25,313	879	1,557	21	2,047		868	28,017	XXX
6. 2016.....	52,313	5,005	47,308	26,486	2,182	1,646	73	2,218		942	28,095	XXX
7. 2017.....	54,501	5,148	49,353	26,013	1,176	1,771	55	2,388		1,020	28,941	XXX
8. 2018.....	58,929	5,794	53,135	27,514	1,271	1,547	24	2,301		903	30,067	XXX
9. 2019.....	62,067	5,600	56,467	27,570	1,160	1,235	18	2,444		1,073	30,072	XXX
10. 2020.....	62,794	5,700	57,094	23,599	983	764	13	2,332		924	25,699	XXX
11. 2021.....	65,290	4,787	60,503	18,526	321	309	1	1,843		539	20,355	XXX
12. Totals	XXX	XXX	XXX	254,310	13,940	13,679	345	20,839	0	8,680	274,543	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior.....	4,493	3,696	694	358			177	71	27			1,266	XXX
2. 2012.....	604	501	190	35			45	1	7		0	309	XXX
3. 2013.....	437	229	147	29			51	2	9		0	384	XXX
4. 2014.....	637	436	219	60			67	3	11		0	436	XXX
5. 2015.....	782	298	373	144			100	5	17		1	825	XXX
6. 2016.....	632	245	492	161			209	10	26		3	943	XXX
7. 2017.....	1,431	330	918	270			368	43	43		3	2,117	XXX
8. 2018.....	2,718	743	1,484	425			610	37	86		10	3,694	XXX
9. 2019.....	4,313	641	1,824	454			1,030	55	169		101	6,186	XXX
10. 2020.....	6,143	548	3,508	654			1,475	78	313		192	10,160	XXX
11. 2021.....	10,452	542	11,488	1,768			2,550	198	1,114		511	23,096	XXX
12. Totals	32,642	8,210	21,337	4,357			6,683	504	1,822		820	49,414	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34 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	1,132	133
2. 2012.....	30,184	2,194	27,990	64.9	40.7	68.1			8.0	258	50
3. 2013.....	29,045	2,479	26,566	61.5	44.8	63.8			8.0	326	58
4. 2014.....	32,081	2,432	29,649	66.1	44.7	68.8			8.0	361	76
5. 2015.....	30,190	1,348	28,842	59.4	25.0	63.5			8.0	713	112
6. 2016.....	31,710	2,672	29,038	60.6	53.4	61.4			8.0	718	225
7. 2017.....	32,932	1,874	31,058	60.4	36.4	62.9			8.0	1,749	368
8. 2018.....	36,260	2,500	33,761	61.5	43.1	63.5			8.0	3,034	659
9. 2019.....	38,586	2,328	36,258	62.2	41.6	64.2			8.0	5,042	1,143
10. 2020.....	38,134	2,276	35,858	60.7	39.9	62.8			8.0	8,450	1,710
11. 2021.....	46,281	2,830	43,451	70.9	59.1	71.8			8.0	19,629	3,466
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	41,412	8,001

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021	11 One Year	12 Two Year
1. Prior.....	16,508	14,995	14,406	13,830	13,654	13,483	13,590	13,616	13,626	13,612	(13)	(4)
2. 2012.....	29,896	27,810	27,300	26,830	26,431	26,247	26,147	26,173	26,141	26,238	97	65
3. 2013.....	XXX	28,278	25,856	25,820	25,510	25,003	24,771	24,716	24,696	24,869	172	153
4. 2014.....	XXX	XXX	31,342	28,722	28,954	28,604	28,078	27,999	27,799	27,811	12	(188)
5. 2015.....	XXX	XXX	XXX	29,829	27,406	27,404	27,250	26,743	26,707	26,777	70	34
6. 2016.....	XXX	XXX	XXX	XXX	30,612	27,317	27,244	27,181	26,851	26,794	(57)	(387)
7. 2017.....	XXX	XXX	XXX	XXX	XXX	31,032	28,235	29,032	28,636	28,627	(9)	(405)
8. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	34,943	31,804	31,662	31,374	(288)	(430)
9. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	38,221	33,758	33,645	(113)	(4,576)
10. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	39,028	33,214	(5,814)	XXX
11. 2021.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	40,494	XXX	XXX
12. Totals											(5,943)	(5,737)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021		
1. Prior.....	000	5,333	7,897	9,894	10,750	11,271	11,592	11,890	12,160	12,374	XXX	XXX
2. 2012.....	14,961	21,465	23,656	24,746	25,271	25,567	25,764	25,776	25,889	25,936	XXX	XXX
3. 2013.....	XXX	13,941	19,865	21,946	23,147	23,732	24,060	24,337	24,464	24,494	XXX	XXX
4. 2014.....	XXX	XXX	17,072	22,914	25,001	26,206	26,909	27,192	27,309	27,386	XXX	XXX
5. 2015.....	XXX	XXX	XXX	14,729	21,097	23,284	24,742	25,587	25,867	25,970	XXX	XXX
6. 2016.....	XXX	XXX	XXX	XXX	14,064	20,228	22,966	24,884	25,644	25,877	XXX	XXX
7. 2017.....	XXX	XXX	XXX	XXX	XXX	15,179	21,251	24,018	25,635	26,553	XXX	XXX
8. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	16,139	23,197	26,012	27,767	XXX	XXX
9. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,569	24,470	27,628	XXX	XXX
10. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,526	23,367	XXX	XXX
11. 2021.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,513	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2012	2 2013	3 2014	4 2015	5 2016	6 2017	7 2018	8 2019	9 2020	10 2021
1. Prior.....	7,041	4,413	2,712	1,636	1,049	726	542	468	420	442
2. 2012.....	7,009	2,756	1,858	1,117	599	339	156	76	60	198
3. 2013.....	XXX	7,455	2,847	1,919	1,128	610	346	158	74	167
4. 2014.....	XXX	XXX	7,542	3,015	1,938	1,150	574	354	152	224
5. 2015.....	XXX	XXX	XXX	8,333	2,984	1,972	1,108	578	342	324
6. 2016.....	XXX	XXX	XXX	XXX	8,757	3,085	1,954	1,103	563	530
7. 2017.....	XXX	XXX	XXX	XXX	XXX	9,395	3,159	2,003	1,072	973
8. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	10,677	3,454	2,060	1,632
9. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,577	3,478	2,345
10. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,372	4,252
11. 2021.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,072

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Patriot Insurance Company

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 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	N							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	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	L	33,998,843	34,452,900	15,545,232	11,556,028	14,343,036	46,547	
21. Maryland	MD	N							
22. Massachusetts	MA	L							
23. Michigan	MI	L							
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	L	10,884,875	10,934,578	5,202,558	5,459,080	6,412,515	8,446	
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	N							
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	L	7,105,343	7,181,925	2,060,283	2,583,621	4,204,959	7,665	
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	51,989,061	52,569,403		22,808,073	19,598,729	24,960,511	62,658	
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX								

(a) Active Status Counts:

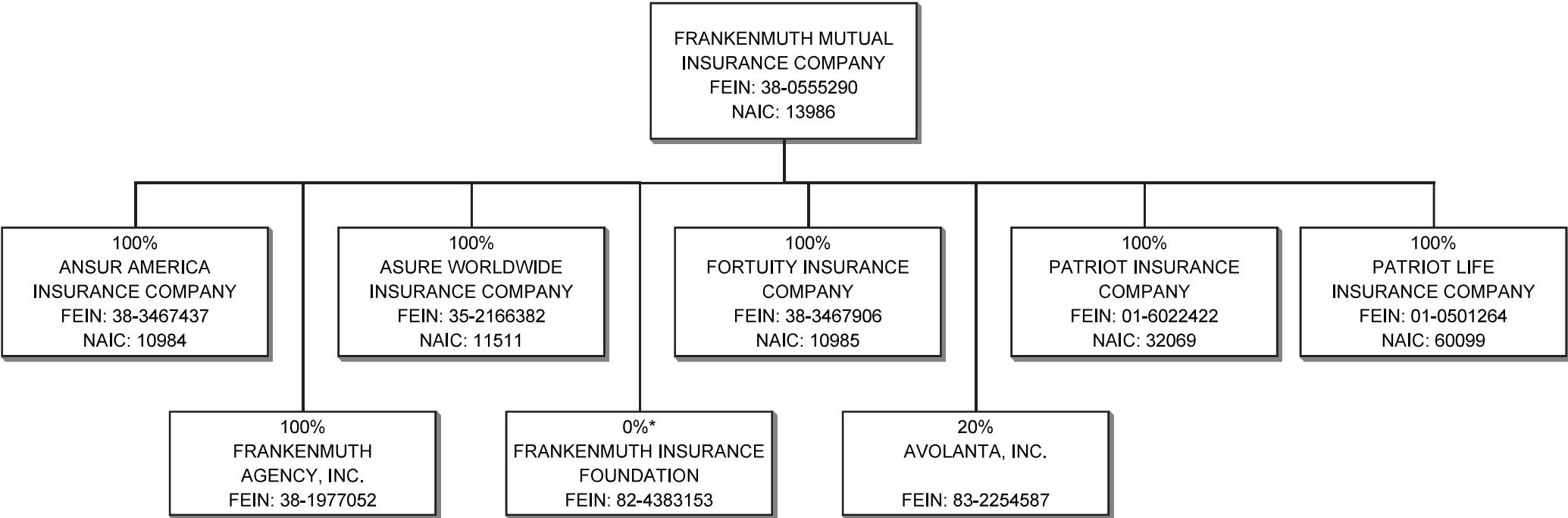
- L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....5
- E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI).....
- D - Domestic Surplus Lines Insurer (DSL) - Reporting entities authorized to write surplus lines in the state of domicile.....
- R - Registered - Non-domiciled RRGs.....
- Q - Qualified - Qualified or accredited reinsurer.....
- N - None of the above - Not allowed to write business in the state.....52

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

Allocation to state by location of exposure.

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

PART 1 - ORGANIZATIONAL CHART



96

*FRANKENMUTH MUTUAL INSURANCE COMPANY FORMED THE FRANKENMUTH INSURANCE FOUNDATION IN MARCH 2018. THE RELATIONSHIP IS BEING DISCLOSED FOR CERTAIN TRANSACTIONS THAT OCCUR BETWEEN THE TWO ENTITIES.

OVERFLOW PAGE FOR WRITE-INS

NONE