



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT
AS OF DECEMBER 31, 2019
OF THE CONDITION AND AFFAIRS OF THE
FARMERS INSURANCE EXCHANGE

NAIC Group Code 0069 (Current) 0069 (Prior) NAIC Company Code 21652 Employer's ID Number 95-2575893
Organized under the Laws of California, State of Domicile or Port of Entry CA
Country of Domicile United States of America
Incorporated/Organized 03/28/1928 Commenced Business 04/06/1928
Statutory Home Office 6301 Owensmouth Ave, Woodland Hills, CA, US 91367
Main Administrative Office 6301 Owensmouth Ave, Woodland Hills, CA, US 91367
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OFFICERS

President, CEO Jeffrey John Dailey \* CFO, Treasurer Thomas Sangkyu Noh #
Secretary Doren Eugene Hohl Chief Actuary James Leslie Nutting \*#

\*The individuals listed are officers of Farmers Group, Inc., dba as Farmers Underwriters Association, a Nevada Corporation which acts as attorney-in-fact of Farmers Insurance Exchange

OTHER

Robert Paul Howard, Chief Claims Officer Frank Anthony Carni, Claims Executive Timothy Earl Felks, Claims Executive

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DIRECTORS OR TRUSTEES

Thomas George Allen \*\* Joe David Bryant \*\* Julio Areias Da Silva \*\*
Alan Roy Gildemeister \*\* Scott William Hood \*\* Ronald Lee Marrone \*\*
Frederick Henry Kruse \*\* Dale Anne Marlin \*\*
Gary Randolph Martin \*\* Ottie Joel Wallace \*\*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California SS:
County of Los Angeles

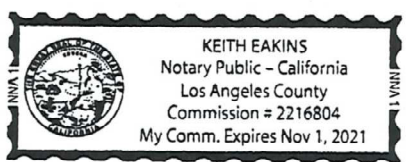
The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any 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.

Handwritten signatures of Jeffrey John Dailey \* (President, CEO), James Leslie Nutting \*# (Chief Actuary), and Thomas Sangkyu Noh # (CFO, Treasurer)

Subscribed and sworn to (or affirmed) before me this 14th day of February, 2020, by
(1) Jeffrey John Dailey, proved to me on the basis of satisfactory evidence to be the person who appeared before me, and
(2) James Leslie Nutting, proved to me on the basis of satisfactory evidence to be the person who appeared before me, and
(3) Thomas Sangkyu Noh, proved to me on the basis or satisfactory evidence to be the person who appeared before me.

- 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 .....

Keith Eakins, Notary Public
November 1, 2021



\*The individuals listed are officers of Farmers Group, Inc., dba as Farmers Underwriters Association, a Nevada Corporation which acts as attorney-in-fact of Farmers Insurance Exchange
\*\*Board of Governors

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE

**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) .....	4,262,209,591		4,262,209,591	3,983,640,481
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	5,755,231	5,755,231		
2.2 Common stocks .....	5,903,078,933		5,903,078,933	5,493,802,783
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 \$ encumbrances) .....	34,157,482		34,157,482	55,091,671
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	246,449,894		246,449,894	242,298,008
4.3 Properties held for sale (less \$ encumbrances) .....	10,950,833		10,950,833	56,114,045
5. Cash (\$ .....387,026,033 , Schedule E - Part 1), cash equivalents (\$ .....188,058,771 , Schedule E - Part 2) and short-term investments (\$ .....57,991,666 , Schedule DA) .....	633,076,470		633,076,470	399,853,763
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....	223,942,468		223,942,468	219,172,646
9. Receivable for securities .....	90,349		90,349	15,138,427
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) .....	11,319,711,251	5,755,231	11,313,956,020	10,465,111,824
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	35,774,961	9,974	35,764,987	35,321,593
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	248,482,725	24,906,562	223,576,163	223,126,225
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ .....2,180,474 earned but unbilled premiums) .....	3,297,308,290		3,297,308,290	3,082,447,475
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....	613,707		613,707	632,973
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	843,714,942		843,714,942	1,299,874,706
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 .....	723,852,534		723,852,534	740,185,121
18.2 Net deferred tax asset .....	237,398,506		237,398,506	237,698,850
19. Guaranty funds receivable or on deposit .....	362,374		362,374	332,912
20. Electronic data processing equipment and software .....	15,988,351	15,988,351		
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	40,289,330	40,289,330		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	160,987,601		160,987,601	381,993,993
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	716,784,196	97,819,078	618,965,118	549,585,860
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	17,641,268,769	184,768,526	17,456,500,242	17,016,311,531
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	17,641,268,769	184,768,526	17,456,500,242	17,016,311,531
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....				
2501. Insurance-company owned life insurance-cash value .....	482,081,179		482,081,179	430,907,221
2502. Other assets .....	173,523,150	97,819,078	75,704,072	61,133,747
2503. Business-owned life insurance-cash value .....	57,599,785		57,599,785	51,951,333
2598. Summary of remaining write-ins for Line 25 from overflow page .....	3,580,082		3,580,082	5,593,559
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	716,784,196	97,819,078	618,965,118	549,585,860

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	3,658,425,810	3,614,271,736
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	998,986,006	1,581,903,349
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	1,080,203,754	1,059,029,772
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	6,564,072	11,071,929
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	27,748,274	21,061,125
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....		
7.2 Net deferred tax liability .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....7,425,276,343 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	3,104,057,489	2,913,193,242
10. Advance premium .....	86,118,898	88,962,234
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	795,204,423	636,444,213
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20) .....	3,117,494,927	2,920,965,730
14. Amounts withheld or retained by company for account of others .....	28,631,849	28,604,981
15. Remittances and items not allocated .....	49,063,645	53,650,961
16. Provision for reinsurance (including \$ ..... certified) (Schedule F, Part 3, Column 78) .....	40,636	
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....		
20. Derivatives .....		
21. Payable for securities .....	9,611,798	19,535,855
22. Payable for securities lending .....		
23. Liability for amounts held under uninsured plans .....		
24. Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	632,221	(28,727,879)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	12,962,783,801	12,919,967,248
27. Protected cell liabilities .....		
28. Total liabilities (Lines 26 and 27) .....	12,962,783,801	12,919,967,248
29. Aggregate write-ins for special surplus funds .....	3,800,000	
30. Common capital stock .....		
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....		
33. Surplus notes .....	1,793,736,999	1,793,536,999
34. Gross paid in and contributed surplus .....		
35. Unassigned funds (surplus) .....	2,696,179,443	2,302,807,284
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....		
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....	4,493,716,442	4,096,344,283
38. TOTALS (Page 2, Line 28, Col. 3)	17,456,500,242	17,016,311,531
<b>DETAILS OF WRITE-INS</b>		
2501. Claims payments made after data-processing close .....	(262,271,831)	(280,928,646)
2502. Accounts payable .....	136,070,127	120,226,350
2503. Deferred agent/DM compensation liability .....	33,810,550	28,047,777
2598. Summary of remaining write-ins for Line 25 from overflow page .....	93,023,375	103,926,640
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	632,221	(28,727,879)
2901. Reclassification of unamortized discount on surplus note from Unassigned surplus to Special surplus .....	3,800,000	
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)	3,800,000	
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 2019 OF THE FARMERS INSURANCE EXCHANGE

**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	7,238,144,682	7,102,945,081
<b>DEDUCTIONS:</b>		
2. Losses incurred (Part 2, Line 35, Column 7).....	4,232,592,938	4,133,786,159
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	761,873,649	709,966,498
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	2,356,835,656	2,374,031,944
5. Aggregate write-ins for underwriting deductions.....	(11,864,660)	(5,587,444)
6. Total underwriting deductions (Lines 2 through 5).....	7,339,437,584	7,212,197,157
7. Net income of protected cells.....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....	(101,292,901)	(109,252,076)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	62,834,409	55,850,605
10. Net realized capital gains or (losses) less capital gains tax of \$ .....16,351,501 (Exhibit of Capital Gains (Losses) ).....	55,665,491	(10,120,896)
11. Net investment gain (loss) (Lines 9 + 10).....	118,499,900	45,729,708
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ .....(6,394) amount charged off \$ .....44,085,514 ).....	(44,091,908)	(45,580,989)
13. Finance and service charges not included in premiums.....	99,242,726	99,363,789
14. Aggregate write-ins for miscellaneous income.....	(57,995,383)	(108,803,172)
15. Total other income (Lines 12 through 14).....	(2,844,565)	(55,020,372)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	14,362,433	(118,542,740)
17. Dividends to policyholders.....	792,459	371,232
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).....	13,569,974	(118,913,971)
19. Federal and foreign income taxes incurred.....	(41,703,653)	(48,438,070)
20. Net income (Line 18 minus Line 19)(to Line 22).....	55,273,627	(70,475,902)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	4,096,344,283	4,203,105,006
22. Net income (from Line 20).....	55,273,627	(70,475,902)
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....11,857,061.....	325,242,868	125,369,793
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	8,156,730	(2,026,875)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	3,895,445	37,832,945
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(40,636)	60,808
29. Change in surplus notes.....	200,000	(200,000,000)
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.....	4,644,126	2,478,508
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	397,372,159	(106,760,723)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	4,493,716,442	4,096,344,283
<b>DETAILS OF WRITE-INS</b>		
0501. Pooled share of LAD program income.....	(11,864,660)	(5,587,444)
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).....	(11,864,660)	(5,587,444)
1401. Interest expense on funds held.....	(90,582,121)	(87,245,757)
1402. Miscellaneous income / (expense).....	34,607,012	(19,725,596)
1403. Premiums for company-owned life insurance.....	(1,578,035)	(1,369,778)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(442,239)	(462,040)
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....	(57,995,383)	(108,803,172)
3701. Net proceeds from company-owned life insurance.....	4,592,988	1,995,990
3702. Pooled share of unauthorized reinsurance.....	51,138	482,518
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above).....	4,644,126	2,478,508

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	7,370,672,525	7,291,370,627
2. Net investment income .....	89,670,903	93,946,984
3. Miscellaneous income .....	(2,844,565)	(55,020,372)
4. Total (Lines 1 through 3) .....	7,457,498,862	7,330,297,239
5. Benefit and loss related payments .....	4,296,539,629	4,093,390,666
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	3,067,677,055	3,140,285,803
8. Dividends paid to policyholders .....	792,459	371,232
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	(41,684,738)	74,563,743
10. Total (Lines 5 through 9) .....	7,323,324,405	7,308,611,444
11. Net cash from operations (Line 4 minus Line 10) .....	134,174,457	21,685,795
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	1,488,719,523	1,860,577,628
12.2 Stocks .....	291,746,562	2,221,561,863
12.3 Mortgage loans .....		
12.4 Real estate .....	57,013,371	
12.5 Other invested assets .....	5,785,381	8,960,524
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	22,285	
12.7 Miscellaneous proceeds .....	5,124,014	
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	1,848,411,137	4,091,100,015
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	1,772,397,469	1,791,262,752
13.2 Stocks .....	319,722,182	2,228,752,009
13.3 Mortgage loans .....		
13.4 Real estate .....		719,375
13.5 Other invested assets .....		
13.6 Miscellaneous applications .....		7,172,159
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	2,092,119,651	4,027,906,295
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) .....	(243,708,514)	63,193,721
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....		(200,000,000)
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) .....	342,756,764	221,359,959
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	342,756,764	21,359,959
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	233,222,707	106,239,474
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	399,853,763	293,614,289
19.2 End of period (Line 18 plus Line 19.1) .....	633,076,470	399,853,763

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

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ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE

**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 .....	209,948,078	127,579,525	143,042,465	194,485,137
2.	Allied lines .....	166,269,882	98,243,308	111,101,713	153,411,477
3.	Farmowners multiple peril .....				
4.	Homeowners multiple peril .....	2,206,997,874	1,154,762,947	1,231,820,919	2,129,939,902
5.	Commercial multiple peril .....	551,529,986	279,513,614	293,826,937	537,216,663
6.	Mortgage guaranty .....				
8.	Ocean marine .....	21,655,196	10,728,495	11,696,586	20,687,105
9.	Inland marine .....	20,043,511	10,525,840	10,659,992	19,909,359
10.	Financial guaranty .....				
11.1	Medical professional liability - occurrence .....				
11.2	Medical professional liability - claims-made .....				
12.	Earthquake .....	12,274,579	6,288,534	6,619,782	11,943,331
13.	Group accident and health .....				
14.	Credit accident and health (group and individual) .....				
15.	Other accident and health .....				
16.	Workers' compensation .....	105,522,929	56,246,016	53,506,523	108,262,422
17.1	Other liability - occurrence .....	71,503,953	40,979,563	45,745,219	66,738,297
17.2	Other liability - claims-made .....				
17.3	Excess workers' compensation .....				
18.1	Products liability - occurrence .....	32,205	14,515	15,679	31,041
18.2	Products liability - claims-made .....				
19.1, 19.2	Private passenger auto liability .....	2,422,575,351	645,513,172	676,944,167	2,391,144,356
19.3, 19.4	Commercial auto liability .....	155,509,789	49,750,666	73,690,740	131,569,715
21.	Auto physical damage .....	1,484,858,063	432,859,534	445,291,763	1,472,425,834
22.	Aircraft (all perils) .....				
23.	Fidelity .....	296,198	1,844	1,781	296,261
24.	Surety .....		(41)	(41)	
26.	Burglary and theft .....	2,701	1,435	1,389	2,747
27.	Boiler and machinery .....	(11,365)	184,275	91,875	81,035
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.	<b>TOTALS</b>	<b>7,429,008,930</b>	<b>2,913,193,242</b>	<b>3,104,057,489</b>	<b>7,238,144,682</b>
<b>DETAILS OF WRITE-INS</b>					
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page .....				
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)				

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire .....	143,042,465				143,042,465
2.	Allied lines .....	111,101,713				111,101,713
3.	Farmowners multiple peril .....					
4.	Homeowners multiple peril .....	1,231,820,069	851			1,231,820,919
5.	Commercial multiple peril .....	293,826,937				293,826,937
6.	Mortgage guaranty .....					
8.	Ocean marine .....	11,696,586				11,696,586
9.	Inland marine .....	10,659,992				10,659,992
10.	Financial guaranty .....					
11.1	Medical professional liability - occurrence .....					
11.2	Medical professional liability - claims-made .....					
12.	Earthquake .....	6,619,782				6,619,782
13.	Group accident and health .....					
14.	Credit accident and health (group and individual) .....					
15.	Other accident and health .....					
16.	Workers' compensation .....	53,506,523				53,506,523
17.1	Other liability - occurrence .....	45,739,720	5,499			45,745,219
17.2	Other liability - claims-made .....					
17.3	Excess workers' compensation .....					
18.1	Products liability - occurrence .....	15,679				15,679
18.2	Products liability - claims-made .....					
19.1, 19.2	Private passenger auto liability .....	676,944,167				676,944,167
19.3, 19.4	Commercial auto liability .....	73,690,740				73,690,740
21.	Auto physical damage .....	445,217,849	73,915			445,291,763
22.	Aircraft (all perils) .....					
23.	Fidelity .....	1,781				1,781
24.	Surety .....	(41)				(41)
26.	Burglary and theft .....	1,389				1,389
27.	Boiler and machinery .....	91,875				91,875
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.	<b>TOTALS</b>	<b>3,103,977,225</b>	<b>80,264</b>			<b>3,104,057,489</b>
36.	Accrued retrospective premiums based on experience .....					
37.	Earned but unbilled premiums .....					
38.	<b>Balance (Sum of Line 35 through 37)</b>					<b>3,104,057,489</b>
<b>DETAILS OF WRITE-INS</b>						
3401.	.....					
3402.	.....					
3403.	.....					
3498.	Summary of remaining write-ins for Line 34 from overflow page .....					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

(a) State here basis of computation used in each case      Daily pro-rata .....

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE  
**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 .....	9,562,650	583,169,879		221,310,130	161,474,322	209,948,078
2. Allied lines .....	15,876,376	496,607,307		216,265,492	129,948,310	166,269,882
3. Farmowners multiple peril .....						
4. Homeowners multiple peril .....	1,636,820,037	6,966,442,902	67,817	4,764,889,450	1,631,443,432	2,206,997,874
5. Commercial multiple peril .....	469,691,962	1,894,318,679		1,418,562,885	393,917,769	551,529,986
6. Mortgage guaranty .....						
8. Ocean marine .....		57,647,167		20,537,991	15,453,980	21,655,196
9. Inland marine .....	14,258,445	61,938,512		41,838,954	14,314,493	20,043,511
10. Financial guaranty .....						
11.1 Medical professional liability - occurrence .....						
11.2 Medical professional liability - claims-made .....						
12. Earthquake .....	18,257,144	42,216,044		39,438,198	8,760,411	12,274,579
13. Group accident and health .....						
14. Credit accident and health (group and individual) .....						
15. Other accident and health .....						
16. Workers' compensation .....	33,790,176	459,400,965		311,889,016	75,779,196	105,522,929
17.1 Other liability - occurrence .....	139,392,137	395,908,699	29,906	213,024,108	250,802,682	71,503,953
17.2 Other liability - claims-made .....						
17.3 Excess workers' compensation .....						
18.1 Products liability - occurrence .....	35,986	90,877		71,522	23,137	32,205
18.2 Products liability - claims-made .....						
19.1, 19.2 Private passenger auto liability .....	1,601,759,835	4,932,405,083		2,310,612,722	1,800,976,845	2,422,575,351
19.3, 19.4 Commercial auto liability .....	218,686,956	593,781,933		489,820,254	167,138,845	155,509,789
21. Auto physical damage .....	1,018,912,033	3,119,501,293		1,526,602,038	1,126,953,225	1,484,858,063
22. Aircraft (all perils) .....						
23. Fidelity .....	5,392	812,066		295,699	225,561	296,198
24. Surety .....						
26. Burglary and theft .....	1,753	9,350		6,469	1,934	2,701
27. Boiler and machinery .....	116,073	185,659		329,994	(16,897)	(11,365)
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	5,177,166,955	19,604,436,416	97,723	11,575,494,921	5,777,197,244	7,429,008,930
<b>DETAILS OF WRITE-INS</b>						
3401. ....						
3402. ....						
3403. ....						
3498. Summary of remaining write-ins for Line 34 from overflow page .....						
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						

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

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

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



ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE

**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	5,404,191	310,106,538	199,812,372	115,698,357	23,899,152	16,164,542	123,432,967	63.5
2. Allied lines	4,244,378	114,418,994	87,347,362	31,316,010	3,342,676	3,048,479	31,610,208	20.6
3. Farmowners multiple peril					(170)	(1)	(169)	
4. Homeowners multiple peril	869,951,785	3,308,925,426	3,051,644,514	1,127,232,697	462,843,587	416,830,362	1,173,245,922	55.1
5. Commercial multiple peril	238,855,940	1,101,879,768	1,032,993,095	307,742,612	409,518,481	411,156,573	306,104,521	57.0
6. Mortgage guaranty								
8. Ocean marine		36,533,712	23,049,246	13,484,467	10,422,028	9,047,898	14,858,596	71.8
9. Inland marine	4,264,965	17,881,143	16,532,537	5,613,572	9,260,141	9,412,710	5,461,002	27.4
10. Financial guaranty								
11.1 Medical professional liability - occurrence					437,387	278,514	158,872	
11.2 Medical professional liability - claims-made					1,322,029	1,660,655	(338,626)	(260,481,646.2)
12. Earthquake		564,590	439,259	125,331	482,510	466,717	141,125	1.2
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation	15,003,200	244,268,057	192,658,858	66,612,399	441,061,944	468,134,778	39,539,565	36.5
17.1 Other liability - occurrence	66,108,066	219,632,654	212,410,278	73,330,441	330,510,727	339,893,543	63,947,626	95.8
17.2 Other liability - claims-made								
17.3 Excess workers' compensation								
18.1 Products liability - occurrence					128,020	138,702	(10,682)	(34.4)
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	935,792,973	2,949,521,300	2,424,197,203	1,461,117,070	1,729,097,431	1,734,462,658	1,455,751,842	60.9
19.3, 19.4 Commercial auto liability	68,919,720	286,436,825	282,709,166	72,647,379	157,829,904	131,998,304	98,478,978	74.8
21. Auto physical damage	672,525,808	1,858,581,901	1,617,633,938	913,473,771	77,821,156	71,123,562	920,171,364	62.5
22. Aircraft (all perils)					28,445	28,445		
23. Fidelity		91,840	44,313	47,528	339,946	365,051	22,422	7.6
24. Surety		277	16,084	(15,808)	2,059	(4,018)	(9,731)	
26. Burglary and theft	74	1,489	1,182	380	555	729	207	7.5
27. Boiler and machinery	62,085	47,570	96,996	12,658	77,805	63,535	26,928	33.2
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	2,881,133,183	10,448,892,085	9,141,586,404	4,188,438,865	3,658,425,810	3,614,271,736	4,232,592,938	58.5
<b>DETAILS OF WRITE-INS</b>								
3401.								
3402.								
3403.								
3498.	Summary of remaining write-ins for Line 34 from overflow page							
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)							

6

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	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	1,179,731	28,218,637	19,054,328	10,344,040	444,208	48,349,004	35,238,099	23,899,152	5,146,229
2. Allied lines	52,183	5,703,310	4,231,702	1,523,790	1,330,109	20,649,086	20,160,308	3,342,676	2,434,315
3. Farmowners multiple peril						(383)	(212)	(170)	46
4. Homeowners multiple peril	137,710,132	842,699,528	754,990,251	225,419,409	267,093,753	855,443,105	885,112,680	462,843,587	121,691,387
5. Commercial multiple peril	142,431,524	604,674,666	575,470,857	171,635,334	253,182,766	859,409,391	874,709,009	409,518,481	166,533,034
6. Mortgage guaranty									
8. Ocean marine		15,702,830	7,995,477	7,707,353		7,382,905	4,668,230	10,422,028	926,985
9. Inland marine	73,155	16,006,823	7,870,575	8,209,403	850,197	3,360,224	3,159,684	9,260,141	375,238
10. Financial guaranty									
11.1 Medical professional liability - occurrence		251,271	121,567	129,704		491,705	184,022	437,387	76,814
11.2 Medical professional liability - claims-made		91,434	(45,203)	136,637		2,336,787	1,151,395	1,322,029	576,918
12. Earthquake		1,542,770	1,222,548	320,222	135,608	555,649	528,969	482,510	531,448
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health								(a)	
16. Workers' compensation	36,359,298	460,349,701	357,649,275	139,059,724	90,303,808	995,772,412	784,074,000	441,061,944	99,726,688
17.1 Other liability - occurrence	49,564,059	209,258,989	200,176,922	58,646,126	126,612,682	667,985,962	522,734,042	330,510,727	150,325,786
17.2 Other liability - claims-made									
17.3 Excess workers' compensation									
18.1 Products liability - occurrence	2,700	77,641	48,082	32,259	98,267	256,107	258,613	128,020	70,036
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability	515,835,355	1,518,897,569	1,281,137,789	753,595,135	1,324,002,113	1,769,963,083	2,118,462,900	1,729,097,431	462,171,050
19.3, 19.4 Commercial auto liability	77,454,174	262,968,582	273,227,885	67,194,871	137,941,967	357,395,331	404,702,266	157,829,904	39,305,738
21. Auto physical damage	240,295	18,992,440	15,110,062	4,122,673	60,916,190	173,475,168	160,692,875	77,821,156	30,055,394
22. Aircraft (all perils)		23,708	6,731	16,977		16,014	4,546	28,445	
23. Fidelity					5,939	888,501	554,495	339,946	236,955
24. Surety						7,491	5,432	2,059	874
26. Burglary and theft	14	540	359	195	36	1,015	691	555	322
27. Boiler and machinery	60,000	60,000	97,955	22,046	26,008	182,259	152,508	77,805	18,496
28. Credit									
29. International									
30. Warranty									
31. Reinsurance - nonproportional assumed property	XXX				XXX				
32. Reinsurance - nonproportional assumed liability	XXX				XXX				
33. Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	960,962,619	3,985,520,438	3,498,367,161	1,448,115,896	2,262,943,651	5,763,920,814	5,816,554,551	3,658,425,810	1,080,203,754
<b>DETAILS OF WRITE-INS</b>									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)									

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE  
**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 .....	132,383,272			132,383,272
1.2 Reinsurance assumed .....	1,915,331,328			1,915,331,328
1.3 Reinsurance ceded .....	1,670,727,858			1,670,727,858
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....	376,986,742			376,986,742
2. Commission and brokerage:				
2.1 Direct excluding contingent .....		553,697,679		553,697,679
2.2 Reinsurance assumed, excluding contingent .....		2,417,024,184		2,417,024,184
2.3 Reinsurance ceded, excluding contingent .....		2,579,868,651		2,579,868,651
2.4 Contingent - direct .....		42,452,978		42,452,978
2.5 Contingent - reinsurance assumed .....				
2.6 Contingent - reinsurance ceded .....				
2.7 Policy and membership fees .....		2,663,470		2,663,470
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....		435,969,660		435,969,660
3. Allowances to managers and agents .....		9,255,935		9,255,935
4. Advertising .....		144,901,617		144,901,617
5. Boards, bureaus and associations .....		9,191,084		9,191,084
6. Surveys and underwriting reports .....		88,358,002		88,358,002
7. Audit of assureds' records .....		1,980,592		1,980,592
8. Salary and related items:				
8.1 Salaries .....	172,997,948	727,155,127	5,144,948	905,298,023
8.2 Payroll taxes .....	17,409,010	46,966,091	326,282	64,701,383
9. Employee relations and welfare .....	101,052,522	217,861,251	25,584	318,939,357
10. Insurance .....	1,170,901	3,591,602		4,762,503
11. Directors' fees .....		1,760,869		1,760,869
12. Travel and travel items .....	13,253,136	9,124,274	154,937	22,532,346
13. Rent and rent items .....	15,278,437	63,916,365		79,194,801
14. Equipment .....	7,989,045	118,760,423	6,438	126,755,905
15. Cost or depreciation of EDP equipment and software .....	18,986,758	139,713,791		158,700,550
16. Printing and stationery .....	760,829	3,588,792	562,082	4,911,703
17. Postage, telephone and telegraph, exchange and express .....	4,612,210	35,225,498	3,732	39,841,439
18. Legal and auditing .....	4,466,189	5,181,638	68,596	9,716,423
19. Totals (Lines 3 to 18) .....	357,976,982	1,626,532,954	6,292,599	1,990,802,535
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....		237,727,282		237,727,282
20.2 Insurance department licenses and fees .....		11,625,201		11,625,201
20.3 Gross guaranty association assessments .....		1,577,780		1,577,780
20.4 All other (excluding federal and foreign income and real estate) .....	250,659	2,526,737		2,777,396
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	250,659	253,457,000		253,707,659
21. Real estate expenses .....			3,629,488	3,629,488
22. Real estate taxes .....			2,833,028	2,833,028
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....	26,659,266	40,876,043	4,595,027	72,130,336
25. Total expenses incurred .....	761,873,649	2,356,835,656	17,350,142	(a) 3,136,059,447
26. Less unpaid expenses - current year .....	1,080,203,754	34,371,711		1,114,575,465
27. Add unpaid expenses - prior year .....	1,059,029,772	32,133,054		1,091,162,826
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) .....	740,699,667	2,354,596,999	17,350,142	3,112,646,808
<b>DETAILS OF WRITE-INS</b>				
2401. Miscellaneous IT-related ULAE expenses .....	26,659,266			26,659,266
2402. Miscellaneous IT-related agent network expenses .....		38,224,798		38,224,798
2403. Charitable contributions .....		2,651,246		2,651,246
2498. Summary of remaining write-ins for Line 24 from overflow page .....			4,595,027	4,595,027
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above) .....	26,659,266	40,876,043	4,595,027	72,130,336

(a) Includes management fees of \$ 1,457,811,530 to affiliates and \$ to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds .....	(a) 21,267,589	22,282,074
1.1 Bonds exempt from U.S. tax .....	(a) 27,351,614	26,924,146
1.2 Other bonds (unaffiliated) .....	(a) 95,867,185	96,063,030
1.3 Bonds of affiliates .....	(a) .....	.....
2.1 Preferred stocks (unaffiliated) .....	(b) .....	.....
2.11 Preferred stocks of affiliates .....	(b) .....	.....
2.2 Common stocks (unaffiliated) .....	6,940,589	7,172,909
2.21 Common stocks of affiliates .....	.....	.....
3. Mortgage loans .....	(c) .....	.....
4. Real estate .....	(d) 25,785,025	25,785,025
5. Contract loans .....	.....	.....
6. Cash, cash equivalents and short-term investments .....	(e) 4,275,863	4,367,309
7. Derivative instruments .....	(f) .....	.....
8. Other invested assets .....	24,178,887	24,178,887
9. Aggregate write-ins for investment income .....	2,288,266	2,288,266
10. Total gross investment income .....	207,955,019	209,061,647
11. Investment expenses .....	(g) 14,517,114	14,517,114
12. Investment taxes, licenses and fees, excluding federal income taxes .....	(g) 2,833,028	2,833,028
13. Interest expense .....	(h) 120,408,655	120,408,655
14. Depreciation on real estate and other invested assets .....	(i) 12,265,414	12,265,414
15. Aggregate write-ins for deductions from investment income .....	(3,796,973)	(3,796,973)
16. Total deductions (Lines 11 through 15) .....	146,227,238	146,227,238
17. Net investment income (Line 10 minus Line 16) .....	62,834,409	62,834,409
<b>DETAILS OF WRITE-INS</b>		
0901. Write-In Misc Inc .....	2,288,266	2,288,266
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) .....	2,288,266	2,288,266
1501. Miscellaneous surplus issuance related expenses .....	(4,000,000)	(4,000,000)
1502. Amortization expense .....	200,000	200,000
1503. Investment Expenses .....	3,027	3,027
1598. Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....	(3,796,973)	(3,796,973)

- (a) Includes \$ 3,261,017 accrual of discount less \$ 18,931,603 amortization of premium and less \$ 4,209,126 paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ 97,894 accrual of discount less \$ 4,688 amortization of premium and less \$ 34,887 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 \$ 120,408,655 interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ 12,265,414 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 .....	1,775,338	.....	1,775,338	.....	.....
1.1 Bonds exempt from U.S. tax .....	2,401,149	.....	2,401,149	.....	.....
1.2 Other bonds (unaffiliated) .....	4,425,145	(941,376)	3,483,769	2,245,074	.....
1.3 Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1 Preferred stocks (unaffiliated) .....	.....	.....	.....	55,233	.....
2.11 Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2 Common stocks (unaffiliated) .....	59,345,144	(2,343,964)	57,001,180	49,361,924	.....
2.21 Common stocks of affiliates .....	.....	.....	.....	280,637,735	.....
3. Mortgage loans .....	.....	.....	.....	.....	.....
4. Real estate .....	15,947,831	(8,614,562)	7,333,269	.....	.....
5. Contract loans .....	.....	.....	.....	.....	.....
6. Cash, cash equivalents and short-term investments .....	22,286	.....	22,286	.....	.....
7. Derivative instruments .....	.....	.....	.....	.....	.....
8. Other invested assets .....	.....	.....	.....	4,799,963	.....
9. Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10. Total capital gains (losses) .....	83,916,894	(11,899,902)	72,016,991	337,099,929	.....
<b>DETAILS OF WRITE-INS</b>					
0901. ....	.....	.....	.....	.....	.....
0902. ....	.....	.....	.....	.....	.....
0903. ....	.....	.....	.....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	.....	.....	.....	.....	.....

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE

**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 .....	5,755,231		(5,755,231)
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) .....		3,699,998	3,699,998
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) .....	5,755,231	3,699,998	(2,055,233)
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....	9,974	2,890	(7,084)
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	24,906,562	30,532,087	5,625,525
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....		3,399,987	3,399,987
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....	15,988,351	14,488,178	(1,500,173)
21. Furniture and equipment, including health care delivery assets .....	40,289,330	31,889,492	(8,399,837)
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 .....	97,819,078	104,651,338	6,832,260
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	184,768,526	188,663,971	3,895,445
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Lines 26 and 27)	184,768,526	188,663,971	3,895,445
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Other Assets .....	97,819,078	104,651,338	6,832,260
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)	97,819,078	104,651,338	6,832,260

## NOTES TO FINANCIAL STATEMENTS

Note #	Description	Page #
1	Summary of Significant Accounting Policies and Going Concern	14.1
2	Accounting Changes and Corrections of Errors	14.3
3	Business Combinations and Goodwill	14.3
4	Discontinued Operations	14.3
5	Investments	14.4
6	Joint Ventures, Partnerships and Limited Liability Companies	14.6
7	Investment Income	14.6
8	Derivative Instruments	14.7
9	Income Taxes	14.7
10	Information Concerning Parent, Subsidiaries, Affiliates and other Related Parties	14.14
11	Debt	14.18
12	Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans	14.18
13	Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations	14.23
14	Liabilities, Contingencies and Assessments	14.25
15	Leases	14.27
16	Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk	14.29
17	Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities	14.29
18	Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans	14.29
19	Direct Premium Written/Produced by Managing General Agents/Third Party Administrators	14.29
20	Fair Value Measurements	14.30
21	Other Items	14.32
22	Events Subsequent	14.41
23	Reinsurance	14.42
24	Retrospectively Rated Contracts and Contracts Subject to Redetermination	14.44
25	Change in Incurred Losses and Loss Adjustment Expenses	14.44
26	Intercompany Pooling Arrangements	14.44
27	Structured Settlements	14.45
28	Health Care Receivables	14.46
29	Participating Policies	14.46
30	Premium Deficiency Reserves	14.46
31	High Deductibles	14.46
32	Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expense	14.46
33	Asbestos/Environmental Reserves	14.47
34	Subscriber Savings Accounts	14.49
35	Multiple Peril Crop Insurance	14.49
36	Financial Guaranty Insurance	14.49

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

#### A. Accounting Practices

The financial statements of Farmers Insurance Exchange (“FIE”) are presented on the basis of accounting practices prescribed or permitted by the Insurance Department of the state of California (“DOI”).

FIE recognizes only statutory accounting practices prescribed or permitted by the state of California (the “State”) for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the California Insurance Law. The National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual (the “Codification”), version effective January 1, 2001 and subsequently amended (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the State. The State has adopted certain prescribed accounting practices that differ from those found in NAIC SAP, specifically requirements pertaining to computer hardware and software. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. FIE did not utilize any permitted practices during the years presented.

A reconciliation of FIE’s net income and surplus between NAIC SAP and practices prescribed by the State of California for year-to-date December 31, 2019 and the year ended December 31, 2018 is shown below:

	SSAP #	F/S Page	F/S Line #	2019	2018
<u>NET INCOME</u>					
(1) California basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 55,273,627	\$ (70,475,902)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:				-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP:	XXX	XXX	XXX	-	-
(4) NAIC SAP (1-2-3=4)				\$ 55,273,627	\$ (70,475,902)
<u>SURPLUS</u>					
(5) California basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 4,493,716,442	\$ 4,096,344,283
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:				-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP:				-	-
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 4,493,716,442	\$ 4,096,344,283

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

The preparation of financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### C. Accounting Policy

Premiums are earned pro rata over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Ceded unearned premium reserves under the All Lines reinsurance agreements (see Note 21C) are calculated based on a quota share percentage of the underlying pro-rata direct unearned premium reserves.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred.

In addition, FIE uses the following accounting policies:

- (1) Short-term investments include all investments whose maturities, at the time of acquisition, are greater than three months and less than one year and are stated at amortized cost, which approximates fair value.
- (2-4) Bonds not backed by other loans are generally carried at amortized cost or the lower of amortized cost or fair value depending on their NAIC designation. Bond premium or discount is amortized using the interest method.

Unaffiliated common stocks are carried at NAIC market value. The change in the stated value is recorded as a change in net unrealized capital gains or losses, a component of unassigned funds.

Redeemable preferred stocks are carried at amortized cost or at the lower of amortized cost or fair value, depending on their NAIC designation. Redeemable preferred stock premium or discount is amortized using the interest method. Non-redeemable preferred stocks are carried at market value or the lower of cost or fair value based on their NAIC designation.

## NOTES TO FINANCIAL STATEMENTS

FIE recognizes other-than-temporary impairment losses on investments when the decline in fair value specific to an issuer's fundamental credit difficulties, or a non-interest related decline, is deemed to be other than temporary. There are a number of assumptions and estimates inherent in evaluating impairments specific to an issuer's fundamental credit difficulties, or non-interest related decline, and determining if they are other than temporary, including: 1) FIE's ability and intent to retain the investment for a period of time sufficient to allow for an anticipated recovery in value; 2) the recoverability of principal and interest; 3) the length of time and extent to which the fair value has been less than amortized cost for bonds or cost for unaffiliated common and preferred stocks; 4) the financial condition, near-term and long-term prospects of the issue or issuer, including relevant industry conditions and trends, and implications of rating agency actions and offering prices; and 5) the specific reasons that a security is in a significant unrealized loss position, including market conditions which could affect access to liquidity. Interest rate related impairments are deemed other than temporary when FIE has the intent to sell an investment, at the reporting date, before recovery of the cost of the investment.

The 2028 and 2048 Trust Notes owned by FIE ("FIE"), Truck Insurance Exchange ("Truck") and Fire Insurance Exchange ("Fire,") (collectively "the Exchanges") are equal to the obligations owed to it under the terms of the underlying surplus notes (Notes Payable), and as a result, the Trust Notes are carried at par value. The premiums paid for the tendered Trust Notes were charged to income as realized losses.

- (5) FIE has no mortgage loans.
- (6) Mortgage-backed bonds and structured securities are stated at either amortized cost or the lower of amortized cost or market value. Premiums and discounts on mortgage-backed securities and structured securities are amortized using the retrospective method, except for interest-only mortgage-backed securities, which are amortized using the prospective method.

Loan-backed securities with evidence of deterioration of credit quality for which it is probable that the company will be unable to collect all contractually required payments receivable, are written down to the present value of expected cash flows to be received.

- (7) Common stocks of insurance subsidiaries are carried on the equity basis. The change in the stated value is recorded as a change in net unrealized capital gains or losses, a component of unassigned funds.

FIE carries its interest in Bristol West Holdings, Inc., a non-insurance subsidiary, based on audited US GAAP equity adjusted to a statutory basis of accounting.

- (8) FIE has minor ownership interests in joint ventures and partnerships. FIE carries these interests based on the underlying audited GAAP equity of the investee with unrealized gains/(losses) reflected in the capital and surplus. In addition, FIE also has 100% ownership interest in limited liability companies which in turn own real estate properties. These investments are reported on a depreciated historical basis, and marked down to fair value if impaired.

Investments in private equity are determined and carried based on fair value. Equity joint ventures fair value is derived from the equity amount of the Fund's audited financial statements with invested assets carried at fair value basis. Fair value for private equity investments are calculated by the Private Equity General Partner(s) using a number of methodologies, which include but are not limited to, public comparable EBITDA multiples, revenue multiples, discounted cash flow analysis and transaction comparable, to estimate fair value. The General Partner(s) also takes into consideration the financial condition and operating results of the investment, the nature of the investment, market information and other factors he/she deems appropriate. Due to the considerable judgment that is required in determining the fair value, amounts ultimately realized from each investment may vary significantly from the fair values presented.

- (9) Investments in derivative instruments, including warrants, are carried at fair value with the corresponding unrealized gain or loss flowing through unassigned funds. Realized gain or loss is reported in the net realized capital gain or loss line of the statement of operations. FIE does not have any investments in derivatives as of December 31, 2019.
- (10) FIE utilizes anticipated investment income in the calculation of premium deficiency reserves, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums. FIE evaluates the need for a premium deficiency reserve on a line of business level for all books. At December 31, 2019 and 2018, FIE had not established any premium deficiency reserves based on this calculation.
- (11) Reserves for 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 ("IBNR"). 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 reserves are continually reviewed and any adjustments are reflected in the period determined.
- (12) FIE has not modified its capitalization policy from the prior period.
- (13) Not applicable as FIE does not write any medical insurance with prescription drug coverage.



## NOTES TO FINANCIAL STATEMENTS

### D. Going Concern

Management has evaluated the reporting entity's ability to continue as a going concern, and is satisfied that it has adequate resources to enable it to continue in business for the foreseeable future.

## 2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

In 2019, the NAIC made substantive revisions to SSAP No. 21R – (Other Admitted Assets) regarding the reporting of structured settlements acquired directly or indirectly through a factoring transaction. The new guidance stipulates for companies to not only report the structured settlement income streams at cost but to recognize the discount on acquired structured settlements as an adjustment of yield over the period of time until the cash payments under the structured settlements are received to produce a constant effective yield each year. These revisions detail that periodic-certain structured settlements acquired in accordance with state and federal laws are admitted assets. In addition, it requires for companies to disclose the amount of the cash surrender value that is within an investment vehicle by investment category. The adoption of these revisions had no material impact on FIE's 2019 statutory financial statements.

Effective January 1, 2019, the NAIC added new guidance to SSAP No. 30R – (Unaffiliated Common Stock) to improve the definition of common stock, with identification of items, that technically do not meet the definition, but warrant common stock treatment. This guidance modified the common stock definition to include U.S. Securities and Exchange Commission (SEC) registered closed-end funds and unit-investment trusts. In addition, it added to the list of securities meeting definition of a common stock to include: common stocks that are not publicly traded, and common stocks restricted as to transfer of ownership, as well as equity investments that are not common stocks but are within the scope of this SSAP 30R. It requires Investments in scope of this standard to be reported at fair value, with changes in fair value recorded as unrealized gains or losses. For mutual funds, unit investment funds and exchange traded funds, without a readily determinable fair value, the guidance allows and permits such securities to be reported at net asset value if permitted as a practical expedient pursuant to the guidance in SSAP No. 100R (“Fair Value Measurements”). These revisions and expanded definitions have been reviewed and incorporated into FIE's 2019 and subsequent financial statements and had no material impact on FIE's statutory financial statements.

Effective January 1, 2019, the NAIC made substantive revisions to SSAP No. 62R (Property and Casualty Reinsurance), which clarified the determination of reinsurance credit and also incorporated language from Emerging Issue Task Force EITF 93-6, “Accounting for Multi-year Retrospectively Rated Contracts by Ceding and Assuming Enterprises” and EITF D-035, FASB Staff Views on Issue No. 93-6. In addition, it also provided additional risk transfer implementation guidance. Per terms in the guidance, whether underwriting risk has transferred to the reinsurer depends on how much uncertainty about the ultimate amount of net cash flows from premiums, commissions, claims, and claim settlement expenses paid under a contract has been transferred to the reinsurer. It requires companies to evaluate the significance of the amount of underwriting risk transferred in relation to the ceding entity's claims payments. The adoption of these revisions had no material impact on FIE's 2019 statutory financial statements.

## 3. BUSINESS COMBINATIONS AND GOODWILL

### A. Statutory Purchase Method

On April 16, 2009, FGI announced the acquisition of American International Group's (“AIG”) personal automobile insurance business, hereafter referred to as “21st Century”. Under the terms of the transaction, FGI would pay 21st Century \$1.9 billion, consisting of \$1.5 billion in cash and \$400.0 million in capital notes. Additionally, FGI would also solely assume 21st Century's outstanding debt of \$100.0 million. As part of the transaction, FGI would immediately sell the underlying insurance business the Exchanges for \$1.39 billion. On July 1, 2009, the 21st Century shareholders, various regulatory bodies and others, granted the necessary approvals, and the acquisition was finalized. Subsequent to this acquisition, FGI sold, for \$1.39 billion, the underlying insurance business to the Exchanges. In addition, the Exchanges incurred fees of \$6.0 million and also contributed \$55.0 million, in cash, of additional paid in capital to 21st Century. FIE's share of this acquisition was \$1,119.3 million (80.0%); Truck's share \$139.9 million (10.0%); and Fire's share \$139.9 million (10.0%). This acquisition was recorded using the statutory purchase method of accounting.

On April 1, 2018, the Exchanges contributed 100% of their ownership interest in 21st Century to Mid-Century, a subsidiary, which is owned 80%, 10%, and 10%, respectively.

### B. Statutory Merger

Not applicable.

### C. Impairment Loss

None.

## 4. DISCONTINUED OPERATIONS

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 5. INVESTMENTS

#### A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable

#### B. Debt Restructuring

	2019	2018
(1) The total recorded investment in restructured loans, as of year-end	None	None
(2) The realized capital losses related to these loans	None	None
(3) Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings	None	None

(4) The Company accrues interest income on impaired loans to the extent it is deemed collectible (delinquent less than 90 days) and the loan continues to perform under its original or restructured contractual terms. Interest income on non-performing loans is generally recognized on a cash basis.

#### C. Reverse Mortgages

Not applicable

#### D. Loan-Backed Securities

- (1) Prepayment assumptions were obtained from an external securities information service and are consistent with the current interest rate and economic environment.
- (2) Not applicable.
- (3) All loan backed other-than-temporary impairment securities were classified as such based on the fact that the present value of cash flows expected to be collected is less than the amortized cost basis of the security. See aggregate totals below.

CUSIP	Book/Adj Carry Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than- Temporary Impairment	Amortized cost After Other-Than- Temporary Impairment	Fair Value
225470DX8	\$ 1,336,883	\$ 1,326,002	\$ (10,881)	\$ 1,315,121	\$ 1,326,002
<b>Total Impaired in Quarter 1 2019</b>	<b>\$ 1,336,883</b>	<b>\$ 1,326,002</b>	<b>\$ (10,881)</b>	<b>\$ 1,315,121</b>	<b>\$ 1,326,002</b>
225470DX8	1,259,237	1,206,600	(52,637)	1,153,963	1,206,600
<b>Total Impaired in Quarter 4 2019</b>	<b>\$ 1,259,237</b>	<b>\$ 1,206,600</b>	<b>\$ (52,637)</b>	<b>\$ 1,153,963</b>	<b>\$ 1,206,600</b>

- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:

1. Less than 12 months	(\$288,619)
2. 12 months or Longer	(\$940,253)

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

1. Less than 12 months	\$50,845,754
2. 12 months or Longer	\$139,881,146

- (5) All loan-backed and structured securities were reviewed to determine if there were any indications of potential other-than-temporary impairment. If any indication of other-than-temporary impairment existed, then a cash flow and credit support analysis were performed. If it was determined that the company was to received less than 100% contractual cash flows, an other-than-temporary impairment was measured and taken in accordance with SSAP No. 43R.

## NOTES TO FINANCIAL STATEMENTS

### E. Dollar Repurchase Agreements and/or Securities Lending Transactions

(1) None.

(2-7) None.

### F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

(1-11) Not Applicable.

### G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

(1-10) Not Applicable.

### H. Repurchase Agreements Transactions Accounted for as a Sale

(1-9) Not Applicable.

### I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

(1-8) Not Applicable.

### J. Real Estate

(1) None.

(2) As of December 31, 2019, FIE sold the following investment properties:

- One operating property located in Chicago, Illinois and recognized a gain of \$6,533,881 in February 2019.
- One operating property located in Seattle, Washington and recognized a gain of \$9,413,950 in October 2019.

FIE has one investment property located in Agoura Hills, California listed for sale as of December 2019. All held for sale properties are expected to be sold within 12 months.

(3-5) None.

### K. Low-Income Housing Tax Credits (LIHTC)

(1-7) None.

### L. Restricted Assets

(1) Restricted Assets (Including Pledged)

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	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity	Total	Total From Prior Year	Increase/Decrease	Total Nonadmitted Restricted	Total Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Asset	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown											
b. Collateral held under security lending agreements											
c. Subject to repurchase agreements											
d. Subject to reverse repurchase agreements											
e. Subject to dollar repurchase agreements											
f. Subject to dollar reverse repurchase agreements											
g. Placed under option contracts											
h. Letter stock or securities restricted as to sale excluding FHLB capital stock											
i. FHLB capital stock											
j. On deposit with states	684,605,490	-	-	-	684,605,490	687,061,545	(2,456,055)	-	684,605,490	3.88%	3.92%
k. On deposit with other regulatory bodies											
l. Pledged as collateral to FHLB (including assets backing funding agreements)											
m. Pledged as collateral not captured in other categories											
n. Other restricted assets											
o. Total Restricted Assets	684,605,490	-	-	-	684,605,490	687,061,545	(2,456,055)	-	684,605,490	3.88%	3.92%

(2) Details of Assets Pledged as Collateral Not Captured in Other Categories

## NOTES TO FINANCIAL STATEMENTS

None.

(3) Detail of Other Restricted Assets

None.

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

None.

### M. Working Capital Finance Investments

Not Applicable.

### N. Offsetting and Netting of Assets and Liabilities

Not Applicable.

### O. 5GI Securities

Investment	Number of 5GI Securities		Aggregate BACV		Aggregate Fair Value	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
(1) Bonds - AC	1	-	\$ 8.20	\$ -	\$ 8.20	\$ -
(2) Bonds - FV		-	-	-	-	-
(3) LB & SS - AC		-	-	-	-	-
(4) LB & SS - FV		-	-	-	-	-
(5) Preferred Stock - AC		-	-	-	-	-
(6) Preferred Stock - FV		-	-	-	-	-
(7) Total (1+2+3+4+5+6)	1	-	\$ 8.20	\$ -	\$ 8.20	\$ -

### P. Short Sales

(1-2) None.

### Q. Prepayment Penalty and Acceleration Fees

	<u>General Account</u>	<u>Separate Account</u>
1 Number of CUSIPs	5	-
2 Aggregate Amount of Investment Income	\$ 656,112	\$ -

## 6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

- A. FIE had no investments in joint ventures, partnerships or limited liability companies that exceeded 10% of its admitted assets at both December 31, 2019 and 2018.
- B. FIE did not recognize any impairment write down for its investments in joint ventures, partnerships, and limited liability companies during the year ended December 31, 2019.

## 7. INVESTMENT INCOME

- A. Investment income due and accrued with amounts over 90 days past due is non-admitted.
- B. The total amount of investment income due and accrued excluded from surplus was \$9,974 and \$2,890 at December 31, 2019 and 2018, respectively.

## 8. DERIVATIVE INSTRUMENTS

- A. Derivatives under SSAP No. 86—Derivatives
- Not Applicable.
- B. Derivatives under SSAP No. 108—Derivative Hedging Variable Annuity Guarantees
- Not Applicable.

## NOTES TO FINANCIAL STATEMENTS

### 9. INCOME TAXES

#### A. Deferred Tax Asset/ (Liability)

1. The components of the net deferred tax assets/(liability) at December 31 are as follows:

	12/31/2019			12/31/2018		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 293,071,791	\$ 2,679,870	\$ 295,751,661	\$ 289,876,960	\$ 7,674,533	\$ 297,551,493
(b) Statutory Valuation Allowance Adjustments	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	293,071,791	2,679,870	295,751,661	289,876,960	7,674,533	297,551,493
(d) Deferred Tax Assets Nonadmitted	-	-	-	3,399,987	-	3,399,987
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	293,071,791	2,679,870	295,751,661	286,476,973	7,674,533	294,151,506
(f) Deferred Tax Liabilities	35,387,954	22,965,200	58,353,154	35,968,348	20,484,306	56,452,654
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	<u>\$ 257,683,837</u>	<u>\$ (20,285,330)</u>	<u>\$ 237,398,507</u>	<u>\$ 250,508,625</u>	<u>\$ (12,809,773)</u>	<u>\$ 237,698,852</u>

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ 3,194,831	\$ (4,994,663)	\$ (1,799,832)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	3,194,831	(4,994,663)	(1,799,832)
(d) Deferred Tax Assets Nonadmitted	(3,399,987)	-	(3,399,987)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	6,594,818	(4,994,663)	1,600,155
(f) Deferred Tax Liabilities	(580,394)	2,480,894	1,900,500
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	<u>\$ 7,175,212</u>	<u>\$ (7,475,557)</u>	<u>\$ (300,345)</u>

**NOTES TO FINANCIAL STATEMENTS**

2.

12/31/2019			12/31/2018		
(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$	226,664,537	\$	2,679,870	\$	229,344,407	\$	221,384,232	\$	7,674,533	\$	229,058,765
(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)		12,195,235		-		12,195,235		13,918,189		(5,266,375)		8,651,814
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.		12,195,235		-		12,195,235		13,918,189		(5,266,375)		8,651,814
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.		---		---		634,623,703		---		---		520,290,104
(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		54,212,019		-		54,212,019		51,174,552		5,266,375		56,440,927
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$	<u>293,071,791</u>	\$	<u>2,679,870</u>	\$	<u>295,751,661</u>	\$	<u>286,476,973</u>	\$	<u>7,674,533</u>	\$	<u>294,151,506</u>

Change		
(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$	5,280,305	\$	(4,994,663)	\$	285,642
(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)		(1,722,954)		5,266,375		3,543,421
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.		(1,722,954)		5,266,375		3,543,421
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.		---		---		114,333,599
(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		3,037,467		(5,266,375)		(2,228,908)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$	<u>6,594,818</u>	\$	<u>(4,994,663)</u>	\$	<u>1,600,155</u>

3.

2019	2018
------	------

(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount		476%		424%
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above	\$	4,139,119,246	\$	3,771,878,399

**NOTES TO FINANCIAL STATEMENTS**

4.

12/31/2019		12/31/2018		Change	
(1)	(2)	(3)	(4)	(5)	(6)
Ordinary	Capital	Ordinary	Capital	(Col 1-3) Ordinary	(Col 2-4) Capital

Impact of Tax-Planning Strategies

(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage

1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$	293,071,791	\$	2,679,870	\$	289,876,960	\$	7,674,533	\$	3,194,831	\$	(4,994,663)
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)	\$	293,071,791	\$	2,679,870	\$	286,476,973	\$	7,674,533	\$	6,594,818	\$	(4,994,663)
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) Does the company's tax-planning strategies include the use of reinsurance? Yes [ ] No [X]

**B. Deferred Tax Liabilities Not Recognized**

FIE is currently recognizing all deferred tax liabilities.

**C. Current and Deferred Income Taxes**

Current income taxes incurred consist of the following major components:

(1)	(2)	(3)
12/31/2019	12/31/2018	(Col 1-2) Change

1. Current income tax

(a) Federal	\$	192,860,139	\$	199,968,487	\$	(7,108,348)
(b) Foreign		-		-		-
(c) Subtotal		192,860,139		199,968,487		(7,108,348)
(d) Federal income tax on net capital gains (losses)		16,254,636		(3,063,731)		19,318,367
(e) Utilization of capital loss carry-forwards		-		-		-
(f) Attorney-in-fact credit		(234,466,927)		(246,615,440)		12,148,513
(g) Other Tax Credits		-		(1,791,116)		1,791,116
(h) Federal and foreign income taxes incurred	\$	<u>(25,352,152)</u>	\$	<u>(51,501,800)</u>	\$	<u>26,149,648</u>

## NOTES TO FINANCIAL STATEMENTS

### 2. Deferred Tax Assets:

#### (a) Ordinary

(1) Discounting of unpaid losses	\$	58,460,442	\$	57,556,671	\$	903,771
(2) Unearned premium reserve		134,007,904		125,720,408		8,287,496
(3) Policyholder reserves		-		-		-
(4) Investments		-		5,240,776		(5,240,776)
(5) Deferred acquisition costs		-		-		-
(6) Policyholder dividends accrual		-		-		-
(7) Fixed assets		-		210,620		(210,620)
(8) Compensation and benefit accrual		21,018,006		23,017,577		(1,999,571)
(9) Pension accrual		-		-		-
(10) Receivables - nonadmitted		5,230,378		6,411,738		(1,181,360)
(11) Net Operating Loss Carryover		-		-		-
(12) Tax credit carry-forward		-		-		-
(13) Other (including items <5% of total ordinary tax assets)		2,271,486		4,425,031		(2,153,545)
(14) Other assets - non admitted		33,571,012		32,493,698		1,077,314
(15) Intangible Assets		-		-		-
(16) Accrued expenses		10,142,162		13,351,815		(3,209,653)
(17) Post retirement accrual		18,765,119		16,599,475		2,165,644
(18) Guarantee Fund Asset (Receivable)		-		-		-
(19) Guarantee Fund Assessment		34,274		46,802		(12,528)
(20) Litigation Accrual		9,571,008		4,802,349		4,768,659
(99) Subtotal		<u>293,071,791</u>		<u>289,876,960</u>		<u>3,194,831</u>
(b) Statutory valuation allowance adjustment		-		-		-
(c) Nonadmitted		<u>-</u>		<u>3,399,987</u>		<u>(3,399,987)</u>
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	\$	<u>293,071,791</u>	\$	<u>286,476,973</u>	\$	<u>6,594,818</u>

#### (e) Capital:

(1) Investments	\$	2,034,689	\$	5,928,831	\$	(3,894,142)
(2) Net capital loss carry-forward		-		-		-
(3) Real estate		-		193,746		(193,746)
(4) Other (including items <5% of total capital tax assets)		-		-		-
(5) Investment write downs		645,181		1,551,956		(906,775)
(99) Subtotal		<u>2,679,870</u>		<u>7,674,533</u>		<u>(4,994,663)</u>
(f) Statutory valuation allowance adjustment		-		-		-
(g) Nonadmitted		<u>-</u>		<u>-</u>		<u>-</u>
(h) Admitted capital deferred tax assets (2e99-2f-2g)		<u>2,679,870</u>		<u>7,674,533</u>		<u>(4,994,663)</u>
(i) Admitted deferred tax assets (2d+2h)	\$	<u>295,751,661</u>	\$	<u>294,151,506</u>	\$	<u>1,600,155</u>



## NOTES TO FINANCIAL STATEMENTS

	(1) 12/31/2019	(2) 12/31/2018	(3) (Col 1-2) Change
3. Deferred tax liabilities:			
(a) Ordinary			
(1) Investments	\$ 1,130,872	\$ -	\$ 1,130,872
(2) Fixed assets	10,879,614	10,017,221	862,393
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	1,973,789	845,879	1,127,910
(6) Pension liabilities	-	20,324	(20,324)
(7) BOLI / ICOLI	-	-	-
(8) Guaranty Funds Receivable	-	-	-
(9) Interest on Surplus Notes	3,987,269	3,987,269	-
(10) Discounting of unpaid losses - Transition Adj.	17,416,410	21,097,655	(3,681,245)
(99) Subtotal	<u>\$ 35,387,954</u>	<u>\$ 35,968,348</u>	<u>\$ (580,394)</u>
(b) Capital:			
(1) Investments	\$ 22,965,200	\$ 20,484,306	\$ 2,480,894
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	<u>\$ 22,965,200</u>	<u>\$ 20,484,306</u>	<u>\$ 2,480,894</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ 58,353,154</u>	<u>\$ 56,452,654</u>	<u>\$ 1,900,500</u>
4. Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 237,398,507</u>	<u>\$ 237,698,852</u>	<u>\$ (300,345)</u>

5. The change in net deferred income taxes is composed of the following at December 31, 2019 and December 31, 2018 are as follows:

	(1) 12/31/2019	(2) 12/31/2018	(3) (Col 1-2) Change
Adjusted gross deferred tax assets	\$ 295,751,661	\$ 297,551,493	\$ (1,799,832)
Total deferred tax liabilities	<u>58,353,154</u>	<u>56,452,654</u>	<u>1,900,500</u>
Net deferred tax asset	237,398,507	241,098,839	(3,700,332)
Tax effect of unrealized (gains) losses			<u>(11,857,061)</u>
Change in net deferred income tax (charge)/benefit			<u>\$ 8,156,729</u>

## NOTES TO FINANCIAL STATEMENTS

### D. Reconciliation of Federal income Tax Rate to Actual Effective Rate.

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

	(1) 12/31/2019	Effective Tax Rate
Provision computed at statutory rate	\$ 6,283,449	21.00%
Tax-exempt interest	(5,267,551)	(17.60%)
Dividend received deduction	(661,263)	(2.21%)
25% exemption adjustment	1,482,204	4.95%
Unallowable deductions	1,203,008	4.02%
BOLI /ICOLI	(13,069,028)	(43.68%)
Tax credits	-	0.00%
Net Interest Receivable	(18,424,564)	(61.58%)
Prior year under/(over) accrual of income taxes	(5,159,181)	(17.24%)
Change in nonadmitted assets	104,046	0.35%
Other	0	0.00%
Total	<u>\$ (33,508,881)</u>	<u>(111.99%)</u>
Federal income tax incurred/(benefit)	\$ (41,606,788)	(139.05%)
Tax on capital gains/(losses)	16,254,636	54.32%
Less: Change in net deferred income tax	<u>(8,156,729)</u>	<u>(27.26%)</u>
Total statutory income taxes	<u>\$ (33,508,881)</u>	<u>(111.99%)</u>

### E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

- When available, FIE utilizes net operating loss carry forwards to offset taxable income under the terms of the tax sharing agreement. As of December 31, 2019, FIE did not have any net operating loss carry forwards. Certain net operating loss carry forwards are subject to an annual limitation under Internal Revenue Code section 382.
- The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses as of December 31, 2019 and December 31, 2018 :

	<u>Amount</u>
Current year	\$ 240,537,592
First preceding year	243,951,598

- Deposits admitted under Internal Revenue Service Code Section 6603 None

## NOTES TO FINANCIAL STATEMENTS

### F. Consolidated Federal Income Tax Return

1. FIE's federal income tax return is consolidated with the following entities, with Farmers Insurance Exchange as the parent company.

Farmers Insurance Exchange American Federation Insurance Company American Pacific Insurance Company, Inc. Bristol West Casualty Insurance Company Bristol West Holdings, Inc. Bristol West Insurance Company Bristol West Insurance Services of California, Inc. Bristol West Insurance Services, Inc. of Florida Bristol West Preferred Insurance Company BWIS of Nevada, Inc. Coast National General Agency, Inc. Coast National Holding Company Coast National Insurance Company Farmers Insurance Company of Idaho Farmers Insurance Company of Oregon Farmers Insurance Company, Inc. Farmers Insurance Hawaii, Inc. Farmers Insurance of Columbus, Inc Farmers New Century Insurance Company Farmers Specialty Insurance Company Kraft Lake Insurance Agency Inc. Foremost Express Insurance Agency, Inc. Foremost Insurance Company Grand Rapids, Michigan Foremost Lloyds of Texas Foremost Property and Casualty Insurance Company Foremost Signature Insurance Company	Hawaii Insurance Consultants Ltd. Mid-Century Insurance Company Mid-Century Insurance Company of Texas Illinois Farmers Insurance Company Security National Insurance Company Texas Farmers Insurance Company Western Star Insurance Services, Inc. 21st Century Advantage Insurance Company 21st Century Assurance Company 21st Century Auto Insurance Company of New Jersey 21st Century Casualty Company 21st Century Centennial Insurance Company 21st Century Indemnity Insurance Company 21st Century Insurance & Financial Services 21st Century Insurance Company 21st Century Insurance Group 21st Century North America Insurance Company 21st Century Pacific Insurance Company 21st Century Pinnacle Insurance Company 21st Century Preferred Insurance Company* 21st Century Premier Insurance Company 21st Century Superior Insurance Company 50th State Risk Management Services, Inc.
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\*Note: On November 1, 2019, the Company sold 21st Century Preferred Insurance Company to the Trisura Specialty Insurance Company, a third party. (See also Note 21C).

2. FIE and its eligible affiliates have executed a tax-sharing agreement whereby FIE receives from its affiliates the tax they would pay if they had filed separate returns and pays to the affiliates amounts for any tax benefits reported. Any expense or benefit so derived is recognized in the respective affiliate's current year tax provision. Intercompany tax balances are settled monthly based on estimates with the final settlement made annually within 30 days after the return has been filed.

### G. Federal or Foreign Federal Income Tax Loss Contingencies

FIE does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

### H. Repatriation Transition Tax (RTT)

Total RTT Owed under TCJA	N/A
Did Company elect to pay RTT under permitted installments	N/A

Schedule of Remitted Payments for RTT:

Date Paid	Amount
	\$ -
	-
	-
<b>Total</b>	N/A

Expected Future Payments of RTT:

Date Paid	Amount
	\$ -
	-
	-
<b>Total</b>	N/A

## NOTES TO FINANCIAL STATEMENTS

### I. Alternative Minimum Tax (AMT) Credit

	<b>Amount</b>
(1) Gross AMT Credit Recognized as:	
a. Current year recoverable	\$ -
b. Deferred Tax Asset (DTA)	-
(2) Beginning Balance of AMT Credit Carryforward	N/A
(3) Amounts Recovered	\$ -
(4) Adjustments	-
(5) Ending Balance of AMT Credit Carryforward (5=2-3-4)	N/A
(6) Reduction for Sequestration	\$ -
(7) Nonadmitted by Reporting Entity	-
(8) Reporting Entity Ending Balance (8=5-6-7)	N/A

## 10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES, AND OTHER RELATED PARTIES

### A. Nature of Relationships

FIE is organized under the laws of the state of California and is the lead company in the Farmers Intercompany Reinsurance Program. Farmers P&C Companies is comprised of the Exchanges, their respective insurance subsidiaries, Farmers Texas County Mutual Insurance Company, Foremost County Mutual Insurance Company, and Foremost Lloyds of Texas. The subsidiaries of the Exchanges include, among others, Foremost Insurance Company Grand Rapids and its subsidiaries, which were acquired on March 7, 2000, Bristol West Holdings, Inc. and its subsidiaries, which were acquired on July 3, 2007 and the 21st Century companies which were acquired on July 1, 2009.

### B. Detail of Transactions Greater than ½% of Admitted Assets

On April 1, 2018, FIE, Fire and Truck contributed 100% of their ownership interest in 21st Century to Mid-Century. Subsidiary, which is owned 80%, 10%, and 10%, respectively.

### C. Change in Terms of Intercompany Arrangements

The contribution and subsequent change in the ownership of 21st Century to Mid Century effective 4/1/2018 did not have any impact on the overall financial statements of FIE, Fire and Truck, with their direct and indirect ownership in Mid Century as well as 21st Century still remaining at 80%, 10%, and 10%, respectively.

### D. Amounts Due to or from Related Parties

At December 31, 2019 and 2018, FIE reported \$160.0 million and \$382.0 million due from affiliates, respectively. The terms of settlement require that these amounts be settled within 45 days.

### E. Guarantees or Undertakings for Related Parties

There are no guarantees or undertakings, written or otherwise, for the benefit of an affiliate (see Note 14A).

### F. Management, Service Contracts, Cost Sharing Arrangements

Certain members of the Farmers Property and Casualty Companies (collectively, "Farmers") participate in an intercompany reinsurance agreement in which they share in the net premiums and ultimate losses of affiliates. With FIE as the lead company, Farmers' companies, (except Farmers Reinsurance Company and 21st affiliates business prior to July 1, 2009), cede all of their direct and assumed personal business and business insurance to FIE, which then retrocedes a share of the business back to the participants according to their respective participation percentages (see Note 26). For the year ended December 31, 2019, FIE assumed \$7,429.0 million in net premiums written, \$7,328.1 million in net premiums earned, and \$4,232.6 million in net losses incurred, as result of its participation in the intercompany reinsurance agreement.

FIE has separate agreements for adjustment services with both Fire and Truck pursuant to which Fire and Truck utilize the services of the employees of FIE in the handling of its claims.

FIE has a service agreement with Farmers Insurance Company, Inc. ("FICO, Inc.") whereby FICO, Inc. provides claims handling and support services for FIE at its facilities located in Olathe, Kansas, and Oklahoma City, Oklahoma. In addition, FIE has a separate service agreement with FICO, Inc. Under the terms of this agreement, FIE provides various services to FICO, Inc. as are necessary and appropriate for FICO, Inc. to discharge its obligations to its policyholders, shareholders and regulators. This agreement broadly encompasses, claims adjustment services, investment management services, preparation of insurance policies, billing and collections, and other administrative services.

## NOTES TO FINANCIAL STATEMENTS

FIE has separate service agreements with Mid-Century Insurance Company of Texas (“MCT”) and the Texas Farmers Insurance Company (“TFIC”), which provide for FIE to collect premiums receipts and provide appropriate accounting for premiums collected by MCT and TFIC, including the reconciliation of policyholder records and monthly settlement of all balances. In addition, FIE has another separate service agreements with MCT and TFIC, to supplement the premium collection agreements. Under the terms of these supplemental agreements, FIE provides various services to MCT and TFIC as are necessary and appropriate for these two companies to discharge their obligations to policyholders, shareholders and regulators. These agreements broadly encompass, claims adjustment services, investment management services, preparation of insurance policies, billing and collections, and other administrative services.

FIE has service agreements with several of its insurance subsidiaries and affiliates. Under the terms of these agreements, FIE provides various services to each of these companies as are necessary and appropriate for these companies to discharge their obligations to their policyholders, shareholders and regulators. These agreements broadly encompass, claims adjustment services, investment management services, preparation of insurance policies, billing and collections, and other administrative services. Following are the companies with service agreements with FIE:

Company Name	NAIC Company Code	State of Domicile
21st Century North America Insurance Company	32220	New York
21st Century Premier Insurance Company	20796	Pennsylvania
American Federation Insurance Company	10245	Texas
Bristol West Casualty Insurance Company	11034	Ohio
Bristol West Insurance Company	19658	Ohio
Bristol West Preferred Insurance Company	12774	Michigan
Civic Property and Casualty Company	10315	California
Coast National Insurance Company	25089	California
Exact Property and Casualty Company	10318	California
Farmers Insurance Company of Arizona	21598	Arizona
Farmers Insurance Company of Idaho	21601	Idaho
Farmers Insurance Company of Oregon	21636	Oregon
Farmers Insurance Company of Washington	21644	Washington
Farmers Insurance of Columbus, Inc.	36889	Ohio
Farmers New Century Insurance Company	10806	Illinois
Farmers New World Life	63177	Washington
Foremost Insurance Company, Grand Rapids	11185	Michigan
Illinois Farmers Insurance Company	21679	Illinois
Mid-Century Insurance Company	21687	California
Neighborhood Spirit Property and Casualty Company	10317	California
Security National Insurance Company	33120	Florida

FIE provides marketing, legal services, warehouse and distribution services, audit and training, and related services to FFS Holding, LLC, pursuant to a Service Agreement effective March 1, 2017.

FIE provides marketing, underwriting, reinsurance, operational and related services to the Zurich Personal Insurance business of Maryland Casualty Company, Assurance Company of America, National Standard Insurance Company, Northern Insurance Company of New York, and Universal Underwriters Insurance Company, pursuant to a Service Agreement effective January 1, 1999.

FIE provides certain claims adjusting services for the benefit of Zurich American Insurance Company and its United States affiliated insurers (collectively, “Zurich U.S.”), pursuant to a Service Agreement entered into between the parties in November 2000. Under this Agreement, FIE handles, adjudicates, and adjusts Zurich U.S. private passenger auto claims, and is reimbursed for services provided.

Zurich American Insurance Company or its affiliates provide administrative, underwriting, policy issuance, and related services to FIE, Fire Insurance Exchange, Truck Insurance Exchange, and Mid-Century Insurance Company, in conjunction with the following specific insurance programs:

Mechanical Breakdown Insurance Program: Service Agreement between Universal Underwriters Insurance Company and FIE, effective September 1, 1998.

## NOTES TO FINANCIAL STATEMENTS

Equipment Breakdown Insurance Program. Service Agreement between Zurich Services Corporation and FIE, Truck Ins Exchange, Mid-Century Insurance Company, Civic Property and Casualty Company, Exact Property and Casualty, and Neighborhood Spirit Property and Casualty Company, effective November 1, 2000.

Managed Care Program. Services Agreement between Zurich Services Corporation and FIE, Fire Insurance Exchange, Truck Insurance Exchange and Mid-Century Insurance Company, effective November 6, 2000.

FIE entered into a Service agreement, dated December 7, 2009, whereby Farmers provides collision claims services for Zurich Compania de Seguros, S.A (“Zurich Mexico”) policyholders who wish to have their motor vehicles repaired in the United States for losses which occur in Mexico and which are covered by Zurich Mexico’s “Zmart” insurance policies.

FIE entered into a Consultancy Agreement, dated August 12, 2010, with Zurich Services Corporation, pursuant to which Zurich Services Corporation will provide risk engineering assessment services to FIE.

Effective January 1, 2019, FX Insurance Agency, LLC entered into an Agency Agreement with Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange, Mid-Century Insurance Company, Civic Property and Casualty Insurance Company, Exact Property and Casualty Company, Neighborhood Spirit Property and Casualty Company, Coast National Insurance Company, 21st Century Insurance Company, 21st Century Casualty Company, 21st Century Superior Insurance Company, Farmers Specialty Insurance Company and other insurers. The California Department of Insurance sent a letter dated November 6, 2018 indicating that they do not disapprove this agency agreement.

### G. Nature of Relationships that Could Affect Operations

FIE is governed by a Board of Governors elected by its policyholders. Management services are provided to FIE by FGI, doing business as Farmers Underwriters Association, its Attorney-in-Fact. FGI is a wholly-owned subsidiary of Zurich Financial Services.

FIE is one of the Farmers’ companies, which is comprised of Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange, Mid-Century Insurance Company, Farmers New Century Insurance Company, Mid-Century Insurance Company of Texas, Texas Farmers Insurance Company, Illinois Farmers Insurance Company, Farmers Insurance Company, Inc., Farmers Insurance Company of Arizona, Farmers Insurance Company of Idaho, Farmers Insurance Company of Oregon, Farmers Insurance Company of Washington, Farmers Insurance of Columbus, Inc., Civic Property and Casualty Company, Exact Property and Casualty Company, Neighborhood Spirit Property and Casualty Company, Farmers Texas County Mutual Insurance Company, Farmers Reinsurance Company, Foremost Insurance Company Grand Rapids, Michigan, Foremost Property and Casualty Insurance Company, Farmers Specialty Insurance Company, Foremost Signature Insurance Company, Foremost County Mutual Insurance Company, Foremost Lloyds of Texas, Bristol West Casualty Insurance Company, Bristol West Insurance Company, Bristol West Preferred Insurance Company, Coast National Insurance Company, and Security National Insurance Company. Others are: 21st Century North America Insurance Company, 21st Century Centennial Insurance Company, 21st Century Premier Insurance Company, Farmers Insurance Hawaii, Inc., 21st Century Superior Insurance Company, 21st Century Advantage Insurance Company, 21st Century Pinnacle Insurance Company, 21st Century Indemnity Insurance Company, 21st Century Auto Insurance Company of New Jersey, American Pacific Insurance Company, Inc., 21st Century Pacific Insurance Company, 21st Century Assurance Company, 21st Century Insurance Company, 21st Century Casualty Company, and American Federation Insurance Company. For more details on ownership, see Schedule Y.

### H. Amount Deducted for Investment in Upstream Company

FIE does not own shares of an upstream intermediate or ultimate parent, which are applicable under Section 4(B)(b)(x) of the NAIC Valuation of Securities manual.

### I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

FIE’s investment in, Mid-Century Insurance Company (“Mid-Century”), an affiliate, exceeded 10% of its total admitted assets at both December 31, 2019 and 2018. The following represents summarized information related to Mid-Century (in millions):

**NOTES TO FINANCIAL STATEMENTS**

	2019	2018
Total assets	\$ <u>6,792</u>	\$ <u>7,003</u>
Total liabilities	2,830	3,218
Total capital and surplus	3,962	3,785
Total liabilities, capital, and surplus	\$ <u>6,792</u>	\$ <u>7,003</u>
Net income (Loss)	\$ <u>569</u>	\$ <u>284</u>

**J. Write downs for Impairment of Investments in Affiliates**

FIE did not recognize any impairment write down on investments in SCA’s during the years ended December 31, 2019 and 2018.

**K. Foreign Insurance Subsidiary Valued Using CARVM**

FIE does not have any investments in foreign insurance companies.

**L. Downstream Holding Company Valued Using Look-Through Method**

FIE owns equity interest in FCOA, LLC and Bristol West Holdings, Inc., both non-insurance subsidiaries, as well as the various 21st Century non-insurance subsidiaries, which is carried based on audited US GAAP equity adjusted to a statutory basis of accounting.

**M. All SCA Investments**

FIE’s direct and indirect ownership and equity interest in all non-insurance SCA’s average is approximately 80%, with the remaining 20% held by Truck and Fire at about 10%, each. FIE’s ownership share of the aggregate total admitted and non-admitted balance sheet amounts of all non-insurance SCA’s were \$223.1 million. The aggregate total admitted and non-admitted non-insurance SCA’s amounts are as follows:

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (except 8bi entities) - 2019

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities		\$ -	\$ -	\$ -
Total SSAP No. 97 8a Entities	<u>XXX</u>	\$ -	\$ -	\$ -
b. SSAP No. 97 8b(ii) Entities				
Bristol West Holdings, Inc	42	\$ 223,142,858	\$ 223,142,858	\$ -
Total SSAP No. 97 8b(ii) Entities	<u>XXX</u>	\$ 223,142,858	\$ 223,142,858	\$ -
c. SSAP No. 97 8b(iii) Entities				
None		\$ -	\$ -	\$ -
Total SSAP No. 97 8b(iii) Entities	<u>XXX</u>	\$ -	\$ -	\$ -
d. SSAP No. 97 8b(iv) Entities				
None		\$ -	\$ -	\$ -
Total SSAP No. 97 8b(i) Entities	<u>XXX</u>	\$ -	\$ -	\$ -
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	<u>XXX</u>	\$ 223,142,858	\$ 223,142,858	\$ -
f. Aggregate Total (a+e)	<u>XXX</u>	\$ 223,142,858	\$ 223,142,858	\$ -

(2) NAIC Filing Response Information - 2018

**NOTES TO FINANCIAL STATEMENTS**

<u>SCA Entity</u> (Should be same entities as shown in M(1) above.)	<u>Type of NAIC Filing*</u>	<u>Date of Filing to the NAIC</u>	<u>NAIC Valuation Amount</u>	<u>NAIC Response Received Y/N</u>	<u>NAIC Disallowed Entities Valuation Method Resubmission Required Y/N</u>	<u>Code**</u>
a. SSAP No. 97 8a Entities			\$ -			
Total SSAP No. 97 8a Entities	XXX	XXX	\$ -	XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities Bristol West Holdings, Inc	S2	8/21/2019	\$ 217,168,560	Y	N	
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$ 217,168,560	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities			\$ -			
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities			\$ -			
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	\$ 217,168,560	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	\$ 217,168,560	XXX	XXX	XXX

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

**N. Investment in Insurance SCAs**

FIE does not have any SCA where its audited statutory equity departs from NAIC statutory equity.

**O. SCA or SSAP 48 Entity Loss Tracking**

Not applicable.

**11. DEBT**

Not applicable.

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**

**A. Defined Benefit Plans**

**Postretirement Benefits**

FIE and certain members of Farmers provide certain postretirement benefits to retired employees. For retirees who retired before January 1, 2010, Farmers postretirement benefits plan provides a contributory defined dollar plan for pre-65 benefit and Premium Reimbursement Account (“PRA”) for post-65 benefit. The PRA is a contribution into an account established by Farmers to cover and help pay for the cost of retiree medical premiums of eligible and qualifying employees. Participants retiring on or after January 1, 2010 are eligible to participate in the Health Retirement Account (“HRA”) and the PRA. The HRA is an account also established by Farmers for eligible employees to help pay for health care premiums in a specified deductible plan until a certain age. Under current plan provisions, health benefits are available for all employees who participated in Farmers group medical benefits plan immediately prior to retirement at age 55 or later with at least 5 years of service. Farmers contributes to the plan only for those who retire with at least 10 years of service. The PRA is not available to those hired after December 31, 2010. The cost of such benefits is accrued over the service period of the employees based on the actuarially determined cost for the period. Employees who retired before January 1, 2010 are also eligible for a life insurance benefit. Obligations for the postretirement benefits plan are paid from Farmers assets. There were no assets separated and allocated to this plan.

A summary of assets, obligations and assumptions of the Postretirement Benefit Plans are as follows at December 31, 2019 and 2018:

(1) Change in benefit obligation

a. Pension Benefits

None.

b. Postretirement Benefits



**NOTES TO FINANCIAL STATEMENTS**

		Underfunded	
		2019	2018
1	Benefit obligation at beginning of year	152,744,188	160,444,063
	Adoption of SSAP No. 92 (nonvested obligation)		
2	Service cost	6,695,122	8,312,626
3	Interest cost	5,751,452	5,156,422
4	Contribution by plan participants	609,431	973,581
5	Actuarial (gain) /loss	11,680,754	(17,270,754)
6	Foreign currency exchange rate changes		
7	Benefits paid	(4,809,044)	(4,871,750)
8	Plan amendments	-	-
9	Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-
10	Benefit obligation at end of year	172,671,903	152,744,188

c. Postemployment & Compensated Absence Benefits

None

(2) Change in plan assets

		Postretirement Benefits	
		2019	2018
a.	Fair value of plan assets at beginning of year	-	-
b.	Actual return on plan assets	-	-
c.	Foreign currency exchange rate changes	-	-
d.	Reporting entity Employer contribution	4,199,613	3,898,169
e.	Plan participants' contributions	609,431	973,581
f.	Benefits paid	(4,809,044)	(4,871,750)
g.	Business combinations, divestitures and settlements	-	-
h.	Fair value of plan assets at end of year	-	-

(3) Funded Status

		Postretirement Benefits	
		2019	2018
a.	Components:		
	1. Prepaid benefit costs	-	-
	2. Overfunded plan assets	-	-
	3. Accrued benefit costs	(172,671,903)	(152,744,188)
	4. Liability for pension benefits	-	-
b.	Assets and liabilities recognized		
	1. Assets (nonadmitted)		
	2. Liabilities recognized	(172,671,903)	(152,744,188)
c.	Unrecognized liabilities	-	-

(4) Components of net periodic cost

## NOTES TO FINANCIAL STATEMENTS

		Postretirement Benefits	
		2019	2018
a.	Service cost	6,695,122	8,312,626
b.	Interest cost	5,751,452	5,156,422
c.	Expected return on plan assets		
d.	Transition asset or obligation		
e.	Gains and losses	-	-
f.	Prior service cost or credit	4,007,086	4,216,332
g.	Gain or loss recognized due to a settlement or curtailment	(1,525,714)	-
h.	Total net periodic benefit cost	14,927,946	17,685,380

(5) Other amounts recognized in unassigned funds/(surplus).

		Postretirement Benefits	
		2019	2018
a.	Items not yet recognized as a component of net periodic cost – prior year	(25,423,715)	(3,936,629)
b.	Net transition asset or obligation recognized		
c.	Net prior service cost or credit arising during the period		
d.	Net prior service cost or credit recognized	(4,007,086)	(4,216,332)
e.	Net gain and loss arising during the period	-	-
f.	Net gain and loss recognized	13,206,468	(17,270,754)
g.	Items not yet recognized as a component of net periodic cost – current year	(16,224,333)	(25,423,715)

(6) Amounts in unassigned funds (surplus) not yet recognized in net periodic benefit cost.

		Postretirement Benefits	
		2019	2018
a.	Net transition asset or obligation	-	-
b.	Net prior service cost or credit	(2,019,701)	1,987,385
c.	Net recognized gains and losses	(14,204,632)	(27,411,100)

(7) Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31:

		2019	2018
a.	Weighted-average discount rate	4.16%	3.50%
b.	Expected long-term rate of return on plan assets	N/A	N/A
c.	Rate of compensation increase	N/A	N/A
d.	Interest crediting rates	5.00%	5.00%

Weighted-average assumptions used to determine projected benefit obligations as of Dec 31:

		2019	2018
d.	Weighted-average discount rate	3.15%	4.16%
e.	Rate of compensation increase	N/A	N/A
f.	Interest crediting rates	5.00%	5.00%

(8) The amount of the accumulated benefit obligation for the Postretirement Benefit Plans under statutory accounting was \$172.7 million for the current year and \$152.7 million for the prior year.

(9) Effective January 1, 2019, a group of employees transferred from Farmers to new divisions created under FGI. The \$6.8M obligation corresponding to the transfer from Farmers to FGI are treated as actuarial gains. Additionally, beginning in 2019, Farmers stopped offering coverage to all pre-65 retirees under several plans which were replaced with the option to enroll in the \$3,000 Deductible Plan. The level of employer subsidy is unchanged. In 2018, there were no material changes to Farmers' companies Postretirement Benefit Plans. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plan. The health care cost trend rate for participants who retired before January 1, 1991 was 6.5% during 2019, graded down to 5.0% in 2026.

## NOTES TO FINANCIAL STATEMENTS

- (10) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

	Year(s)	Amount
a.	2020	\$ 8,533,786
b.	2021	9,699,881
c.	2022	10,812,686
d.	2023	11,340,602
e.	2024	11,868,999
f.	2025 - 2029	65,738,666

- (11) Farmers' companies currently plan to make contributions to the postretirement benefits plan of \$8.5 million in 2020. FIE's share of this postretirement benefit contribution is \$4.4 million.

Farmers' companies total benefit obligation under statutory accounting at the end of 2019 and 2018 was \$172.7 million and \$152.7 million, respectively. FIE's share of this postretirement benefit obligation was \$89.4 million and \$79.0 million at December 31, 2019 and 2018, respectively. The total funded status for Farmers' companies was (\$172.7) million and (\$152.7) million, respectively. FIE's share was (\$89.4) million and (\$79.0) million at December 31, 2019 and 2018, respectively.

- (12) Amounts and types of securities of Farmers and related parties included in plan assets

Not Applicable.

- (13) Alternative method used to amortize prior service amounts or net gains and losses

Not Applicable.

- (14) Substantive commitments

Not Applicable.

- (15) Cost of providing special or contractual termination benefits

Not Applicable.

- (16) Significant gains or losses and/or change in the plan obligation

The actuarial loss was primarily due to the decrease in equivalent single discount rate used to measure the benefit obligation, from 4.16% at December 31, 2018 to 3.15% at December 31, 2019. This was somewhat offset by a gain for the group of employees that transferred from Farmers to new divisions created under Farmers Group, Inc. effective January 1, 2019.

- (17) Fair value of plan assets

Not Applicable.

- (18) Election to apply transition guidance

Not Applicable.

### B. Description of Investment Policies

Not applicable.

### C. Fair Value of Plan Assets

Not applicable.

### D. Rate of Return Assumptions

Not applicable.

### E. Defined Contribution Plans

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### F. Multi-employer Plans

Not applicable.

### G. Consolidated/Holding Company Plans

#### Pension Plan

FIE and certain members of Farmers participate in noncontributory defined benefit pension plans consisting of the qualified Employees' Pension Plan and the non-qualified Employee Benefits Restoration Plan ("EBRP"), all sponsored by Farmers Group, Inc. ("FGI"). As a result, Farmers has no legal obligation for benefits under these Plans.

The Employees' Pension Plan covers substantially all employees of FGI (and Farmers Services, LLC ("FS") prior to 2017) and Farmers employees who were hired prior to January 1, 2018. Prior to January 1, 2009, the Plan provided defined benefits based on years of service and the employee's compensation during the last five years of employment. Effective January 1, 2009, the plan was amended to include cash balance provisions for certain employees, whereas the benefits for the balance of the employees were unchanged. The employees covered under the cash balance provisions are those who, as of December 31, 2008, were non-vested in their pension benefits, those who were under age 40 with less than 10 years of service and those employees hired on or after January 1, 2009. The plan was comprehensively amended effective December 31, 2015 to permit options for participants with a termination of employment on or after December 31, 2015. Such individuals may elect within 180 days of the participant's termination of employment to have his benefit paid in a single lump sum. Additionally, participants who experience a termination of employment on or after December 31, 2015 will have the opportunity to elect to have the actuarial equivalent of such participant's vested benefit at his or her Normal Retirement or Early Retirement Date, if greater, paid to him or her in the form of substantially equal installment payments over a 10-year certain term. On the making of such lump sum or final payment for the 10-year certain installments, neither the participant nor the participant's spouse or beneficiary shall have any further benefit under the Employees' Pension Plan.

Plans that allow lump sum distributions are required by the IRS to include restrictions based on the plan's funded status. In order to formally document such restrictions, an amendment was adopted by the plan on August 17, 2016 specifying that if the plan's funded status is below 80%, then the plan's ability to offer certain forms of payment will be restricted and if the Plan's funded status is below 60%, then the plan's payment options would be further restricted. The Employee's Pension Plan and the EBRP were amended on October 6, 2016, to modify the provisions to provide for the cessation of benefit accruals as of December 31, 2018. Participants will retain all accrued benefits, including any benefits accrued through December 31, 2018 and will earn only defined contribution retirement benefits starting January 1, 2019. The plan was amended on November 29, 2016, to remove FS as a participating employer of the Employees' Pension Plan effective January 1, 2017. The plan was amended on August 28, 2017, to implement a 1 year service requirement for participation in the Employee's Pension Plan for individuals hired on or after January 1, 2018.

As part of this change, beginning January 1, 2019, Farmers will automatically contribute an additional 4% of eligible base pay to the employees' 401(k) Plan, regardless of the amount contributed by each employee to the 401(k). This new base contribution is in addition to the 6% Farmers match now available.

FGI's funding policy for the Employees' Pension Plan is to contribute an amount at least equal to the minimum required contribution under ERISA/PPA. FGI's policy is to allocate to Farmers their share of the plan cost. Farmers has regularly contributed to the pension plan for their share of the pension cost and Farmers expects future contributions to fully satisfy Farmers portion of the pension liability.

Effective January 1, 2019, a group of employees were transferred from Farmers to new divisions created under FGI. The corresponding \$6.8M APBO that was transferred to FGI was reflected in 2019 P&L as a prior service cost for FGI.

For fiscal year 2019 and 2018 plan years, the minimum required pension contribution for FGI did not exceed the full funding limitation under the Internal Revenue Code. As a result, for the year ended December 31, 2019, Farmers, FGI and its subsidiaries made total contributions to the plan of \$72.1 million, of which all \$72.1 million came from Farmers. FIE's share of the 2019 contribution was \$37.3 million. In 2018, Farmers and FGI and its subsidiaries made total contributions to the plans of \$441.3 million, of which \$113.3 million came from Farmers. FIE's share of the 2018 contribution was \$58.6 million. Farmers contributions to be made in 2020 to the Employees' Pension Plan are currently expected to be \$69.0 million, of which \$35.7 million is FIE's expected share.

Assets of the Employees' Pension Plan are held by an independent trustee primarily in fixed maturity and equity investments. The principal liability is for annuity benefit payments of current and future retirees. Assets of the EBRP are considered FGI's corporate assets and are held in a grantor trust.

The EBRP provides supplemental retirement benefits for employees whose salary is in excess of the maximum recognizable pay under IRS code 401(a)(17) and excess maximum benefit limitation under IRS code 415. FIE's share of the EBRP was \$152.3 thousand and \$205.6 thousand for the years ended December 2019 and 2018, respectively.

## NOTES TO FINANCIAL STATEMENTS

### Short Term Incentive Program

Effective January 1, 2009, FIE and certain Farmers' companies, participate in a Short Term Incentive Program ("STIP") and a 401(k) Savings Plan approved by the board of governors.

The STIP is a performance-based plan that provides employees an annual incentive pay based on the achievement of certain goals and individual employee performance. FIE's share of expense under this plan was \$42.8 million and \$57.6 million as of December 31, 2019 and 2018, respectively.

### 401(k) Savings Plan

Effective January 1, 2009, FIE and certain members of Farmers, participate in a 401(k) Savings Program. Contributions are made by eligible employees up to the yearly maximums allowable as defined by the Internal Revenue Service. FIE and the Farmers companies match eligible employees' contributions up to 6.0% of earned base pay. All eligible employees are 100% vested in the 401(k) Savings Plan immediately.

Beginning January 1, 2019, Farmers automatically contributes an additional 4% of eligible base pay to the employees' 401(k) Plan, regardless of the amount contributed by each employee to the 401(k). This new base contribution is in addition to the 6% company match now available.

FIE's share of expense under this plan was \$40.3 million and \$23.0 million as of December 31, 2019 and 2018, respectively.

### Executive Savings Plan ("ESP")

Effective January 1, 2019, FIE and certain Farmers' companies participate in an Executive Savings Plan ("ESP") approved by the Board of Governors. The Plan is a non-qualified deferred compensation program offered to certain executives in key roles. Contribution credits are made annually by Farmers into a notional account administered by a third party administrator. A participant must have 10 years of eligible service and be age 55 to be vested. Annual contribution credits will be made in December each year. There are no in-service withdrawals from this plan.

### H. Postemployment Benefits and Compensated Absences

FIE accrued \$2.0 million and \$1.9 million in compensated absences on behalf of the Farmers companies as of December 31, 2019 and 2018, respectively.

### I. Impact of Medicare Modernization Act on Postretirement Benefits

Not applicable

### 13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

- (1) FIE is a reciprocal exchange and, therefore, does not issue common or preferred stock.
- (2) FIE is a reciprocal exchange and, therefore, dividend rate of preferred stock is not applicable.
- (3) FIE is a reciprocal exchange and, therefore, dividend restrictions is not applicable.
- (4) FIE is a reciprocal exchange and, therefore, dates and amounts of dividends paid is not applicable.
- (5) FIE is a reciprocal exchange and, therefore, amount of ordinary dividends that may be paid is not applicable.
- (6) No restrictions have been placed on unassigned funds.
- (7) FIE does not have advances to surplus.
- (8) FIE does not hold stock for special purposes.
- (9) The surplus notes were issued at a \$4.0 million discount and reflected as a decrease to unassigned surplus with an offset credit to special surplus funds. This discount is amortized annually at \$100,000 over the term of the surplus notes. As of December 31, 2019, the amortized discount totaled \$200,000 (See Note 13 (11)).
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and (losses) were \$2,256.7 million and \$1,931.2 million at December 31, 2019 and 2018, respectively.

## NOTES TO FINANCIAL STATEMENTS

### (11) Surplus Notes

FIE received cash contributions pursuant to which FIE issued surplus notes (the “notes”) to qualified institutional buyers, and certificates of contribution (the “certificates”) to ZAIC affiliates as follows:

	Date Issued	Interest Rate	Par Value (Face Amount of Note)	Carrying Value of Note	Interest And/Or Principal Paid Current Year	Total Interest And/Or Principal Paid	Unapproved Interest And/Or Principal	Date of Maturity
1	5/11/1994	8.625%	203,444,000	203,444,000	17,547,045	446,962,230	-	5/1/2024
2	7/10/1998	7.050%	373,077,923	279,776,923	19,724,273	420,291,385	-	7/15/2028
3	7/10/1998	7.200%	111,923,077	103,316,077	7,438,758	158,507,526	-	7/15/2048
4	11/5/2013	6.151%	312,000,000	312,000,000	19,191,120	114,933,485	-	11/1/2053
5	10/7/2014	5.454%	399,000,000	399,000,000	21,761,459	108,807,299	-	10/15/2054
6	10/16/2017	4.747%	400,000,000	396,000,000	18,988,000	38,767,167	-	11/1/2057
7	12/20/2017	3.758%	100,000,000	100,000,000	3,758,000	7,516,000	-	12/20/2027
	Total		<u>1,899,445,000</u>	<u>1,793,537,000</u>	<u>108,408,655</u>	<u>1,295,785,092</u>	<u>-</u>	

There were no unapproved principal and/or interest paid at 12/31/2019

The surplus notes in the amount of \$203.4 million listed under 1 above were issued to qualified institutional buyers in the open market on May 11, 1994 and are administered by JP Morgan Chase Bank. The notes are unsecured and subordinated to all present and future senior indebtedness and policy claims. The notes have restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal. The notes mature May 1, 2024. The original issued amount of these notes was \$300 million, but, notes with a par value of \$96.6 million of these notes were redeemed in November 2013 by FIE for \$130.9 million, a premium of \$34.3 million. These surplus notes were redeemed with the approval of the California Insurance Commissioner and the liability for those notes has been extinguished.

The trust surplus notes in the carrying value amount of \$279.8 million listed under 2 above were issued to qualified institutional buyers in the open market on July 10, 1998 and are administered by JP Morgan Chase Bank. The notes are unsecured and subordinated to all present and future senior indebtedness and policy claims. The notes have restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal. The notes mature July 15, 2028. The original issued amount of these notes was \$373.1 million, but, notes with a par value of \$93.3 million were repurchased in November 2013 by FIE for \$116.8 million, a premium of \$23.5 million. Under the terms of the note indentures, these notes could not be redeemed and the liabilities for the obligations cannot be extinguished until maturity. Therefore, FIE owns the trust notes and has reclassified the underlying surplus notes as notes payable (a liability) in the accompanying financial statements. The Trust Notes held as assets by FIE have been netted against the Notes Payable in the financial statements. In addition, the expense for implied future interest paid on the Notes Payable has been netted against the implied Interest income received on the Trust Notes. This accounting treatment complies with the requirements for offsetting and netting found in SSAP No. 64, paragraph 2. Because the principal amounts of the 2028 Trust Notes owned by FIE are equal to the obligations owed to it under the terms of the underlying surplus notes (Notes Payable), the valuation requirements of paragraph 10.a. of SSAP No. 41 are not deemed applicable and the Trust Notes are carried at par value.

The trust surplus notes in the carrying value amount of \$103.3 million listed under 3 above were issued to qualified institutional buyers in the open market on July 10, 1998 and are administered by JP Morgan Chase Bank. The notes are unsecured and subordinated to all present and future senior indebtedness and policy claims. The notes have restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal. The notes mature July 15, 2048. The original issued amount of these notes was \$111.9 million, but as described above, notes with a par value of \$8.6 million were repurchased in November 2013 by FIE for \$10.0 million, a premium of \$1.4 million. Under the terms of the note indentures, these notes could not be redeemed and the liabilities for the obligations cannot be extinguished until maturity. Therefore, as described above, FIE owns the trust notes and has reclassified the underlying surplus notes as notes payable (a liability) in the accompanying financial statements. The Trust Notes held as assets by FIE have been netted against the Notes Payable in the financial statements. In addition, the expense for implied future interest paid on the Notes Payable has been netted against the implied Interest income received on the Trust Notes. Similar to the 2028 Trust Notes, this accounting treatment complies with the requirements for offsetting and netting found in SSAP No. 64, paragraph 2. Because the principal amounts of the 2048 Trust Notes owned by FIE are equal to the obligations owed to it under the terms of the underlying surplus notes (Notes Payable), the valuation requirements of paragraph 10.a. of SSAP No. 41 are also not deemed applicable and the Trust Notes are carried at par value.

The trust surplus notes in the amount of \$312 million listed under 4 above were issued to qualified institutional buyers in the open market on November 5, 2013 and are administered by The Bank of New York Mellon Trust Company, NA. The notes are unsecured and subordinated to all present and future senior indebtedness and policy claims. The notes have restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal.

## NOTES TO FINANCIAL STATEMENTS

The trust surplus notes in the amount of \$399 million listed under 5 above were issued to qualified institutional buyers in the open market on October 7, 2014 and are administered by The Bank of New York Mellon Trust Company, NA. The notes are unsecured and subordinated to all present and future senior indebtedness and policy claims. The notes have restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal.

The surplus notes in the carrying value amount of \$396 million listed under 6 above were issued to private qualified institutional investors on October 16, 2017 at a fixed rate of 4.747% and are administered by The Bank of New York Mellon Trust Company, NA. The notes are unsecured and subordinated to all present and future senior indebtedness and policy claims. The notes mature November 1, 2057. The notes have restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal. Together with available operating cash, Farmers utilized the proceeds on December 29, 2017 from these newly issued surplus notes to partially repay \$507 million of the \$707 million in funds borrowed from Zurich American Insurance Company at a 6.15% rate and fully payable in June of 2021. This repayment was made with the approval of the California Insurance Commissioner. The surplus notes were issued at a \$4.0 million discount and reflected as a decrease to unassigned surplus with an offset credit to special surplus funds. The balances in the unassigned surplus and the special surplus funds are subsequently reduced as the discounts are amortized/accreted into the income statement with offset to the underlying surplus notes. This discount is amortized annually over the term of the surplus notes.

The surplus note in the amount of \$100 million of 10-year surplus note at 3.758% listed under 7, was issued to the Farmers New World Life Insurance on December 20, 2017, which is owned by FGI, the Attorney-in-Fact of the Exchanges. The note is unsecured and subordinated to all present and future senior indebtedness and policy claims. The note has restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal. These new surplus notes were approved by the California Insurance Commissioner.

On June 30, 2018, FIE repaid in full the remaining \$200 million of 6.15% surplus notes issued to ZNAIC on June 30, 2011. This repayment was made with the approval of the California Insurance Commissioner,

(12-13) FIE has not undergone any quasi-reorganizations.

### 14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

#### A. Contingent Commitments

As of December 31, 2019, FIE had remaining commitments of \$1.0 million related to Impact Community Capital, \$61.2 thousand related to Impact Huntington Member Loan, and \$788.3 thousand related to Impact Huntington Equity.

#### B. Assessments

- (1) FIE receives periodic assessments from certain states to reimburse policyholders and claimants of insolvent carriers. Depending on the guidelines established by each state, the assessments are expensed, recouped from policyholders or utilized as credits against premium taxes. Premium tax credits are realized between 3 to 10 years depending on the guidelines established by each state.
- (2) In 2019, FIE has accrued a liability for guaranty fund and related assets for premium tax credits or policy surcharges of (\$0.01) million as well as related premium tax benefit assets and policy surcharges assets of (\$0.01) million. The amounts recorded represent management's best estimates based on assessment rate information received from the states in which FIE writes business and the direct premiums written in those states. The liability is included in the taxes, licenses and fees liability and will be paid in the next year.

(2) Rollforward of related assets:

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$ (29,573.00)
b. Decreased current year:	
Premium tax offsets applied	130,707.00
Premium tax offsets charged off	
Policy surcharges collected	408,393.00
Policy surcharges charged off	
c. Increased current year:	
Premium tax offsets accrued	160,168.00
Policy surcharges accrued	394,443.00
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	\$ (14,062.00)

## NOTES TO FINANCIAL STATEMENTS

(3) Not Applicable

### C. Gain Contingencies

None.

### D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Law Suits

FIE paid the following amounts during the reporting period in settlement of lawsuits alleging extra-contractual causes of action:

	Direct
Claims related ECO and bad faith losses paid	\$ 2,256,819

Number of lawsuits alleging extra-contractual causes of action during the reporting period:

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

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

(f) Per Claim [X]

(g) Per Claimant [ ]

### E. Product Warranties

None.

### F. Joint and Several Liabilities

None.

### G. All Other Contingencies

#### Litigation

Certain of Farmers companies are defendants in certain lawsuits arising in the normal course of business, which are in various stages of development. Some of these matters seek punitive as well as compensatory damages. While it is not possible to predict the outcome of these matters with certainty, management believes that their ultimate disposition will not have a material effect on FIE's financial position or results of operations. In addition, certain of the Farmers companies are, from time to time, involved as parties in various governmental and administrative proceedings.

#### California Earthquake Authority

Fire is a participant in the California Earthquake Authority ("CEA") on behalf of the Farmers P&C Companies. The CEA was established by the California Legislature to provide earthquake insurance to the owners of residential property in the state of California. Insurers who elect to participate in the program are liable for a portion of aggregate losses up to \$1.7 billion, contingent on losses exceeding a specified limit. Effective March 20, 2019, the latest date for which information was available, the Farmers companies' residential earthquake insurance market share was 13.86%, and its respective share of this contingent liability was \$229.5 million at December 31, 2019. In the case of a triggering event, and based on its intercompany reinsurance participation of 51.75%, FIE's share of this contingent liability before external reinsurance would be \$118.8 million. As of December 31, 2019, a triggering event has not occurred, and, therefore, no provision has been made in the accompanying financial statements for any liability or loss that may result from a catastrophic earthquake event.



## NOTES TO FINANCIAL STATEMENTS

### Surplus Loan Note Facility

Effective June 28, 2019, FIE renewed its \$500 million contingent surplus note facility with a range of bank and non-bank lenders. The facility, which was initially developed in 2007, provides FIE with the ability to issue 5-year surplus notes at any time during a three-year period in the event of a specified major catastrophe loss, at a pre-agreed price. This transaction aligns with the FIE focus on preserving their long-term capital strength, even after a major catastrophic event. FIE has not borrowed against the current or prior lines of credit on this facility. The majority of the fees associated with this program are typically front ended at the beginning of each renewal period, and as a result, the fees paid by FIE for the right to access this facility were \$10.0 million and \$4.3 million at December 31, 2019 and 2018, respectively.

### Revolving Credit Facility Framework Agreement

FIE and certain of the Farmers' companies entered into a Revolving Credit Facility Framework Agreement for the purposes of eliminating the need to maintain large cash balances or unnecessarily liquidating investments during the monthly reinsurance cash settlement process among participating affiliates. The revolving credit framework allows participating affiliates to make short term loans to each other to cover debt arising from the monthly reinsurance settlement process. The loans, executed on an as-needed basis, mature in ninety (90) days and cannot exceed in the cumulative aggregate three percent (3%) of a borrower's or lender's admitted assets. Loans may be collateralized with a pledge of securities at lender's option, and in any event, must be collateralized if the loan crosses from one calendar year into the next calendar year such that the loan is secured and perfected as of December 31 of the year the loan was made. Parties to the agreement will renegotiate the terms of the agreement at least once every three (3) years. The agreement has been non-disapproved by the California Department of Insurance as well as by the regulators of the domiciliary states of FIE affiliates outside of California. At December 31, 2019 there was no outstanding loan balance on this revolving credit facility.

### Federal Home Loan Bank Revolving Facility

In 2019, the "Exchanges applied and subsequently gained membership into the Federal Home Loan Bank of San Francisco ("FHLB"), allowing qualifying participants to purchase stock in and do business with the bank. In addition, membership in this bank allows the Exchanges to gain access to FHLB financing. Membership of the Exchanges in the FHLB will allow the Exchanges to borrow up to \$500 million in the aggregate from FHLB, with up to \$400 million of that amount available to FIE. Each of the Exchanges will secure any FHLB advances with its own assets and each expects to remain an FHLB member for so long as it sees value in the membership.

The Exchanges have not borrowed against the current or prior lines of credit on the facility.

### Structured Settlements

FIE is contingently liable for losses settled via structured settlements of approximately \$10,550,557 (See Note 27 for additional disclosure).

## 15. LEASES

### A. Lessee Operating Leases

- (1) FIE leases certain computer equipment under various non-cancelable operating lease agreements. The leases are entered into for three-year periods and are generally renewed as they expire. Rental expense for 2019 and 2018 was \$5.1 million and \$4.3 million, respectively.

In addition, FIE leases office space in various locations across the country under various non-cancelable operating lease agreements which expire through the year 2034. Rental expense for 2019 and 2018 was \$42.9 million and \$47.2 million, respectively.

There were certain operating leased space and computer equipment lease agreements that were terminated early throughout the course of the year. As a result, FIE recognized an expense for cost to terminate leases before the end of their term as permitted in the cancellations options included in the lease. Through December 31, 2019, FIE incurred \$2.5 million for the early termination of operating leased space and \$0.1 million for the early termination of leased computer equipment.

## NOTES TO FINANCIAL STATEMENTS

(2) Leases having initial or remaining noncancelable lease terms in excess of one year

(A) As of December 31, 2019, the minimum aggregate rental commitments for the above obligations are as follows:

Year Ending December 31:	Operating Leases
2020	\$ 56,373,390
2021	\$ 50,224,753
2022	\$ 42,821,994
2023	\$ 37,679,072
2024	\$ 27,579,517
<b>Total</b>	<b>\$ 214,678,726</b>

(B) As of December 31, 2019, the minimum rentals to be received in the future under subleases that were included as gross operating leases above are as follows:

Year Ending December 31:	Rentals To Be Received
2020	\$ 1,349,104
2021	\$ 1,336,079
2022	\$ 1,329,958
2023	\$ 1,256,022
2024	\$ 676,719
<b>Total</b>	<b>\$ 5,947,883</b>

(3) On August 27<sup>th</sup>, 2019, Foremost Insurance Company Grand Rapids a downstream subsidiary of FIE, sold four of its properties located in Caledonia and Michigan for \$145.0 million. The sale created a sale-leaseback transaction over the lease term of 15 years. As a result, the after tax capital gain amount of \$59.5 million was reported in the Aggregate write-ins for the Special Surplus Funds, and will be amortized to Unassigned Surplus Funds in relation to the gross rental charges over the lease term. As of December 31, 2019 the obligation for future minimum lease payments for each of the five succeeding years are as follows, with FIE as the new lessee on this sale leaseback transaction:

Year Ending December 31:	Obligation of Lease Payments
2020	\$ 9,102,671
2021	\$ 9,284,725
2022	\$ 9,470,419
2023	\$ 9,659,828
2024	\$ 9,853,024
<b>Total</b>	<b>\$ 47,370,667</b>

### B. Lessor Leases

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

**16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK**

Not applicable.

**17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**

**A. Transfers of Receivables Reported as Sales**

Not applicable.

**B. Transfer and Servicing of Financial Assets**

Not applicable.

**C. Wash Sales**

FIE had no wash sale transactions in the periods presented that require disclosure.

**18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**

**A. ASO Plans**

Not applicable.

**B. ASC Plans**

Not applicable.

**C. Medicare or Similarly Structured Cost Based Reimbursement Contract**

Not applicable.

**19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS**

Not applicable.

**NOTES TO FINANCIAL STATEMENTS**

**20. FAIR VALUE MEASUREMENTS**

**A. Inputs Used For Assets Measured At Fair Value**

1. Fair Value Measurements by Levels 1, 2 and 3

FIE has categorized its assets that are measured at fair value into the three-level fair value hierarchy as reflected in the table below.

Level 1 - are liquid investments traded in active markets and valued based on unadjusted quoted prices. Assets in this category are preferred and common stock securities.

Level 2 - The securities that fall into this category are bonds, preferred stocks, common stocks and call options which are not exchange traded. These securities are valued based upon models with observable inputs - for example market interest rates, credit spreads etc. They may have been determined by independent pricing services using observable inputs.

Level 3 - are investments valued based upon models with “significant” non-observable inputs (assumptions). Such assumptions can be about loss severities, prepayment speed, interest rate volatilities, earnings forecast, comparables sales etc.

(1) Description for each class of asset or liability	(2) Level 1	(3) Level 2	(4) Level 3	(5) Total	(6) (NAV) Included in Level 2
<b>a. Assets at Fair Value</b>					
Perpetual Preferred stock					
Industrial and Misc	-	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Perpetual Preferred Stocks	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Bonds</b>					
U.S. Governments	-	-	-	-	-
Industrial and Misc	-	35,012,619	-	35,012,619	-
Hybrid Securities	-	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Bonds	\$ -	\$ 35,012,619	\$ -	\$ 35,012,619	\$ -
<b>Common Stock</b>					
Industrial and Misc	479,634,900	17,211,232	-	496,846,132	-
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Common Stocks	\$ 479,634,900	\$ 17,211,232	\$ -	\$ 496,846,132	\$ -
<b>Derivatives</b>					
Warrants	-	-	-	-	-
Total Derivatives	\$ -	\$ -	\$ -	\$ -	\$ -
Joint Venture Interest Other	-	-	10,987,808	10,987,808	-
<b>Total Assets at Fair Value</b>	<b>\$ 479,634,900</b>	<b>\$ 52,223,851</b>	<b>\$ 10,987,808</b>	<b>\$ 542,846,559</b>	<b>\$ -</b>

2. Rollforward of Level 3

	(1) Balance at 01/01/19	(2) Transfers into Level 3	(3) Transfers out of Level 3	(4) Total Gains / (Losses) included in Net Income	(5) Total Gains / (Losses) included in Surplus	(6) Purchases	(7) Issuances	(8) Sales	(9) Settlements	(12) Balance at 12/31/19
Residential mortgage backed securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial mortgage backed securities	-	-	-	-	-	-	-	-	-	-
Asset backed securities	-	-	-	-	-	-	-	-	-	-
Other Bonds	-	-	-	-	-	-	-	-	-	-
Preferred Stock	-	-	-	-	-	-	-	-	-	-
Common Stock	-	-	-	-	-	-	-	-	-	-
Joint Venture Interest Other	6,009,165	-	-	-	4,799,973	178,670	-	-	-	10,987,808
<b>Total</b>	<b>\$ 6,009,165</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,799,973</b>	<b>\$ 178,670</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,987,808</b>

## NOTES TO FINANCIAL STATEMENTS

### 3. Policy on Transfers In and Out of Level 3

At the end of each reporting period, FIE evaluates whether or not any event has occurred or circumstances have changed that would cause an investment to be transferred in or out of Level 3.

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

Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations as quoted markets prices for similar instruments in an active market were utilized. This was accomplished by the use of matrix pricing. Matrix pricing takes quoted prices of bonds with similar features that are inputs into the analysis included duration, credit quality, tax status and call and sinking fund features.

Common stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted markets prices for identical instruments trading in an inactive market were utilized. When an equity instrument is illiquid due to limited trading activity, the use of quoted markets prices for identical instruments was determined by FIE to be the most reliable method to determine fair value.

Other Joint Ventures fair value is provided by the Fund Manager and/or their Fund Administrator and is generally based on quoted market prices. If quoted market prices are not available, fair value is determined based on other relevant factors including, but not limited to, dealer price quotation, price activity for equivalent instruments and valuation pricing models.

### 5. Derivative Fair Values

None.

## B. Other Fair Value Disclosures

None.

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

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, joint ventures and ventures). The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20A:

(1) Type of Financial Instrument	(2) Aggregate Fair Value	(3) Admitted Assets	(4) Level 1	(5) Level 2	(6) Level 3	(7) Net Asset Value (NAV)	(8) Not Practicable (Carrying Value)
<b>a. Assets At Fair Value</b>							
Bonds	\$ 4,419,009,367	\$ 4,262,209,591	\$ -	\$ 4,336,693,880	\$ 82,315,486	\$ -	\$ -
Preferred Stock	-	-	-	-	-	-	-
Common Stock	496,846,132	496,846,132	479,634,900	17,211,232	-	-	-
Real Estate	-	-	-	-	-	-	-
Cash, Cash Equivalents and Short-Term	633,075,781	633,076,470	575,084,804	57,990,977	-	-	-
Receivable for Securities	90,349	90,349	90,349	-	-	-	-
Derivative Instruments	-	-	-	-	-	-	-
Securities Lending	-	-	-	-	-	-	-
Mortgage Loans - Unaffiliated	-	-	-	-	-	-	-
Mortgage Loan Joint Venture Interest-Unaffiliated	-	-	-	-	-	-	-
Joint Venture Interest Other	-	-	-	-	-	-	-
Surplus Debentures, etc - Affiliated	215,447,820	200,000,000	-	-	215,447,820	-	-
Other Class Unaffiliated	-	-	-	-	-	-	-
Fixed or Variable Rate - Bonds - Unaffiliated	-	-	-	-	-	-	-
<b>Total Assets at Fair Value</b>	<b>\$ 5,764,469,450</b>	<b>\$ 5,592,222,543</b>	<b>\$ 1,054,810,053</b>	<b>\$ 4,411,896,090</b>	<b>\$ 297,763,307</b>	<b>\$ -</b>	<b>\$ -</b>
<b>b. Liabilities At Fair Value</b>							
Payable for securities	9,611,798	9,611,798	9,611,798	-	-	-	-
<b>Total Liabilities at Fair Value</b>	<b>\$ 9,611,798</b>	<b>\$ 9,611,798</b>	<b>\$ 9,611,798</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## D. Reasons Not Practical to Estimate Fair Values

None.

## E. Investments Measured at Net Asset Value ("NAV")

None.

## NOTES TO FINANCIAL STATEMENTS

### 21. OTHER ITEMS

#### A. Unusual or Infrequent Items

None.

#### B. Troubled Debt Restructuring: Debtors

Not applicable.

#### C. Other Disclosures

##### All Lines Quota Share Reinsurance Agreement

Effective December 31, 2002, certain members of Farmers began participating in an All Lines Quota Share reinsurance agreement ("All Lines agreement") with Farmers Reinsurance Company ("Farmers Re") and Zurich Insurance Company ("Zurich"). This agreement has been amended over the years with the aggregate participation ratio at 29% each for the years 2019 and 2018.

Effective December 31, 2018, the All Lines agreement was amended with Transatlantic Reinsurance Company ("Trans Re"), decreasing its participation percentage from 4% to 3.5%, and Catlin Reinsurance Switzerland Limited ("Catlin Re") increasing its participation percentages from 4% to 4.5%. Under this amended All Lines agreement, Farmers Reinsurance Company ("Farmers Re"), Swiss Reinsurance Company Ltd ("Swiss Zurich Re"), Trans Re, Ariel Re Bermuda Limited ("Ariel Re"), Hannover Rück SE ("Hannover Re"), Catlin Re, and Munich Reinsurance America, Inc., ("Munich Re") assume a 1.0%, 7.0%, 3.5%, 1.0%, 7.0%, 4.5%, and 5.0% respective quota share of the premiums written and the ultimate net losses sustained in all lines of business written by Farmers. In addition, under the All Lines agreement, which can be terminated after 90 days notice by any of the parties, Farmers' catastrophe losses are subject to a provisional maximum of \$1.3 billion annually, adjusted and limited to a pro rata share of 6.75% of the subject net earned premiums, and measured 60 days after the calendar year depending on subject premium volume. The ceding commission for acquisition expenses, ceding commission for other expenses, and ceding commission for unallocated loss adjustment expenses remained unchanged at 26.7%, 5.3% and 8.1%, respectively.

Effective December 31, 2019, the All Lines agreement was amended and the participation ratio was decreased from 29% to 26%. In addition to this change, Munich Re participation percentage was decreased from 5.0% to 3.75% while Farmers Re's was reduced from 1.0% to 0.25%. In addition, Ariel Re was removed as a participant to the treaty. Unearned premiums totaling \$101.3 million, \$81.1 million, and \$60.8 million, were transferred from Munich Re, Ariel Re, and Farmers Re, respectively, to Farmers as a result of their discontinued participation in the All Lines agreement effective December 31, 2019. In return, Farmers remitted \$27.1 million, \$21.6 million, and \$16.2 million, of reinsurance commissions to Munich Re, Ariel Re, and Farmers Re, respectively, for acquisition expenses due to their decreased participation in the All Lines agreement. Both Munich Re and Ariel are on a fund withheld basis and therefore no additional net funds refunds nor deposits were required in 2019 as a result of their decreased participation in the All Lines agreement. Cash settlements related to the change in the Farmers Re participation ratio were made in February, 2020. The catastrophe losses subject to this reinsurance agreement are limited to a provision maximum of \$1.37 billion annually, adjusted and limited to a pro rata share of 6.75% of the subject net earned premiums. In addition, the ceding commission for acquisition expenses, ceding commission for other expenses, and ceding commission for unallocated loss adjustment expenses also all remained unchanged at 26.7%, 5.3% and 8.1%, respectively.

Based on the results for 2019 and 2018, FIE's share of recoveries were \$2,033.3 million and \$1,940.6 million, respectively. For the years ended December 31, 2019 and 2018, FIE's share of ceded premiums earned were \$2,956.4 million and \$2,900.6 million, respectively. FIE's share of ceding commissions were \$919.5 million and \$930.6 million for the years ended December 31, 2019 and 2018, respectively.

##### Personal Umbrella Quota Share and Excess of Loss Reinsurance Agreement

On January 1, 2018, FIE and certain of the Farmers Property and Casualty Companies ("Farmers") entered into a two-year personal umbrella quota share and excess of loss reinsurance agreement with certain third party reinsurers, with General Reinsurance, as the lead reinsurer. The other subscribing reinsurers are Hannover Rück SE, Swiss America Reinsurance Corporation, and Everest Reinsurance (Bermuda) Limited, each with varying participating ratios. Under this agreement, Farmers cedes 100.0% of the personal umbrella exposure above \$500,000 for each and every loss, with all losses in excess of \$500,000 fully reinsured up to \$21.0 million. In addition, the agreement provides for the cession of 75.0% of all losses within the first \$500,000 and below. This agreement also provides for Farmers to receive a ceding commission of 41.55%. Unearned premiums totaling \$77.8 million were transferred from the Farmers to the participating reinsurers as a result of this personal umbrella quota share reinsurance contract. In return, the subscribing reinsurers remitted \$32.3 million of reinsurance commissions to Farmers, for acquisition expenses due to this reinsurance agreement.

The personal umbrella quota share agreement was terminated effective December 31, 2019, and is on a run-off.

##### Sale of Farmers Small Business Insurance Independent Agent Book

## NOTES TO FINANCIAL STATEMENTS

On February 19, 2018, the Farmers' companies sold the accessible premium renewal rights to its small business insurance independent agent book to the Hartford Fire Insurance Company. The book of business sold includes business owners, workers' compensation and commercial auto policies for small business owners across 50 states, and this one-time transaction provided Farmers an opportunity to invest in initiatives designed to help drive long-term growth through the exclusive Agents. The amount received on the sale of the accessible rights to premium attributable to in-force contracts produced by op-in producers under the program totaled \$56.4 million, less \$2.1 million of expenses for the Farmers' companies and was reported as a debit to cash with offset to other underwriting expenses incurred.

### Ride Share Services ("Uber Business")

On December 31, 2019, FIE amended its "insurance program agreement" with Rasier, LLC ("Uber"), to provide commercial auto insurance protection for Uber and their independent contractor drivers while engaging in official company ridesharing activities in the states of Georgia and Pennsylvania. This revised agreement, which amended the renewed agreement dated March 1, 2019, as amended on July 1, 2019, also expanded the insurance program agreement into thirteen other states, including Hawaii. Insurance coverage provided by FIE includes commercial automobile liability, commercial automobile physical damage and related coverages for Uber, its affiliates and independent contractors utilizing digital networks operated by Uber. The annual premium written for Uber totaled \$241.3 million and \$149.6 million for the years ended December 31, 2019 and December 2018, respectively. This agreement also provides for Uber to deposit with FIE, two twelfths of the estimated annual premium, with the purpose of securing collateral in the event of default in premium payments and the amount received. The deposits with FIE under this amended agreements will be posted and reflected in the FIE's first quarter 2020 financial statements.

Concurrent with this amended Uber insurance program agreement, also effective December 31, 2019, FIE amended the Quota Share agreement with Aleka Insurance, Inc. ("Aleka"), a subsidiary of Uber, to cede 30% of the underwritten policies issued to Uber. Under this amended agreement, a few and relatively small segment of the policies written within a defined period were ceded 100% to Uber. Ceding commission under this Uber business ceded to Aleka ranged from 11.73% to 15.84% depending on direct premium written volume.

Based on results for 2019 and 2018, FIE's share of ceded premiums earned, recoveries, and ceding commissions were \$60.2 million and \$45.8 million, \$22.4 million and \$15.8 million, \$6.2 million and \$3.8 million, respectively.

### Commercial Independent Agency Quota Share Reinsurance Contract

On July 1, 2016, FIE and certain Farmers' companies entered into a quota share reinsurance agreement with Hannover Rück SE ("Hannover Re"), a third party reinsurer domiciled in Switzerland. This agreement provided for a cession of the quota share of the premiums written and the ultimate net losses sustained in all of the commercial independent agency block of business written by Farmers P&C Companies after the All Lines Quota Share reinsurance agreement has been applied.

The Hannover Re agreement was terminated effective January 1, 2018. Upon termination of the agreement, unearned premiums totaling \$70.1 million were transferred by Hannover Re to Farmers. In addition, Farmers remitted \$34.4 million of reinsurance commissions to Hannover Re, for acquisition expenses due to the cancellation of this commercial independent quota share reinsurance contract.

### Commercial Automobile Quota Share Reinsurance Agreement

On October 15, 2019, the 21st Century Premier Insurance Company ("21st Century Premier"), a downstream insurance subsidiary of FIE, entered into a one-year Commercial Automobile Quota Share reinsurance agreement with certain reinsurers. This agreement provided for 21st Century Premier to cede to Hannover Rück SE and Farmers Reinsurance Company, 65.0% and 15.0%, respectively, of the quota share of the premiums written and the ultimate net losses sustained in all of the commercial automobile liability business written by 21st Century Premier for the cannabis-related industry, before the All Lines quota share agreement has been applied. The remaining 20% of this commercial automobile liability business written by 21st Century Premier is retained by FIE and excluded from the All lines quota share agreement. This agreement, which can be terminated upon prompt notice by the company to the reinsurer, also provides for 21st Century Premier to receive a provisional ceding commission of 38.0%, with additional experience commissions potentially receivable/payable depending on loss experience.

After applying Farmers intercompany reinsurance participation, FIE's share of ceded premiums written \$30,176 premiums earned, recoveries, and ceding commissions were \$620, \$329, and \$11,467, respectively

### Short Rate Premium case

Farmers Insurance Exchange and Mid Century Insurance Company are defendants in a class action in California that alleges that Farmers improperly returned unearned premium on a short rate basis ( rather than a pro rata basis ) to insureds who cancelled their insurance coverage prior to expiration of their policies. After an initial summary judgement, appeal and court reversal the case continues to be litigated in the trial court. Management has established a provision based on applicable accounting procedures.

### Auto Policy Pricing

## NOTES TO FINANCIAL STATEMENTS

FIE and certain of its affiliates are defendants in this class action case in Texas alleging that the Farmers FA2 auto policyholders were discriminated against because they were not offered the allegedly lower priced FSPA auto policy. Plaintiffs claim class wide monetary damages equal to the difference in price between what the FA2 policyholders paid for their FA2 policies vs the alleged lower price the class would have paid had they purchased the FSPA policy. Settlement has been reached. Under the terms of the settlement the class will be paid a certain amount in cash or renewal credits. The plaintiff class counsel will be paid plaintiff attorneys fees and costs. Settlement administration costs to be paid by Farmers. The settlement has been granted preliminary approval by the court. Still needs final approval. Management has established a provision based on applicable accounting procedures.

Additionally, certain of Farmers companies are defendants in certain lawsuits arising in the normal course of business, which are in various stages of development. Some of these matters seek punitive as well as compensatory damages. While it is not possible to predict the outcome of these matters with certainty, management believes that their ultimate disposition will not have a material effect on FIE's financial position or results of operations and management establishes a provision when appropriate. In addition, certain of the Farmers companies are, from time to time, involved as parties in various governmental and administrative proceedings.

### Farmers Agency Force Deferred Compensation Plan

FIE and certain of the Farmers' companies have established tax-deferred savings plan for their agents and district managers which allowed eligible participants to defer up to 50% of their auto commissions into a deferred compensation program. The program was expanded in recent years to include other agent related initiatives such as agents profitability growth plan ("PGB") as well as to other books of business such as homeowners, small business insurance, Bristol West auto, Foremost specialty, among others, all at varying deferral rates. To be eligible to participate in the plan, a full-time agent must have completed six months of service and qualifying participants are vested 100% on their accrued benefit at all times. This Plan is not subject to ERISA and is not intended to be a qualified plan.

The program is administered by TBG Financial, a third party administrator, and the maximum qualifying deferred amount allowed in any plan year per each participating Sponsor is \$5.0 million. Fund balances are monitored monthly and investment earnings in the deferred compensation liability account are credited (or debited) to the account balances. At December 31, 2019, the investment loss was \$10.1 million. At December 31, 2018, the investment earnings was \$3.2 million.

### Business Owned Life Insurance

In conjunction with the Farmers Agency Force Deferred Compensation Plan, FIE and certain of Farmers' companies purchased a Variable Group Life insurance policy for certain employees, with FIE named as beneficiary. The policy provides a life insurance benefit of \$50,000 at no cost to those qualifying officers and employees who voluntarily chose to become insured. There are no cash surrender values for the participating employees. The cash surrender value of the policy was reported as an asset on the balance sheet of FIE. At December 31, 2019, the investment earnings and insurance expenses were \$9.1 million and \$0.4 million, respectively. At December 31, 2018, the investment earnings and insurance expenses were \$2.8 million and \$0.5 million, respectively.

There are no policyholders' funds allocated to the premiums of this group insurance policy.

### Insurance-Company Owned Life Insurance

FIE has purchased a Flexible Premium Group Variable Life Insurance policy for certain employees, with FIE named as beneficiary. The program is administered by Metropolitan Life Insurance Company, a third party administrator, and also provides a pre-retirement life insurance benefit of \$25,000 at no cost to those qualifying officers and employees, who voluntarily chose to become insured. There are no cash surrender values for the participating employees. The cash surrender value of the policy was reported as an asset on the balance sheet of FIE. At December 31, 2019, the investment earnings and insurance expenses were \$55.5 million and \$1.9 million, respectively. At December 31, 2018, the investment earnings and insurance expenses were \$12.8 million and \$1.7 million, respectively.

There are no policyholders' funds allocated to the premiums of this group insurance policy.

### Affiliates Repurchase of Surplus Notes

Civic, Exact and Neighborhood Spirit Property and Casualty Companies, wholly owned subsidiaries of Truck and Fire, collectively acquired a small portion of FIE Surplus Notes 1 and 3 with a face value of \$21.3 million for \$14.6 million as an investment, of which \$15.6 million was subsequently repurchased by FIE. The remaining amortized cost carrying value of these notes of \$4.0 million is recognized on the respective affiliated financial statements.

### Agents Subsidy Program

FIE provides a variety of incentive programs to the agency force, especially new agents, including loans, to support the initial stages of their operations, some of which are subsequently recouped back based on future business production over a specified period of time. FIE accounts for the subsidy recoverable as a non-admitted prepaid expense with an offset to surplus.

### Sale of 21st Century Security Insurance Company and 21st Century National Insurance Company



**NOTES TO FINANCIAL STATEMENTS**

On August 1, 2018, Mid-Century Insurance Company, a subsidiary of the Exchanges, sold for cash, 100% of its ownership interest in 21st Century Security Insurance Company, to Plymouth Rock Assurance Corporation (“Plymouth Rock”), a Massachusetts, domiciled company. The sale was approved by both the Pennsylvania and New York Departments of Insurance. Prior to this transaction, on April 1, 2018, the Mid Century had sold the 21st Century National Insurance Company, a subsidiary of the 21st Century Security to Plymouth Rock, also with approval of the New York Department of Insurance.

**Sale of 21st Century Preferred Insurance Company**

On November 1, 2019, Mid-Century Insurance Company, a subsidiary of the Exchanges, sold for cash, 100% of its ownership interest in 21st Century Preferred Insurance Company to the Trisura Specialty Insurance Company, an Oklahoma domiciled company. The sale was approved by the Pennsylvania Department of Insurance.

**Sale of Subrogation Claims against Pacific Gas & Electricity (“PG&E”) on California Wildfire Losses to Baupost Group, LLC**

In 2019, Farmers negotiated and sold a majority of its subrogation rights against the Pacific Gas & Electricity (“PG&E”) on certain California Wildfire losses to a third party. These subrogation rights were sold based on inception to date paid losses stemming from wildfire events from 2017 and 2018, through August 2019 and an additional payment is possible based on the anticipated payment patterns of open reserves. From the proceeds, Farmers paid 10% as legal fees to a law firm. The remaining proceeds were shared by Farmers with its reinsurers. The net benefit to Farmers, after the refund to reinsurers of the sale of this subrogation rights is \$84.1m. After pooling, FIE’s share of this net benefit is \$43.5 million and is reflected as a credit to the appropriate and applicable categories in the 2019 financial statements.

**Additional Schedule P Data**

The following summary, as reported in columns 13 through 24 in FIE’s 2019 Schedule P- Part I, presents net unpaid losses, defense and cost containment expense (“DCC”) and adjusting and other expense (“AO”) reserves for accident years 2009, 2008, 2007, 2006, 2005, 2004 and prior for each line of business reported (in thousands):

Schedule P Part 1 - Summary						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ 38,084	\$ 243,004	\$ 34	\$ 110,795	\$ 35,127	\$ 427,044
2005	5,767	25,109	23	2,948	1,325	35,171
2006	3,501	8,123	3	1,259	1,144	14,030
2007	7,415	9,826	5	1,771	1,463	20,480
2008	6,594	15,286	93	2,875	1,953	26,801
2009	<u>11,496</u>	<u>18,599</u>	<u>172</u>	<u>3,790</u>	<u>2,646</u>	<u>36,702</u>
Total	<u>\$ 72,857</u>	<u>\$ 319,947</u>	<u>\$ 329</u>	<u>\$ 123,438</u>	<u>\$ 43,658</u>	<u>\$ 560,229</u>

**NOTES TO FINANCIAL STATEMENTS**

Schedule P Part 1A - Homeowners/Farmowners						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ 1,811	\$ 0	\$ 0	\$ (138)	\$ 0	\$ 1,674
2005	27	0		0		27
2006	337	5	0	0	1	344
2007	1,675	0		0	0	1,676
2008	382	9	0	0	2	394
2009	<u>1,717</u>	<u>63</u>	<u></u>	<u>14</u>	<u>164</u>	<u>1,957</u>
Total	<u>\$ 5,950</u>	<u>\$ 78</u>	<u>\$ 0</u>	<u>\$ (123)</u>	<u>\$ 167</u>	<u>\$ 6,072</u>

Schedule P Part 1B - Private Passenger Auto Liability/Medical						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ (9,491)	\$ (7)	\$ 1	\$ 0	\$ 3	\$ (9,495)
2005	197	17,689		1,472	141	19,499
2006	114	803		104	118	1,139
2007	705	1,063	0	90	130	1,987
2008	641	1,167	0	103	135	2,047
2009	<u>1,940</u>	<u>928</u>	<u></u>	<u>157</u>	<u>179</u>	<u>3,204</u>
Total	<u>\$ (5,893)</u>	<u>\$ 21,643</u>	<u>\$ 1</u>	<u>\$ 1,926</u>	<u>\$ 705</u>	<u>\$ 18,381</u>

Schedule P Part 1C - Commercial Auto/Truck Liability/Medical						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ 168	\$ 2	\$ (3)	\$ (4)	\$ 5	\$ 169
2005	(0)	0		8	1	8
2006	0	0	3	16	1	20
2007		0		23	2	25
2008	0	110	0	34	4	149
2009	<u>(119)</u>	<u>18</u>	<u>(12)</u>	<u>44</u>	<u>6</u>	<u>(63)</u>
Total	<u>\$ 49</u>	<u>\$ 131</u>	<u>\$ (12)</u>	<u>\$ 120</u>	<u>\$ 19</u>	<u>\$ 307</u>

**NOTES TO FINANCIAL STATEMENTS**

Schedule P Part 1D - Workers' Compensation						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ 25,982	\$ 50,843	\$ 35	\$ 4,818	\$ 7,175	\$ 88,853
2005	5,528	6,145	22	477	975	13,148
2006	2,521	6,204		490	837	10,053
2007	5,014	7,380	5	658	1,112	14,169
2008	4,202	11,006	20	1,013	1,376	17,617
2009	7,283	14,750	70	1,586	1,826	25,514
Total	<u>\$ 50,530</u>	<u>\$ 96,329</u>	<u>\$ 152</u>	<u>\$ 9,043</u>	<u>\$ 13,301</u>	<u>\$ 169,355</u>

Schedule P Part 1E - Commercial Multiple Peril						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ 988	\$ 2,624	\$ 16	\$ 3,355	\$ 185	\$ 7,168
2005	1	1,254		979	206	2,440
2006	528	1,087		633	183	2,430
2007	18	1,342		968	213	2,541
2008	93	2,854	73	1,698	420	5,138
2009	604	2,737	29	1,982	461	5,813
Total	<u>\$ 2,231</u>	<u>\$ 11,900</u>	<u>\$ 118</u>	<u>\$ 9,614</u>	<u>\$ 1,667</u>	<u>\$ 25,530</u>

Schedule P Part 1F - Section 1 - Medical Malpractice - Occurrence						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ 130	\$ 308	\$ 0	\$ 14	\$ 115	\$ 566
2005				0	0	0
2006						
2007						
2008						
2009		(0)	(0)			(0)
Total	<u>\$ 130</u>	<u>\$ 308</u>	<u>\$ (0)</u>	<u>\$ 14</u>	<u>\$ 115</u>	<u>\$ 566</u>

**NOTES TO FINANCIAL STATEMENTS**

Schedule P Part 1F - Section 2 - Medical Malpractice - Claims Made						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ 137	\$ 1,185	\$ 0	\$ 424	\$ 66	\$ 1,812
2005				0	0	0
2006						
2007						
2008						
2009	<u>0</u>	<u>0</u>	<u>(0)</u>			<u>0</u>
Total	<u>\$ 137</u>	<u>\$ 1,185</u>	<u>\$ (0)</u>	<u>\$ 424</u>	<u>\$ 66</u>	<u>\$ 1,812</u>

Schedule P Part G - Special Liability						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ 6,689	\$ 13	\$ 0	\$ 1	\$ 0	\$ 6,704
2005	(0)	0		0	0	1
2006	0	1		0	0	1
2007		1		0	0	1
2008		1		0	0	2
2009	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total	<u>\$ 6,689</u>	<u>\$ 17</u>	<u>\$ 0</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 6,710</u>

Schedule P Part 1H - Section 1 - Other Liability						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ 3,602	\$ 188,026	\$ (16)	\$ 102,322	\$ 27,577	\$ 321,512
2005	51	14	0	11	2	78
2006	0	17		13	3	33
2007	8	30	0	29	5	71
2008	1,266	126	0	21	13	1,427
2009	<u>40</u>	<u>86</u>	<u>0</u>	<u>2</u>	<u>9</u>	<u>137</u>
Total	<u>\$ 4,967</u>	<u>\$ 188,299</u>	<u>\$ (16)</u>	<u>\$ 102,398</u>	<u>\$ 27,609</u>	<u>\$ 323,258</u>

**NOTES TO FINANCIAL STATEMENTS**

Schedule P Part II - Special Property						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ 8,062	\$ 4	\$ 0	\$ 3	\$ 1	\$ 8,070
2005	(36)	1		0	0	(35)
2006		1		0	0	1
2007	(5)	1	(0)	0	0	(3)
2008	(3)	2	0	1	0	1
2009	(0)	2	85	0	0	87
Total	<u>\$ 8,018</u>	<u>\$ 11</u>	<u>\$ 85</u>	<u>\$ 5</u>	<u>\$ 2</u>	<u>\$ 8,121</u>

Schedule P - Part 1J - Auto Physical Damage						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ 6	\$ 1	\$ 0	\$ (3)	\$ (0)	\$ 4
2005	(0)	2		0	0	2
2006	(0)	3		0	0	3
2007		2		0	0	2
2008		3		(0)	1	3
2009	31	5		0	1	37
Total	<u>\$ 38</u>	<u>\$ 15</u>	<u>\$ 0</u>	<u>\$ (3)</u>	<u>\$ 1</u>	<u>\$ 51</u>

Schedule P - Part 1K - Section 1 - Fidelity/Surety						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ 0	\$ 2	\$ 0	\$ 1	\$ 0	\$ 4
2005		1		1	0	1
2006		1		1	0	2
2007		2		1	0	3
2008		2		1	0	4
2009	(0)	3	0	2	0	5
Total	<u>\$ (0)</u>	<u>\$ 10</u>	<u>\$ 0</u>	<u>\$ 7</u>	<u>\$ 1</u>	<u>\$ 18</u>

**NOTES TO FINANCIAL STATEMENTS**

Schedule P - Part 1L - Other (Including Credit, Accident and Health)						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2005						
2006						
2007						
2008						
2009						
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Schedule P - Part 1R - Section 1 - Products Liability - Occurrence						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2004 & prior	\$ (0)	\$ 2	\$ 0	\$ 0	\$ 0	\$ 3
2005		1		1	0	2
2006		3		1	0	5
2007		4		2	1	8
2008	13	4		2	1	20
2009		5		3	1	9
Total	<u>\$ 13</u>	<u>\$ 20</u>	<u>\$ 0</u>	<u>\$ 10</u>	<u>\$ 4</u>	<u>\$ 47</u>

**D. Business Interruption Insurance Recoveries**

None.

**E. State Transferable and Non-Transferable Tax Credits**

None.

**F. Subprime Mortgage Related Risk Exposure**

(1) Generally, direct and indirect subprime exposures were identified based upon consideration of the following types of features: 1) Interest rate above prime to borrowers that did not qualify for prime rate loans. 2) Borrowers with low credit ratings (FICO scores). 3) Interest only or negative amortizing loans. 4) Unconventionally high initial loan-to-value ratios. 5) Unusually low initial payments based on a fixed introductory rate that expires after a short initial period and then adjusts to an unusually high rate based upon a variable index rate plus a margin. 6) Borrowers with less than conventional documentation of their income and/or net assets. 7) Very high or no limits on how much the payment amount or the interest rate may increase or reset periods. 8) Include substantial prepayment penalties and or prepayment penalties that extend beyond the initial interest rate adjustment.

(2) FIE does not have direct exposure through investments in subprime mortgage loans.

(3) FIE has the following direct exposure through other investments as of December 31, 2019:

**NOTES TO FINANCIAL STATEMENTS**

	<b>Actual Cost</b>	<b>Book Adjusted Carrying Value</b>	<b>Fair Value</b>	<b>Other-than- temporary impairment</b>
a. Residential mortgage backed securities	\$ 3,668,276	\$ 3,220,997	\$ 3,377,914	\$ (399,825)
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs				
f. Other assets				
g. Total	<u>\$ 3,668,276</u>	<u>\$ 3,220,997</u>	<u>\$ 3,377,914</u>	<u>\$ (399,825)</u>

(4) FIE does not have underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

**G. Insurance-Linked Securities (ILS) Contracts**

Not applicable.

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

FIE is the owner and beneficiary of life insurance policies included in the Aggregate write-ins for other than invested assets line at their cash surrender values pursuant to SSAP No. 21, paragraph 6. At December 31, 2019, the cash surrender value in an investment vehicle is \$482,081,179, and is allocated into the following categories based on primary underlying investment characteristics: 67.03% bonds and 32.97% cash and short-investments (See Note 21C Insurance-Company Owned Life Insurance).

(1) Amount of admitted balance that could be realized from an investment vehicle	\$ 482,081,179
(2) Percentage Bonds	67.03%
(3) Percentage Stocks	0.00%
(4) Percentage Mortgage Loans	0.00%
(5) Percentage Real Estate	0.00%
(6) percentage Cash and Short-Term Investments	32.97%
(7) Percentage Derivatives	0.00%
(8) Percentage Other Invested Assets	<u>0.00%</u>
Totals	100.00%

**22. EVENTS SUBSEQUENT**

Subsequent events have been considered through February 15, 2020 for these statutory financial statements, which were issued on February 15, 2020.

## NOTES TO FINANCIAL STATEMENTS

### 23. REINSURANCE

#### A. Unsecured Reinsurance Recoverables

FIE had unsecured aggregate recoverables for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with the following reinsurers, authorized or unauthorized, that exceeded 3% of FIE's policyholder surplus at December 31, 2019 (in thousands):

NAIC Group Code	Federal Identification Number	Reinsurer	2019	2018
0069	95-6235715	FIRE INSURANCE EXCHANGE	3,835,544	4,281,090
0069	95-2575892	TRUCK INSURANCE EXCHANGE	4,395,931	4,196,006
0069	95-6016640	MID-CENTURY INSURANCE COMPANY	2,442,244	2,371,211
	AA-1460146	SWISS REINS CO.	1,403,549	1,310,258
0069	95-2655893	FARMERS INSURANCE COMPANY OF OREGON	1,087,463	1,057,666
	AA-1340125	HANNOVER RUECK SE	1,181,274	997,223
	13-4924125	MUNICH REINS AMER INC	667,437	625,987
	13-5616275	TRANSATLANTIC REIN CO	617,731	594,942
	AA-1460018	CATLIN RE SWITZERLAND LTD	701,982	580,207
0212	AA-3190825	ZURICH INSURANCE COMPANY	228,358	399,098
0069	95-2655894	FARMERS INSURANCE COMPANY OF WASHINGTON	304,608	295,616
0069	95-4650862	FARMERS REINSURANCE COMPANY	-	173,208
0069	94-1663548	TEXAS FARMERS INSURANCE COMPANY	157,354	153,276
0069	95-4528269	CIVIC PROPERTY AND CASUALTY COMPANY	152,186	147,709
0069	95-4528266	EXACT PROPERTY AND CASUALTY COMPANY	152,186	147,709
0069	95-4528264	NEIGHBORHOOD SPIRIT P&C COMPANY	152,186	147,709
0069	31-0956373	FARMERS INSURANCE OF COLUMBUS, INC.	152,186	147,709
	AA-9991159	MICHIGAN CATASTROPHIC CLAIMS ASSOCIATION	552,289	
	13-2673100	GENERAL REINS CORP	265,344	

#### B. Reinsurance Recoverable in Dispute

There is no reinsurance recoverable in dispute from any one company that exceeds 5% of policyholders' surplus, or from all companies in the aggregate that exceeds 10% of policyholders' surplus.



**NOTES TO FINANCIAL STATEMENTS**

**C. Reinsurance Assumed and Ceded**

(1) The maximum amount of return commission which would have been due reinsurers if they, or FIE, or a receiver, had canceled all insurance assumed as of the end of the periods covered by this annual statement with the return of the unearned premiums is as follows:

2019	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$8,532,635,471	\$ 2,673,018,714	\$ 5,201,792,942	\$ 1,619,318,143	\$ 3,330,842,529	\$ 1,053,700,571
All other	<u>227,357</u>	<u>71,224</u>	<u>2,223,483,400</u>	<u>692,170,382</u>	<u>(2,223,256,043)</u>	<u>(692,099,158)</u>
Total	<u>\$8,532,862,828</u>	<u>\$ 2,673,089,938</u>	<u>\$ 7,425,276,343</u>	<u>\$ 2,311,488,525</u>	<u>\$ 1,107,586,486</u>	<u>\$ 361,601,413</u>
Direct unearned premium reserve			<u>\$ 1,996,471,003</u>			
2018	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$8,365,091,612	\$ 2,720,411,443	\$ 4,962,172,331	\$ 1,603,774,097	\$ 3,402,919,281	\$ 1,116,637,346
All other	<u>227,357</u>	<u>73,939</u>	<u>2,317,609,563</u>	<u>749,051,411</u>	<u>(2,317,382,206)</u>	<u>(748,977,472)</u>
Total	<u>\$8,365,318,969</u>	<u>\$ 2,720,485,382</u>	<u>\$ 7,279,781,894</u>	<u>\$ 2,352,825,508</u>	<u>\$ 1,085,537,076</u>	<u>\$ 367,659,874</u>
Direct unearned premium reserve			<u>\$ 1,827,656,166</u>			

(2) FIE had no additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements as a result of existing contractual arrangements.

(3) FIE does not have protected cells.

**D. Uncollectible Reinsurance**

None.

**E. Commutation of Ceded Reinsurance**

None.

**F. Retroactive Reinsurance**

None.

**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**

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

- A. Mid Century Insurance Company ("Mid Century"), one of the Farmers companies, has one workers' compensation policy with Farmers Group Inc. ("FGI"), which is subject to retrospective rating features. Mid Century estimates the accrued retrospective premium adjustment through the review of the individual retrospectively rated risk and by comparing case basis loss development with that anticipated in the policy contract to arrive at the best estimate of return or additional retrospective premium. The total accrued retrospective premiums receivable was recorded at \$1.2 million and \$1.2 million for the years ended December 31, 2019 and 2018, respectively. FIE's share of the accrued retrospective premiums receivable totaled \$0.6 million and \$0.6 million for the years ended December 31, 2019 and 2018, respectively. This policy was cancelled effective January 1, 2011 and is in run-off.
- B. FIE records accrued retrospective premium as an adjustment to written premium.
- C. The amount of net premiums written subject to retrospective rating features for the years ended December 31, 2019 and 2018 for Mid Century was (\$1.5) million and (\$2.8) million, respectively. As of December 31, 2019, FIE's share of the premiums written subject to retrospective rating features was (\$0.8) million, which was (0.4%) of the Farmers' companies' total net workers' compensation premiums written of \$203.9 million. As of December 31, 2018, FIE's share of the premiums written subject to retrospective rating features was (\$1.5) million, which was (0.6%) of the Farmers' companies' total net workers' compensation premiums written of \$255.9 million.
- D. FIE had no medical loss ratio rebates at both December 31, 2019 and 2018.
- E. FIE had no non-admitted retrospective premiums at both December 31, 2019 and 2018.
- F. Not applicable

### 25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

- A. Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have increased by \$16.7 million as of December 31, 2019, as a result of re-estimation of unpaid losses and loss adjustment expenses principally on the other liability, commercial multiple peril and private passenger auto lines of insurance. This was partially offset by a decrease in workers compensation, homeowners and auto physical damage lines of insurance. This increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased and decreased as additional information becomes known regarding individual claims.
- B. Farmers made no significant changes in methodology or assumptions used in calculating liabilities for unpaid losses and loss adjustment expenses in 2019.

### 26. INTERCOMPANY POOLING ARRANGEMENTS

Certain members of Farmers participate in an intercompany reinsurance program (the "Intercompany Program"), with FIE as the lead company, pursuant to which each participant assumes a proportionate share of the Farmers Companies' results from FIE based on their respective participation percentages (see table below). FIE is also a participant in various other reinsurance contracts with affiliates, which occur prior to the Intercompany Program.

First, FIE under 100% quota share reinsurance agreements assumes the business written, net of non-affiliated reinsurance, by all of the Farmers companies, excluding Farmers Re. Next, FIE cedes 29% of all lines of business to Farmers Re and seven other reinsurers under the All Lines agreement. Finally, FIE retrocedes the remaining business of the Farmers companies to the insurers participating in the Intercompany Program according to their respective participation percentages.

The reinsurance participants and their respective participation percentages are as follows:

**NOTES TO FINANCIAL STATEMENTS**

Participant	NAIC Company Code	State of Domicile	Participation Percentage	
			2019	2018
Farmers Insurance Exchange	21652	California	51.75%	51.75%
Fire Insurance Exchange	21660	California	7.50%	7.50%
Mid-Century Insurance Company	21687	California	16.00%	16.00%
Truck Insurance Exchange	21709	California	7.75%	7.75%
Farmers New Century Insurance Company	10806	Illinois	0.75%	0.75%
Texas Farmers Insurance Company	21695	Texas	1.00%	1.00%
Illinois Farmers Insurance Company	21679	Illinois	0.75%	0.75%
Farmers Insurance Company, Inc.	21628	Kansas	0.75%	0.75%
Farmers Insurance Company of Idaho	21601	Idaho	0.75%	0.75%
Farmers Insurance Company of Oregon	21636	Oregon	7.00%	7.00%
Farmers Insurance Company of Washington	21644	Washington	2.00%	2.00%
Farmers Insurance of Columbus, Inc.	36889	Ohio	1.00%	1.00%
Civic Property and Casualty Company	10315	California	1.00%	1.00%
Exact Property and Casualty Company	10318	California	1.00%	1.00%
Neighborhood Spirit Property and Casualty Company	10317	California	1.00%	1.00%

In addition, there are certain Farmers’ companies that cede their business to FIE but do not participate in the Intercompany Program. These companies consist of: Farmers Insurance Company of Arizona, Mid-Century Insurance Company of Texas, and Farmers Texas County Mutual Insurance Company. Others are: Bristol West Casualty Insurance Company, Bristol West Insurance Company, Bristol West Preferred Insurance Company, Coast National Insurance Company, and Security National Insurance Company. The subsidiaries of FIC, Grand Rapids: Foremost Property and Casualty Insurance Company, Farmers Specialty Insurance Company, Foremost Signature Insurance Company; and FIC, Grand Rapids’ affiliates: Foremost County Mutual Insurance Company and Foremost Lloyds of Texas cede their business to FIC, Grand Rapids prior to FIC, Grand Rapids’ cession to FIE. Finally, the affiliates of 21st Century North America Insurance Company (“21CNAI”) cede their business to 21CNAI prior to 21CNAI’s cession to FIE and entities involved are: 21st Century Centennial Insurance Company, 21st Century Premier Insurance Company, Farmers Insurance Hawaii, Inc., 21st Century Superior Insurance Company, 21st Century Advantage Insurance Company, 21st Century Pinnacle Insurance Company, 21st Century Indemnity Insurance Company, 21st Century Auto Insurance Company of New Jersey, American Pacific Insurance Company, Inc., 21st Century Pacific Insurance Company, 21st Century Assurance Company, 21st Century Insurance Company, 21st Century Casualty Company, and American Federation Insurance Company.

FIE reported \$66.5 million and \$219.5 million due from affiliates at December 31, 2019 and 2018, respectively, resulting from its participation in the intercompany reinsurance pooling agreement.

**27. STRUCTURED SETTLEMENTS**

A. Reserves Released Due to Purchase of Annuities

FIE has purchased annuities from life insurers under which the claimants are payees (see note 14G). These annuities have been used to reduce the unpaid losses of \$10,550,557 as of December 31, 2019. FIE has a contingent liability of \$10,550,557 should the issuers of these annuities fail to perform under the terms of the annuities.

Loss Reserves Eliminated by Annuities
\$10,550,557

Unrecorded Loss Contingencies
\$10,550,557

## NOTES TO FINANCIAL STATEMENTS

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

Life Insurance Company and Location	Licensed in Company's State of Domicile	Statement Value (i.e. Present Value) of Annuities
None	None	\$0

**28. HEALTH CARE RECEIVABLES**

Not applicable.

**29. PARTICIPATING POLICIES**

Not applicable.

**30. PREMIUM DEFICIENCY RESERVES**

FIE utilizes anticipated investment income in the calculation of premium deficiency reserves, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums. FIE evaluates the need for a premium deficiency reserve on a line of business level for all books. FIE evaluated the need to record a premium deficiency reserve as of the end of the current year and determined that no additional reserve was required. This evaluation was completed on February 12, 2020. As of December 31, 2019 and 2018, FIE had not established any premium deficiency reserves based on this calculation.

	<b>2019</b>	<b>2018</b>
1. Liability carried for premium deficiency reserves \$	\$ <u>0</u>	\$ <u>0</u>
2. Date of the most recent evaluation of this liability	<u>02/12/2020</u>	<u>02/07/19</u>
3. Was anticipated investment income utilized in the calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	

**31. HIGH DEDUCTIBLES**

Not applicable.

**32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES**

Liabilities for unpaid losses and loss adjustment expenses are not discounted.

**NOTES TO FINANCIAL STATEMENTS**

**33. ASBESTOS/ENVIRONMENTAL RESERVES**

- A. Does FIE have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos losses? Yes ( X ) No ( )

FIE has exposure to environmental, asbestos, and other toxic claims that losses arises from the sale of general liability insurance. FIE estimates the full impact of the asbestos exposures by establishing full case reserves on all known losses and computing incurred but not reported (“IBNR”) losses based on previous experience.

FIE’s asbestos-related losses (including coverage dispute costs) for each of the five most recent years were as follows:

**(1) Direct:**

	2015	2016	2017	2018	2019
a. Beginning reserves:	\$ 219,055,689	\$ 202,517,581	\$ 248,758,801	\$ 278,292,421	\$ 276,521,617
b. Incurred losses and loss adjustment expenses:	\$ 19,116,984	\$ 80,472,732	\$ 31,812,175	\$ 29,993,441	\$ 11,798,654
c. Calendar year payments for losses and loss adjustment expenses:	<u>\$ 35,655,093</u>	<u>\$ 34,231,511</u>	<u>\$ 2,278,556</u>	<u>\$ 31,764,244</u>	<u>\$ 18,134,078</u>
d. Ending reserves:	<u>\$ 202,517,581</u>	<u>\$ 248,758,801</u>	<u>\$ 278,292,421</u>	<u>\$ 276,521,617</u>	<u>\$ 270,186,193</u>

Amounts represent FIE's pooled share of the total Farmers P&C Companies' exposure as per the terms of the intercompany reinsurance program.

**(2) Assumed Reinsurance:**

FIE has no asbestos-related exposure resulting from the assumption of unaffiliated reinsurance.

**(3) Net of Ceded Reinsurance:**

	2015	2016	2017	2018	2019
a. Beginning reserves:	\$ 216,043,403	\$ 199,560,700	\$ 243,630,995	\$ 274,895,510	\$ 273,981,437
b. Incurred losses and loss adjustment expenses:	\$ 16,582,708	\$ 77,414,255	\$ 31,370,793	\$ 21,126,611	\$ 20,672,637
c. Calendar year payments for losses and loss adjustment expenses:	<u>\$ 33,065,411</u>	<u>\$ 33,343,959</u>	<u>\$ 106,278</u>	<u>\$ 22,040,684</u>	<u>\$ 25,596,412</u>
d. Ending reserves:	<u>\$ 199,560,700</u>	<u>\$ 243,630,995</u>	<u>\$ 274,895,510</u>	<u>\$ 273,981,437</u>	<u>\$ 269,057,662</u>

- B. FIE recorded the following amounts for IBNR and/or bulk reserves related to asbestos claims at December 31, 2019:

	2019	2018
(1) Direct:	\$ 268,252,148	\$ 274,757,831
(2) Assumed Reinsurance:	None	None
(3) Net of Ceded Reinsurance:	\$ 267,123,617	\$ 272,217,651

- C. FIE recorded the following amounts for loss adjustment expenses for case, IBNR and/or bulk reserves related to asbestos claims at December 31, 2019:

**NOTES TO FINANCIAL STATEMENTS**

	2019	2018
(1) Direct:	\$ 92,385,704	\$ 93,347,210
(2) Assumed Reinsurance:	None	None
(3) Net of Ceded Reinsurance:	\$ 92,385,704	\$ 92,397,446

D. Does FIE have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to environmental losses? Yes (X) No ( )

FIE's environmental-related losses (including coverage dispute costs) for each of the five most recent years were as follows:

**(1) Direct:**

	2015	2016	2017	2018	2019
a. Beginning reserves:	\$ 31,084,050	\$ 41,829,025	\$ 60,426,671	\$ 53,588,932	\$ 45,487,583
b. Incurred losses and loss adjustment expenses:	\$ 29,710,574	\$ 29,172,620	\$ 3,650,558	\$ (5,343,327)	\$ (6,212,499)
c. Calendar year payments for losses and loss adjustment expenses:	<u>\$ 18,965,599</u>	<u>\$ 10,574,974</u>	<u>\$ 10,488,298</u>	<u>\$ 2,758,022</u>	<u>\$ 2,119,189</u>
d. Ending reserves:	<u>\$ 41,829,025</u>	<u>\$ 60,426,671</u>	<u>\$ 53,588,932</u>	<u>\$ 45,487,583</u>	<u>\$ 37,155,894</u>

Amounts represent FIE's pooled share of the total Farmers P&C Companies' exposure as per the terms of the intercompany reinsurance program.

**(2) Assumed Reinsurance:**

FIE has no environmental-related exposure resulting from the assumption of unaffiliated reinsurance.

**(3) Net of Ceded Reinsurance:**

	2015	2016	2017	2018	2019
a. Beginning reserves:	\$ 29,922,705	\$ 41,005,232	\$ 60,128,713	\$ 53,302,695	\$ 45,349,608
b. Incurred losses and loss adjustment expenses:	\$ 29,476,037	\$ 21,817,995	\$ 2,726,132	\$ (5,669,254)	\$ (6,211,230)
c. Calendar year payments for losses and loss adjustment expenses:	<u>\$ 18,393,510</u>	<u>\$ 2,694,515</u>	<u>\$ 9,552,150</u>	<u>\$ 2,283,833</u>	<u>\$ 2,122,046</u>
d. Ending reserves:	<u>\$ 41,005,232</u>	<u>\$ 60,128,713</u>	<u>\$ 53,302,695</u>	<u>\$ 45,349,608</u>	<u>\$ 37,016,333</u>

E. FIE recorded the following amounts for IBNR and/or bulk reserves related to environmental claims at December 31, 2019:

**NOTES TO FINANCIAL STATEMENTS**

	<b>2019</b>	<b>2018</b>
(1) Direct:	\$ 34,484,801	\$ 41,349,204
(2) Assumed Reinsurance:	None	None
(3) Net of Ceded Reinsurance:	\$ 34,484,801	\$ 41,349,204

F. FIE recorded the following amounts for loss adjustment expenses for case, IBNR and/or bulk reserves related to environmental claims at December 31, 2019:

	<b>2019</b>	<b>2018</b>
(1) Direct:	\$ 15,811,563	\$ 20,628,097
(2) Assumed Reinsurance:	None	None
(3) Net of Ceded Reinsurance:	\$ 15,811,563	\$ 20,628,097

**34. SUBSCRIBER SAVINGS ACCOUNTS**

None.

**35. MULTIPLE PERIL CROP INSURANCE**

Not applicable.

**36. FINANCIAL GUARANTY INSURANCE**

Not applicable.

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]  
If yes, complete Schedule Y, Parts 1, 1A and 2
- 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? ..... CALIFORNIA
- 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. .... 12/31/2017
- 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. .... 12/31/2017
- 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). .... 06/28/2019
- 3.4 By what department or departments?  
California Department of Insurance .....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] N/A [ X ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] 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 2019 OF THE FARMERS INSURANCE EXCHANGE  
GENERAL INTERROGATORIES**

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
BFP Securities, LLC .....	St. Louis, Missouri .....				YES
Farmers Financial Solutions, LLC .....	Westlake Village, California .....				YES

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 PricewaterhouseCoopers LLP, 601 South Figueroa Street, Suite 900, Los Angeles, CA 90017
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]  
 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
 .....  
 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]  
 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
 N/A .....
- 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?  
 James Nutting, FCAS, MAAA, 6301 Owensmouth Ave., Woodland Hills, CA 91367, Actuary of Farmers Insurance Group .....
- 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 ..... N/A  
 12.12 Number of parcels involved .....  
 12.13 Total book/adjusted carrying value ..... \$ .....
- 12.2 If, yes provide explanation:  
 N/A .....
- 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?  
 Not Applicable .....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ X ]  
 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ X ]  
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ X ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]  
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 c. Compliance with applicable governmental laws, rules and regulations;  
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:  
 .....  
 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]  
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
 .....  
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]  
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
 .....

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE  
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: ..... \$ .....160,987,601

**INVESTMENT**

- 24.01 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 24.03)..... Yes [ X ] No [ ]
- 24.02 If no, give full and complete information relating thereto  
.....
- 24.03 For security 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)  
.....
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? ..... Yes [ ] No [ ] N/A [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. .... \$ .....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. .... \$ .....
- 24.07 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 ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? ..... Yes [ ] No [ ] N/A [ X ]
- 24.09 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 ]

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE  
GENERAL INTERROGATORIES**

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

- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 ..... \$ .....
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 ..... \$ .....
- 24.103 Total payable for securities lending reported on the liability page ..... \$ .....

25.1 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 24.03) ..... Yes [ X ] No [ ]

- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements ..... \$ .....
  - 25.22 Subject to reverse repurchase agreements ..... \$ .....
  - 25.23 Subject to dollar repurchase agreements ..... \$ .....
  - 25.24 Subject to reverse dollar repurchase agreements ..... \$ .....
  - 25.25 Placed under option agreements ..... \$ .....
  - 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock ..... \$ .....
  - 25.27 FHLB Capital Stock ..... \$ .....
  - 25.28 On deposit with states ..... \$ 684,605,490
  - 25.29 On deposit with other regulatory bodies ..... \$ .....
  - 25.30 Pledged as collateral - excluding collateral pledged to an FHLB ..... \$ .....
  - 25.31 Pledged as collateral to FHLB - including assets backing funding agreements ..... \$ .....
  - 25.32 Other ..... \$ .....

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

26.2 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 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

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

- 26.4 If the response to 26.3 is YES, does the reporting entity utilize:
- 26.41 Special accounting provision of SSAP No. 108 ..... Yes [ ] No [ ]
  - 26.42 Permitted accounting practice ..... Yes [ ] No [ ]
  - 26.43 Other accounting guidance ..... Yes [ ] No [ ]

26.5 By responding YES to 26.41 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.

27.1 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 ]

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

28. 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 [ ]

28.01 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
JP Morgan Bank & Trust Company, N.A. ....	560 Mission ST, San Francisco, CA 94105 .....

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE  
GENERAL INTERROGATORIES**

28.02 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)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?..... Yes [ ] No [ X ]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 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
DWS Investment Management Americas, Inc. ....	U.....
Prudential Private Placement Investors, LP .....	U.....
Wells Capital Management .....	U.....
Clarion Partners .....	U.....
Medley SMA Advisors LLC .....	U.....

28.0597 For those firms/individuals listed in the table for Question 28.05, 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 [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

28.06 For those firms or individuals listed in the table for 28.05 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
104518 .....	DWS Investment Management Americas, Inc. ....	CZ83K4EEE80VCT3B128 .....	U.S. Securities and Exchange Commission .....	NO.....
106442 .....	Prudential Private Placement Investors LP .....		U.S. Securities and Exchange Commission .....	NO.....
104973 .....	Wells Capital Management .....	549300B3H21002L85190 .....	U.S. Securities and Exchange Commission .....	NO.....
108803 .....	Clarion Partners .....		U.S. Securities and Exchange Commission .....	NO.....
167354 .....	Medley SMA Advisors LLC .....		U.S. Securities and Exchange Commission .....	NO.....

29.1 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 ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		

29.3 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 2019 OF THE FARMERS INSURANCE EXCHANGE  
GENERAL INTERROGATORIES**

30. 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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	4,262,209,591	4,419,009,367	156,799,776
30.2 Preferred stocks .....		5,755,231	5,755,231
30.3 Totals	4,262,209,591	4,424,764,598	162,555,007

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

For the majority of securities, in determining fair market value, quotes were obtained from third party sources. If quotes from these sources were not available, a broker estimate was utilized. Any few instances where a broker estimate was not available, the market value was analytically determined. ....

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

31.2 If the answer to 31.1 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 [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
.....

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

32.2 If no, list exceptions:  
.....

33. 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 [ X ] No [ ]

34. 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 ]

35. 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 ]

**OTHER**

36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....4,056,562

36.2 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
CYBERSCOUT LLC .....	1,034,651

**GENERAL INTERROGATORIES**

37.1 Amount of payments for legal expenses, if any? .....\$ ..... 1,283,862

37.2 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
Fulbright & Jaworski Llp .....	760,130
.....	.....

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

38.2 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
.....	.....
.....	.....

# 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	2	
		Current Year	Prior Year	
2.1	Premium Numerator	_____	_____	
2.2	Premium Denominator	_____	_____	
2.3	Premium Ratio (2.1/2.2)	_____	_____	
2.4	Reserve Numerator	_____	_____	
2.5	Reserve Denominator	_____	_____	
2.6	Reserve Ratio (2.4/2.5)	_____	_____	

3.1 Does the reporting entity issue both participating and non-participating policies? ..... Yes [ ] No [ X ]

3.2 If yes, state the amount of calendar year premiums written on:

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 [ X ]

4.2 Does the reporting entity issue non-assessable policies? ..... Yes [ X ] 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 [ X ] No [ ]

5.2 If yes, is the commission paid:

5.21	Out of Attorney's-in-fact compensation	Yes [ ]	No [ X ]	N/A [ ]
5.22	As a direct expense of the exchange	Yes [ X ]	No [ ]	N/A [ ]

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?  
 Losses, loss adjustment expenses, agents' commissions, taxes, licenses and fees. ....

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? ..... Yes [ ] No [ X ]

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?  
We purchase reinsurance to protect our workers compensation exposure. ....
- 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 licenses catastrophe modeling software from outside vendors specializing in these products. Based on these models, California Earthquake and Texas Hurricane have been identified as having the most significant potential for large losses. ....
- 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?  
Through various catastrophe mitigation actions including but not limited to joining the California Earthquake Authority (CEA) and the company buys catastrophe reinsurance protection. ....
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? ..... Yes [ X ] No [ ]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.  
.....
- 7.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)? ..... Yes [ X ] No [ ]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions: ..... 1
- 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 [ X ]
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? ..... Yes [ ] No [ X ]
- 8.2 If yes, give full information  
.....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
(c) Aggregate stop loss reinsurance coverage;  
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. .... Yes [ ] No [ X ]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. .... Yes [ ] No [ X ]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 37 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? ..... Yes [ ] No [ X ]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
(a) The entity does not utilize reinsurance; or, ..... Yes [ ] No [ X ]  
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or ..... Yes [ ] No [ X ]  
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. .... Yes [ ] No [ X ]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? ..... Yes [ X ] 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 .....\$ .....503,191
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) .....\$ .....13,838
- 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): .....\$ .....3,881,250
- 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. ....3
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? ..... Yes [ ] No [ X ]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
.....
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? ..... Yes [ ] No [ ]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? ..... Yes [ ] No [ ]
- 14.5 If the answer to 14.4 is no, please explain:  
.....
- 15.1 Has the reporting entity guaranteed any financed premium accounts? ..... Yes [ ] No [ X ]
- 15.2 If yes, give full information  
.....
- 16.1 Does the reporting entity write any warranty business? ..... Yes [ ] No [ X ]  
If yes, disclose the following information for each of the following types of warranty coverage:

	1 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 2019 OF THE FARMERS INSURANCE EXCHANGE

**FIVE-YEAR HISTORICAL DATA**

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

	1 2019	2 2018	3 2017	4 2016	5 2015
<b>Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 &amp; 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	8,375,282,553	8,171,623,129	7,915,757,788	7,781,270,631	7,473,804,285
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	5,380,310,787	5,342,813,588	5,177,348,605	5,227,644,322	5,088,523,660
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	11,025,290,296	10,739,857,845	10,723,468,146	10,568,792,910	10,251,584,867
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	817,458	888,908	934,545	929,591	919,701
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	24,781,701,094	24,255,183,470	23,817,509,084	23,578,637,454	22,814,832,513
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	2,755,144,227	2,659,176,172	2,823,316,101	2,881,129,278	3,007,432,695
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,893,396,813	1,858,391,427	1,914,945,419	2,009,680,316	1,806,000,027
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	2,780,171,692	2,643,036,146	2,601,974,517	2,748,065,390	2,912,801,690
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	296,198	322,070	366,693	375,526	400,031
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	7,429,008,930	7,160,925,814	7,340,602,729	7,639,250,510	7,726,634,444
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	(101,292,901)	(109,252,076)	(221,277,133)	(393,112,964)	(216,237,919)
14. Net investment gain or (loss) (Line 11)	118,499,900	45,729,708	53,308,207	45,877,088	75,940,826
15. Total other income (Line 15)	(2,844,565)	(55,020,372)	(5,096,268)	17,272,115	(48,308,372)
16. Dividends to policyholders (Line 17)	792,459	371,232	347,996	414,739	243,194
17. Federal and foreign income taxes incurred (Line 19)	(41,703,653)	(48,438,070)	(107,999,063)	(182,431,959)	(75,178,311)
18. Net income (Line 20)	55,273,627	(70,475,902)	(65,414,126)	(147,946,541)	(113,670,348)
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	17,456,500,242	17,016,311,531	16,164,767,721	16,057,239,778	15,566,564,412
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	223,576,163	223,126,225	218,711,951	226,847,053	192,183,717
20.2 Deferred and not yet due (Line 15.2)	3,297,308,290	3,082,447,475	3,002,377,162	2,932,582,656	2,958,369,017
20.3 Accrued retrospective premiums (Line 15.3)	613,707	632,973	569,240	639,538	848,388
21. Total liabilities excluding protected cell business (Page 3, Line 26)	12,962,783,801	12,919,967,248	11,961,662,716	11,838,399,959	11,359,805,026
22. Losses (Page 3, Line 1)	3,658,425,810	3,614,271,736	3,647,098,366	3,845,525,306	3,691,225,972
23. Loss adjustment expenses (Page 3, Line 3)	1,080,203,754	1,059,029,772	1,069,435,044	1,091,070,385	1,050,380,927
24. Unearned premiums (Page 3, Line 9)	3,104,057,489	2,913,193,242	2,855,212,508	3,029,189,727	3,221,002,365
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	4,493,716,442	4,096,344,283	4,203,105,006	4,218,839,820	4,206,759,386
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	134,174,457	21,685,795	(510,442,646)	(336,107,073)	(546,898,115)
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	4,493,716,442	4,096,344,283	4,203,105,006	4,218,839,820	4,206,759,386
29. Authorized control level risk-based capital	870,425,668	889,688,981	999,280,106	1,037,667,407	1,046,614,762
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0</b>					
30. Bonds (Line 1)	37.7	38.1	39.5	45.0	49.3
31. Stocks (Lines 2.1 & 2.2)	52.2	52.5	51.9	49.6	48.9
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	2.6	3.4	3.6	3.3	2.6
34. Cash, cash equivalents and short-term investments (Line 5)	5.6	3.8	2.8	0.0	(2.9)
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	2.0	2.1	2.2	2.2	2.2
38. Receivables for securities (Line 9)	0.0	0.1			
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	5,406,232,802	5,125,595,068	4,956,396,052	4,859,620,572	4,735,094,628
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	5,406,232,802	5,125,595,068	4,956,396,052	4,859,620,572	4,735,094,628
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)	120.3	125.1	117.9	115.2	112.6

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2019	2 2018	3 2017	4 2016	5 2015
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24) .....	325,242,868	125,369,793	142,666,812	143,748,324	122,889,399
52. Dividends to stockholders (Line 35) .....					
53. Change in surplus as regards policyholders for the year (Line 38) .....	397,372,159	(106,760,723)	(15,734,814)	12,080,434	25,303,442
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	4,785,682,794	4,729,666,616	4,674,774,395	4,561,473,846	4,577,014,439
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	2,987,994,071	2,916,042,857	3,198,133,299	3,204,754,025	2,840,154,264
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	5,556,256,286	6,498,818,731	6,238,530,393	5,401,130,647	4,995,483,957
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	92,117	765,954	83,269	305,072	203,164
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
59. Total (Line 35) .....	13,330,025,268	14,145,294,157	14,111,521,355	13,167,663,590	12,412,855,823
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	1,673,707,289	1,717,762,087	1,800,767,993	1,840,203,147	1,815,716,920
61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	1,066,227,421	997,042,346	1,204,497,874	1,271,876,521	1,025,894,224
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	1,448,472,434	1,451,509,818	1,686,521,881	1,578,531,592	1,451,871,869
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	31,720	298,538	32,110	127,773	71,050
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
65. Total (Line 35) .....	4,188,438,865	4,166,612,788	4,691,819,859	4,690,739,033	4,293,554,063
<b>Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0</b>					
66. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2) .....	58.5	58.2	59.8	61.9	58.8
68. Loss expenses incurred (Line 3) .....	10.5	10.0	10.2	10.7	10.1
69. Other underwriting expenses incurred (Line 4) .....	32.6	33.4	33.0	32.5	33.8
70. Net underwriting gain (loss) (Line 8) .....	(1.4)	(1.5)	(2.9)	(5.0)	(2.8)
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0) .....	31.6	33.8	33.8	33.1	35.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	69.0	68.2	70.0	72.5	69.0
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) .....	165.3	174.8	174.6	181.1	183.7
<b>One Year Loss Development (\$000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11) .....	54,220	50,880	21,166	172,418	117,544
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) .....	1.3	1.2	0.5	4.1	2.8
<b>Two Year Loss Development (\$000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....	93,349	77,712	226,239	278,242	147,595
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) .....	2.2	1.8	5.4	6.7	3.8

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: .....

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE  
**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	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4	5	6	7	8	9			
1. Prior.....	XXX	XXX	XXX	56,493	24,743	20,538	(1,991)	1,998		147	56,278	XXX
2. 2010.....	8,673,035	3,157,289	5,515,746	4,798,000	1,696,804	202,435	68,863	821,134	255,482	317,124	3,800,420	XXX
3. 2011.....	9,378,569	1,852,336	7,526,233	5,671,232	994,892	221,851	31,254	909,769	134,793	352,036	5,641,913	XXX
4. 2012.....	9,663,511	2,587,835	7,075,676	5,697,937	1,425,886	234,238	48,741	835,226	211,349	356,014	5,081,425	XXX
5. 2013.....	9,678,053	2,575,631	7,102,422	5,382,903	1,355,828	200,321	42,063	769,372	212,031	311,611	4,742,675	XXX
6. 2014.....	9,588,056	2,558,971	7,029,086	5,134,526	1,295,809	191,405	39,577	738,277	199,739	315,618	4,529,082	XXX
7. 2015.....	9,765,171	1,907,764	7,857,407	5,445,600	999,483	186,724	28,324	793,663	144,219	355,406	5,253,960	XXX
8. 2016.....	10,100,404	2,269,341	7,831,063	5,776,027	1,263,894	173,983	40,982	775,251	161,872	383,720	5,258,513	XXX
9. 2017.....	10,264,782	2,750,202	7,514,580	6,523,105	2,412,474	150,231	76,698	781,067	196,664	374,719	4,768,568	XXX
10. 2018.....	10,435,009	3,332,064	7,102,945	5,493,709	2,008,998	85,843	64,121	736,700	235,735	425,529	4,007,398	XXX
11. 2019.....	10,572,105	3,333,960	7,238,145	3,570,127	1,096,989	26,433	7,729	541,020	243,061	206,110	2,789,801	XXX
12. Totals	XXX	XXX	XXX	53,549,660	14,575,800	1,694,003	446,360	7,703,477	1,994,946	3,398,034	45,930,034	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		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	100,824	27,967	452,156	132,210	329		123,616	178	43,658		1,718	560,229	XXX
2. 2010.....	10,066	444	35,301	13,171	96		5,105	240	2,910		319	39,623	XXX
3. 2011.....	16,853	127	40,214	13,278	153		8,298	349	3,630		399	55,394	XXX
4. 2012.....	18,999	4,193	45,079	19,744	140	28	9,745	1,978	4,466		689	52,486	XXX
5. 2013.....	23,054	5,031	47,547	20,319	210	42	12,163	2,631	5,312		986	60,264	XXX
6. 2014.....	32,032	6,830	61,795	23,605	36	7	16,626	3,566	8,468		1,406	84,948	XXX
7. 2015.....	65,063	9,701	84,053	24,163	108	15	26,783	4,006	13,790		3,901	151,912	XXX
8. 2016.....	137,631	29,672	142,590	53,010	130	147	45,149	11,299	25,059		7,975	256,431	XXX
9. 2017.....	289,038	84,172	303,123	140,213	377	104	75,945	23,039	50,156		15,690	471,112	XXX
10. 2018.....	576,418	204,720	593,447	338,367	513	253	130,091	42,870	103,999		36,879	818,259	XXX
11. 2019.....	805,532	254,538	1,785,717	602,633	1,317	382	175,729	53,485	330,714		163,003	2,187,972	XXX
12. Totals	2,075,510	627,394	3,591,022	1,380,712	3,409	978	629,250	143,641	592,162		232,966	4,738,630	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 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	392,804	167,425
2. 2010.....	5,875,046	2,035,004	3,840,042	67.7	64.5	69.6			51.8	31,752	7,871
3. 2011.....	6,872,001	1,174,694	5,697,307	73.3	63.4	75.7			51.8	43,662	11,732
4. 2012.....	6,845,829	1,711,918	5,133,911	70.8	66.2	72.6			51.8	40,140	12,345
5. 2013.....	6,440,883	1,637,945	4,802,939	66.6	63.6	67.6			51.8	45,251	15,013
6. 2014.....	6,183,165	1,569,134	4,614,030	64.5	61.3	65.6			51.8	63,391	21,557
7. 2015.....	6,615,783	1,209,911	5,405,872	67.7	63.4	68.8			51.8	115,252	36,660
8. 2016.....	7,075,821	1,560,876	5,514,945	70.1	68.8	70.4			51.8	197,540	58,891
9. 2017.....	8,173,044	2,933,363	5,239,681	79.6	106.7	69.7			51.8	367,776	103,336
10. 2018.....	7,720,721	2,895,063	4,825,657	74.0	86.9	67.9			51.8	626,779	191,481
11. 2019.....	7,236,589	2,258,816	4,977,772	68.4	67.8	68.8			51.8	1,734,079	453,893
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	3,658,426	1,080,204

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 2019 OF THE FARMERS INSURANCE EXCHANGE

**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 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019	11 One Year	12 Two Year
1. Prior.....	1,979,861	1,920,533	2,005,442	2,013,043	2,019,063	2,055,660	2,161,027	2,180,600	2,196,005	2,203,048	7,043	22,447
2. 2010.....	3,339,019	3,280,454	3,270,200	3,275,405	3,276,728	3,279,093	3,279,189	3,274,870	3,273,332	3,271,480	(1,852)	(3,390)
3. 2011.....	XXX	4,908,098	4,909,023	4,889,026	4,891,713	4,913,251	4,920,739	4,923,776	4,920,800	4,918,700	(2,100)	(5,076)
4. 2012.....	XXX	XXX	4,463,259	4,465,736	4,496,110	4,503,264	4,515,963	4,515,083	4,505,078	4,505,568	490	(9,515)
5. 2013.....	XXX	XXX	XXX	4,184,449	4,185,460	4,223,985	4,238,040	4,240,295	4,238,032	4,240,285	2,253	(10)
6. 2014.....	XXX	XXX	XXX	XXX	4,014,941	4,026,307	4,047,301	4,062,892	4,062,091	4,067,025	4,934	4,133
7. 2015.....	XXX	XXX	XXX	XXX	XXX	4,686,993	4,698,712	4,717,275	4,740,331	4,742,638	2,307	25,363
8. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	4,873,136	4,840,481	4,876,150	4,876,507	357	36,026
9. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,581,751	4,576,086	4,605,121	29,035	23,370
10. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,208,942	4,220,694	11,752	XXX
11. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,349,100	XXX	XXX
12. Totals											54,220	93,349

**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 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019		
1. Prior.....	000	629,683	971,546	1,246,973	1,365,747	1,458,690	1,542,362	1,585,244	1,632,197	1,686,477	XXX	XXX
2. 2010.....	1,717,582	2,570,368	2,886,336	3,081,574	3,164,710	3,177,964	3,205,830	3,219,083	3,228,864	3,234,768	XXX	XXX
3. 2011.....	XXX	2,890,245	4,025,832	4,430,101	4,644,188	4,742,260	4,800,963	4,837,709	4,857,534	4,866,937	XXX	XXX
4. 2012.....	XXX	XXX	2,585,945	3,631,557	4,018,522	4,247,004	4,363,909	4,419,803	4,440,195	4,457,549	XXX	XXX
5. 2013.....	XXX	XXX	XXX	2,478,015	3,426,446	3,799,767	4,000,266	4,117,288	4,162,500	4,185,334	XXX	XXX
6. 2014.....	XXX	XXX	XXX	XXX	2,353,968	3,294,613	3,637,872	3,841,569	3,943,403	3,990,544	XXX	XXX
7. 2015.....	XXX	XXX	XXX	XXX	XXX	2,723,137	3,834,468	4,235,171	4,485,151	4,604,516	XXX	XXX
8. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	2,937,417	4,036,401	4,427,320	4,645,135	XXX	XXX
9. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,890,718	3,797,704	4,184,165	XXX	XXX
10. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,518,272	3,506,434	XXX	XXX
11. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,491,842	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 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019
1. Prior.....	1,253,050	844,188	736,978	574,291	498,739	465,148	502,515	494,853	474,599	443,385
2. 2010.....	1,022,971	375,189	200,538	101,230	63,710	61,949	48,767	37,964	31,852	26,994
3. 2011.....	XXX	1,281,874	462,705	244,613	119,900	88,130	69,886	50,320	40,855	34,884
4. 2012.....	XXX	XXX	1,187,165	414,916	253,400	128,340	86,569	61,393	42,173	33,101
5. 2013.....	XXX	XXX	XXX	1,055,572	382,449	216,937	127,433	70,026	47,698	36,761
6. 2014.....	XXX	XXX	XXX	XXX	1,137,037	399,113	217,942	116,299	72,362	51,250
7. 2015.....	XXX	XXX	XXX	XXX	XXX	1,350,813	464,876	251,233	135,009	82,668
8. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	1,345,962	424,964	240,015	123,430
9. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	981,668	363,828	215,816
10. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,077,884	342,302
11. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,305,328

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE

**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	L	61,071,959	62,644,888		22,943,837	25,731,828	21,357,411	304,168
2. Alaska	AK	N							
3. Arizona	AZ	L	160,207,366	159,592,234		78,943,157	93,097,867	68,092,112	398,236
4. Arkansas	AR	L	36,721,008	34,982,378		15,894,599	17,001,559	9,883,308	107,123
5. California	CA	L	2,431,312,248	2,352,718,398		1,421,340,214	1,463,473,946	1,365,814,297	21,722,396
6. Colorado	CO	L	452,811,758	450,000,264	1,210,272	275,074,907	262,031,688	235,840,735	1,564,782
7. Connecticut	CT	L							
8. Delaware	DE	L	801,191	4,378			3,327	3,327	
9. District of Columbia	DC	L							
10. Florida	FL	L	12,521,511	9,125,921		3,132,321	6,683,123	3,827,988	23,003
11. Georgia	GA	L	214,399,612	200,209,943		96,586,013	146,937,145	117,379,322	390,913
12. Hawaii	HI	N							
13. Idaho	ID	L	31,264,789	30,076,213		15,834,181	13,272,218	9,123,647	126,584
14. Illinois	IL	L	179,619,299	178,144,627		131,691,742	143,644,677	70,177,321	484,073
15. Indiana	IN	L	38,129,726	33,131,862		15,959,172	19,504,122	12,157,572	106,864
16. Iowa	IA	L	18,075,310	16,831,531		5,152,567	4,459,228	4,071,642	40,103
17. Kansas	KS	L	73,073,034	72,879,308		31,734,308	36,931,376	18,220,562	168,324
18. Kentucky	KY	L	(4)	(4)			(2,470)	(88)	
19. Louisiana	LA	L	(944)	(944)		(1,454)	(151,093)	1,517	
20. Maine	ME	L	977,383	994,792		355,877	227,412	199,918	605
21. Maryland	MD	L	59,465,805	36,496,127		21,376,433	24,378,969	11,882,104	21,006
22. Massachusetts	MA	L							
23. Michigan	MI	L	176,798,113	179,255,985		132,674,731	118,785,898	679,774,815	785,712
24. Minnesota	MN	L	115,925,752	114,453,184		57,999,267	69,063,666	46,509,266	676,616
25. Mississippi	MS	L	130	4,370		99,779	(20,284)	2,118	
26. Missouri	MO	L	141,584,778	134,221,127		58,485,955	70,003,433	37,350,782	329,630
27. Montana	MT	L	30,801,308	30,252,473		33,375,138	48,212,630	22,062,799	84,967
28. Nebraska	NE	L	31,739,079	30,070,717		24,602,888	28,695,512	11,007,823	61,305
29. Nevada	NV	L	182,796,185	177,977,255		90,030,045	99,718,973	77,467,987	794,724
30. New Hampshire	NH	L	13,125	91,591		135,695	6,156	24,171	14
31. New Jersey	NJ	L	66,002,179	66,852,630		35,907,795	50,092,172	57,678,600	305,664
32. New Mexico	NM	L	68,864,003	67,822,541		42,403,709	44,798,516	22,542,142	214,988
33. New York	NY	L	868,549	831,957		63,014	79,842	374,559	12,838
34. North Carolina	NC	L	(4,244)	(4,216)		11,927	(82,678)	8,156	
35. North Dakota	ND	L	7,403,264	6,607,647		2,422,326	3,689,143	2,531,767	13,855
36. Ohio	OH	L	54,110,307	54,898,343		26,065,517	29,244,270	16,018,719	227,246
37. Oklahoma	OK	L	9,929,291	9,559,968		2,825,766	1,309,685	9,387,928	86,444
38. Oregon	OR	L	89,950,875	88,107,468		45,671,093	45,969,889	41,989,745	407,360
39. Pennsylvania	PA	L	79,135,429	76,049,094		23,053,396	62,427,227	73,525,674	16,836
40. Rhode Island	RI	L							
41. South Carolina	SC	L							
42. South Dakota	SD	L	16,025,068	15,390,727		7,199,768	7,831,226	5,609,010	33,464
43. Tennessee	TN	L	61,622,384	62,317,733		28,223,558	27,978,179	18,303,128	309,981
44. Texas	TX	L	88,606,520	90,608,057		42,584,040	54,693,069	69,536,561	552,605
45. Utah	UT	L	61,317,850	60,224,056		28,178,409	30,871,605	18,328,862	198,344
46. Vermont	VT	L							
47. Virginia	VA	L	37,155,208	19,501,051		5,896,984	5,051,868	7,711,707	113,517
48. Washington	WA	L	37,213,269	36,806,404		27,356,662	28,993,079	34,541,544	318,464
49. West Virginia	WV	L	268,167	1,465			1,114	1,114	
50. Wisconsin	WI	L	20,864,907	21,852,428	15,411	9,324,277	11,752,157	11,904,122	113,629
51. Wyoming	WY	L	27,724,408	26,766,145		20,523,572	21,197,473	11,680,479	69,668
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		5,177,166,955	5,008,352,118	1,225,683	2,881,133,183	3,117,588,742	3,223,906,271	31,186,049
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.....49
- 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 (DSLI) - 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.....8

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF FARMERS INSURANCE GROUP  
PART 1 - ORGANIZATIONAL CHART**

Company	FEIN	NAIC	Domiciled	Ownership	%
10433 Ella Blvd, LLC	83-0877980	N/A	DE	Mid-Century Insurance Company	100.00000
11930 Narcoossee Road, LLC	82-3606914	N/A	DE	Mid-Century Insurance Company	100.00000
145 Great Road, LLC	81-4674724	N/A	DE	Mid-Century Insurance Company	100.00000
17885 Von Karman, LLC	47-3820947	N/A	CA	Farmers Insurance Exchange	100.00000
201 Railroad Ave, LLC	82-2860816	N/A	DE	Farmers Insurance Exchange	100.00000
21st Century Advantage Insurance Company	22-3398993	25232	MN	21st Century North America Insurance Company	100.00000
21st Century Assurance Company	13-3551577	44245	DE	Mid-Century Insurance Company	100.00000
21st Century Auto Insurance Company of New Jersey	22-3337475	10184	NJ	21st Century Centennial Insurance Company	100.00000
21st Century Casualty Company	95-4136306	36404	CA	21st Century Insurance Group	100.00000
21st Century Centennial Insurance Company	23-2044095	34789	PA	Mid-Century Insurance Company	100.00000
21st Century Indemnity Insurance Company	13-1967524	43974	PA	21st Century Premier Insurance Company	100.00000
21st Century Insurance and Financial Services, Inc.	51-0283170	N/A	DE	Mid-Century Insurance Company	100.00000
21st Century Insurance Company	95-2565072	12963	CA	21st Century Insurance Group	100.00000
21st Century Insurance Group	95-1935264	N/A	DE	Mid-Century Insurance Company	100.00000
21st Century North America Insurance Company	13-3333609	32220	NY	Mid-Century Insurance Company	100.00000
21st Century Pacific Insurance Company	02-0226203	23795	CO	Mid-Century Insurance Company	100.00000
21st Century Pinnacle Insurance Company	13-3922232	10710	NJ	21st Century North America Insurance Company	100.00000
21st Century Premier Insurance Company	22-1721971	20796	PA	21st Century Centennial Insurance Company	100.00000
21st Century Superior Insurance Company	95-4232263	43761	CA	21st Century North America Insurance Company	100.00000
2501 East Valley Road, LLC	82-2666461	N/A	DE	Fire Insurance Exchange	100.00000
2720 Fourth Ave, LLC	47-4944225	N/A	DE	Farmers Insurance Exchange	100.00000
384 Santa Trinita Ave LLC	81-0741455	N/A	DE	Fire Insurance Exchange	100.00000
3900 Indian Avenue, LLC	81-2487862	N/A	DE	Farmers Insurance Exchange	100.00000
460 Gibraltar Drive, LLC	81-4365602	N/A	DE	Truck Insurance Exchange	100.00000
5401 Wiles Road LLC	47-2591947	N/A	FL	Mid-Century Insurance Company	100.00000
600 Riverside Parkway, LLC	81-1746692	N/A	DE	Farmers Insurance Exchange	100.00000
6671-6675 North Macarthur Blvd, LLC	82-4386531	N/A	DE	Mid-Century Insurance Company	100.00000
922 W. Washington Blvd, LLC	47-3968324	N/A	IL	Farmers Insurance Exchange	100.00000
American Federation Insurance Company	86-0812982	10245	TX	21st Century Insurance Group	100.00000
American Pacific Insurance Company, Inc.	13-3953213	10805	HI	Farmers Insurance Hawaii, Inc.	100.00000
Bristol West Casualty Insurance Company	34-1893500	11034	OH	Coast National Insurance Company	100.00000
Bristol West Holdings, Inc.	13-3994449	N/A	DE	Farmers Insurance Exchange	42.00000
Bristol West Holdings, Inc.	13-3994449	N/A	DE	Fire Insurance Exchange	3.75000
Bristol West Holdings, Inc.	13-3994449	N/A	DE	Truck Insurance Exchange	6.75000
Bristol West Holdings, Inc.	13-3994449	N/A	DE	Mid-Century Insurance Company	47.50000
Bristol West Insurance Company	38-1865162	19658	OH	Coast National Insurance Company	100.00000
Bristol West Insurance Services of California, Inc.	65-0880876	N/A	CA	Bristol West Holdings, Inc.	100.00000
Bristol West Insurance Services, Inc. of Florida	65-0616769	N/A	FL	Bristol West Holdings, Inc.	100.00000
Bristol West Preferred Insurance Company	86-1174452	12774	MI	Bristol West Holdings, Inc.	100.00000
BWIS of Nevada, Inc.	65-0919338	N/A	NV	Bristol West Holdings, Inc.	100.00000
Civic Property and Casualty Company	95-4528269	10315	CA	Fire Insurance Exchange	80.00000
Civic Property and Casualty Company	95-4528269	10315	CA	Truck Insurance Exchange	20.00000



ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF FARMERS INSURANCE GROUP  
PART 1 - ORGANIZATIONAL CHART**

Company	FEIN	NAIC	Domiciled	Ownership	%
Coast National General Agency, Inc.	76-0543593	N/A	TX	Bristol West Holdings, Inc.	100.00000
Coast National Holding Company	33-0246699	N/A	CA	Bristol West Holdings, Inc.	100.00000
Coast National Insurance Company	33-0246701	25089	CA	Coast National Holding Company	100.00000
Exact Property and Casualty Company	95-4528266	10318	CA	Fire Insurance Exchange	80.00000
Exact Property and Casualty Company	95-4528266	10318	CA	Truck Insurance Exchange	20.00000
Farmers Financial Solutions, LLC	77-0530616	N/A	NV	FFS Holding, LLC	100.00000
Farmers Insurance Company of Arizona	95-2626387	21598	AZ	Farmers Insurance Exchange	70.00000
Farmers Insurance Company of Arizona	95-2626387	21598	AZ	Truck Insurance Exchange	20.00000
Farmers Insurance Company of Arizona	95-2626387	21598	AZ	Fire Insurance Exchange	10.00000
Farmers Insurance Company of Idaho	95-2626385	21601	ID	Farmers Insurance Exchange	80.00000
Farmers Insurance Company of Idaho	95-2626385	21601	ID	Fire Insurance Exchange	6.70000
Farmers Insurance Company of Idaho	95-2626385	21601	ID	Truck Insurance Exchange	13.30000
Farmers Insurance Company of Oregon	95-2655893	21636	OR	Farmers Insurance Exchange	80.00000
Farmers Insurance Company of Oregon	95-2655893	21636	OR	Truck Insurance Exchange	20.00000
Farmers Insurance Company of Washington	95-2655894	21644	WA	Fire Insurance Exchange	80.00000
Farmers Insurance Company of Washington	95-2655894	21644	WA	Truck Insurance Exchange	20.00000
Farmers Insurance Company, Inc.	48-0609012	21628	KS	Farmers Insurance Exchange	90.00000
Farmers Insurance Company, Inc.	48-0609012	21628	KS	Fire Insurance Exchange	10.00000
Farmers Insurance Exchange	95-2575893	21652	CA	Interinsurance Exchange (See Note 1)	
Farmers Insurance Hawaii, Inc.	22-2640040	28487	HI	Mid-Century Insurance Company	100.00000
Farmers Insurance of Columbus, Inc.	31-0956373	36889	OH	Farmers Insurance Exchange	100.00000
Farmers New Century Insurance Company	36-4165395	10806	IL	Illinois Farmers Insurance Company	100.00000
Farmers Services Insurance Agency	95-6048990	N/A	CA	Truck Insurance Exchange	100.00000
Farmers Specialty Insurance Company	59-2326047	43699	MI	Foremost Insurance Company Grand Rapids, Michigan	100.00000
Farmers Texas County Mutual Insurance Company	74-1067657	24392	TX	County Mutual Company (See Note 2)	
FCOA, LLC	27-0342907	N/A	DE	Foremost Insurance Company Grand Rapids, Michigan	100.00000
FFS Holding, LLC	77-0530617	N/A	NV	Mid-Century Insurance Company	100.00000
Fire Insurance Exchange	95-6235715	21660	CA	Interinsurance Exchange (See Note 3)	
Foremost County Mutual Insurance Company	38-1721730	29254	TX	County Mutual Company (See Note 4)	
Foremost Express Insurance Agency, Inc.	38-2505922	N/A	MI	FCOA, LLC	100.00000
Foremost Insurance Company Grand Rapids, Michigan	38-1407533	11185	MI	Farmers Insurance Exchange	80.00000
Foremost Insurance Company Grand Rapids, Michigan	38-1407533	11185	MI	Fire Insurance Exchange	10.00000
Foremost Insurance Company Grand Rapids, Michigan	38-1407533	11185	MI	Truck Insurance Exchange	10.00000
Foremost Lloyds of Texas	75-1779175	41688	TX	Lloyds Company (See Note 5)	
Foremost Property and Casualty Insurance Company	35-1604635	11800	MI	Foremost Insurance Company Grand Rapids, Michigan	100.00000
Foremost Signature Insurance Company	38-2430150	41513	MI	Foremost Insurance Company Grand Rapids, Michigan	100.00000
GP, LLC	65-1142050	N/A	DE	Bristol West Holdings, Inc.	100.00000
Hawaii Insurance Consultants, Ltd.	99-0083322	N/A	HI	Mid-Century Insurance Company	100.00000
Illinois Farmers Insurance Company	36-2661515	21679	IL	Farmers Insurance Exchange	100.00000
Insurance Data Systems, G.P.	65-0881673	N/A	FL	Bristol West Holdings, Inc.	99.90000
Insurance Data Systems, G.P.	65-0881673	N/A	FL	GP, LLC	0.10000
Kraft Lake Insurance Agency, Inc.	38-2336672	N/A	MI	FCOA, LLC	100.00000

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF FARMERS INSURANCE GROUP  
PART 1 - ORGANIZATIONAL CHART**

<b>Company</b>	<b>FEIN</b>	<b>NAIC</b>	<b>Domiciled</b>	<b>Ownership</b>	<b>%</b>
Mid-Century Insurance Company	95-6016640	21687	CA	Farmers Insurance Exchange	80.00000
Mid-Century Insurance Company	95-6016640	21687	CA	Fire Insurance Exchange	10.00000
Mid-Century Insurance Company	95-6016640	21687	CA	Truck Insurance Exchange	10.00000
Mid-Century Insurance Company of Texas	74-2448744	28673	TX	Farmers Insurance Exchange	100.00000
Neighborhood Spirit Property and Casualty Company	95-4528264	10317	CA	Fire Insurance Exchange	80.00000
Neighborhood Spirit Property and Casualty Company	95-4528264	10317	CA	Truck Insurance Exchange	20.00000
Security National Insurance Company	65-0109120	33120	FL	Bristol West Holdings, Inc.	100.00000
Texas Farmers Insurance Company	94-1663548	21695	TX	Farmers Insurance Exchange	86.28000
Texas Farmers Insurance Company	94-1663548	21695	TX	Mid Century Insurance Company	13.72000
Toggle Services, LLC	83-3256280	N/A	DE	21st Century Assurance Company	100.00000
Truck Insurance Exchange	95-2575892	21709	CA	Interinsurance Exchange (See Note 6)	
Western Star Insurance Services, Inc.	74-1593853	N/A	TX	FCOA, LLC	100.00000

**The following are Zurich Insurance Group entities within NAIC Group Code "0212" and are not included in Farmers Insurance Group within NAIC Group Code "0069"**

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
Access Franchise Management Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
ACN 000 141 051 Ltd.		N/A	AUS	Zurich Financial Services Australia Limited	100.00000
ADAC Autoversicherung AG		N/A	DEU	Zürich Beteiligungs-Aktiengesellschaft (Deutschland)	51.00000
Afterland Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
AG Haus der Wirtschaft		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	8.16327
Allied Dunbar Assurance plc		N/A	GBR	Zurich Financial Services (UKISA) Nominees Limited	100.00000
Allied Dunbar Financial Services Limited		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Allied Dunbar Healthcare Marketing Limited		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Allied Dunbar Property Services Limited		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Allied Dunbar Provident plc		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Allied Zurich Holdings Limited		N/A	JEY	Zurich Versicherungs-Gesellschaft AG	100.00000
Allied Zurich Limited		N/A	GBR	Zurich Insurance Group Ltd.	100.00000
American Guarantee and Liability Insurance Company	36-6071400	26247	NY	Zurich American Insurance Company	100.00000
American Zurich Insurance Company	36-3141762	40142	IL	Steadfast Insurance Company	100.00000
Applyhere Pty Ltd		N/A	AUS	Davidson Trahaire Holding Pty Ltd	100.00000
Ashdale Land and Property Company Limited		N/A	GBR	Zurich Insurance plc	100.00000
Asistbras S/A Assistência ao Viajante		N/A	BRA	Travel Ace Internacional de Servicios S.A.	65.00000
Assistance Online (China) Co Ltd		N/A	CHN	Assistancee Online Pte. Ltd	100.00000
Assistancee Online HK Ltd		N/A	HKG	Assistancee Online HK Ltd	0.00000
Assistancee Online HK Ltd		N/A	HKG	Assistancee Online Pte. Ltd	100.00000
Assistancee Online Pte. Ltd		N/A	SGP	Customer Care Assistance Pty Ltd	100.00000
Associated Marine Insurers Agents Pty. Limited		N/A	AUS	Zurich Financial Services Australia Limited	100.00000
ASTIS Holdings Limited		N/A	AUS	Cover-More Finance Pty Limited	100.00000
Aust Office 1, LLC	36-4851720	N/A	DE	Zurich American Insurance Company	100.00000
autoSense AG		N/A	CHE	Zürich Versicherungs-Gesellschaft AG	33.33000
Ballykilliane Holdings Limited		N/A	IRL	Zurich Insurance plc	100.00000
Bansabadell Pensiones, E.G.F.P, S.A.		N/A	ESP	Zurich Vida, Compañía de Seguros y Reaseguros, S.A. - Socied	50.00000
Bansabadell Seguros Generales, S.A. de Seguros y Reaseguros		N/A	ESP	Zurich Versicherungs-Gesellschaft AG	50.00000
Bansabadell Servicios Auxiliares De Seguros, S.L.		N/A	ESP	Bansabadell Seguros Generales, S.A. de Seguros y Reaseguros	100.00000
Bansabadell Vida S.A. de Seguros y Reaseguros		N/A	ESP	Zurich Vida, Compañía de Seguros y Reaseguros, S.A. - Socied	50.00000
Benefit Finance Partners, L.L.C.		N/A	DE	Zurich Benefit Finance LLC	50.00000
BFP Securities LLC	13-4097988	N/A	DE	Benefit Finance Partners, L.L.C.	100.00000
Bloomington Office LP		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Bloomington Office MGP Manager, Inc		N/A	DE	Zurich Structured Finance, Inc.	100.00000
Bloomington Office MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Bloomington Office MGP, LLC		N/A	DE	Bloomington Office MGP Manager, Inc	1.00000
Blue Insurance Australia Pty Ltd		N/A	AUS	Blue Insurance Limited	100.00000
Blue Insurance Limited		N/A	IRL	Cover-More Australia Pty Ltd	97.61000
Blue Marble Capital L.P.		N/A	BMU	Blue Marble Micro Limited	100.00000
Blue Marble Micro Limited		N/A	GBR	Zürich Versicherungs-Gesellschaft AG	100.00000
Blue Marble Microinsurance, Inc.		N/A	DE	Blue Marble Micro Limited	100.00000
Bonnfinanz Aktiengesellschaft fur Vermögensberatung und Verm		N/A	DEU	Deutscher Herold Aktiengesellschaft	100.00000

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
Bonus Pensionskassen Aktiengesellschaft		N/A	AUT	Zurich Versicherungs-Aktiengesellschaft	87.50000
BONUS Vorsorgekasse AG		N/A	AUT	Zurich Versicherungs-Aktiengesellschaft	50.00000
BOS Apt 1, LLC	47-2289489	N/A	DE	Zurich American Insurance Company	100.00000
BOS Apt 2, LLC	47-2445859	N/A	DE	Zurich American Insurance Company	100.00000
BOS Office 2 LLC	47-1046245	N/A	DE	Zurich American Insurance Company	100.00000
BOS Office 3, LLC	47-2483669	N/A	DE	Farmers New World Life Insurance Company	100.00000
BOS Office 4, LLC	37-1849541	N/A	DE	Zurich American Insurance Company	100.00000
BOS Retail 1, LLC	47-4684158	N/A	DE	Zurich American Insurance Company	100.00000
Bright Box Europe S.A.		N/A	CHE	Bright Box HK Limited	100.00000
Bright Box HK Limited		N/A	CHN	Zürich Versicherungs-Gesellschaft AG	100.00000
Bright Box Hungary KFT		N/A	HUN	Bright Box HK Limited	100.00000
Bright Box Middle East FZCO		N/A	ARE	Bright Box HK Limited	100.00000
Bright Box North America, Inc.		N/A	DE	Bright Box Europe S.A.	100.00000
Brinker Retail MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Bristlecourt Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Cayley Aviation Ltd.		N/A	BMU	Zurich Insurance Company Ltd, Bermuda Branch	100.00000
Celta Assistance SL		N/A	ESP	Universal Assistance S.A.	100.00000
Centre Group Holdings (U.S.) Limited	13-4038482	N/A	DE	Zurich Finance Company Ltd	100.00000
Centre Insurance Company	13-2653231	34649	DE	Centre Solutions (U.S.) Limited	100.00000
Centre Life Insurance Company	04-1589940	80896	MA	Centre Solutions (U.S.) Limited	100.00000
Centre Reinsurance (U.S.) Limited	AA-3190673	N/A	BMU	Centre Group Holdings (U.S.) Limited	100.00000
Centre Solutions (Bermuda) Limited		N/A	BMU	Zurich Finance Company Ltd	100.00000
Centre Solutions (U.S.) Limited	AA-3190822	N/A	BMU	Centre Group Holdings (U.S.) Limited	100.00000
Charlotte Industrial 2, LLC	32-0616217	N/A	DE	Farmers New World Life Insurance Company	100.00000
Charlotte Office 1, LLC	30-1113235	N/A	DE	Zurich American Insurance Company	100.00000
CHI APT 1, LLC	38-3988749	N/A	DE	Zurich American Insurance Company	100.00000
CHI IND 1, LLC	47-4429730	N/A	DE	Farmers New World Life Insurance Company	100.00000
Chilena Consolidada Seguros de Vida S.A.		N/A	CHL	Inversiones Suizo Chilena S.A.	98.97703
Chilena Consolidada Seguros Generales S.A.	AA-2280100	N/A	CHL	Chilena Consolidada Seguros de Vida S.A.	7.40525
Chilena Consolidada Seguros Generales S.A.	AA-2280100	N/A	CHL	Inversiones Suizo Chilena S.A.	82.73165
City of London Insurance Company Limited		N/A	GBR	Eagle Star Insurance Company Limited	100.00000
COFITEM-COFIMUR		N/A	FRA	Zurich Versicherungs-Gesellschaft AG	12.40521
Collierville Center, LP		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Collierville MGP Manager, Inc.		N/A	DE	Zurich Structured Finance, Inc.	100.00000
Collierville Office MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Collierville Office MGP, LLC		N/A	DE	Collierville MGP Manager, Inc.	1.00000
Colonial American Casualty and Surety Company	52-1096670	34347	IL	Fidelity and Deposit Company of Maryland	100.00000
Concisa Vorsorgeberatung und Management AG		N/A	AUT	Bonus Pensionskassen Aktiengesellschaft	100.00000
Concourse Skelmersdale Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	100.00000
Cover-More (NZ) Limited		N/A	NZL	Cover-More Australia Pty Ltd	100.00000
Cover-More Asia Pte. Ltd		N/A	SGP	Travel Assist Pty Limited	100.00000
Cover-More Australia Pty Ltd		N/A	AUS	Cover-More Holdings Pty Ltd	100.00000

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
Cover-More Finance Pty Limited		N/A	AUS	Cover-More Group Limited	100.00000
Cover-More Group Limited		N/A	AUS	Zurich Travel Solutions Pty Limited	100.00000
Cover-More Holdings Pty Ltd		N/A	AUS	Travel Assist Pty Limited	100.00000
Cover-More Holdings USA Inc.		N/A	DE	Travel Assist Pty Limited	100.00000
Cover-More Inc.		N/A	DE	Cover-More Holdings USA Inc.	100.00000
Cover-More Insurance Services Limited		N/A	GBR	Cover-More Australia Pty Ltd	100.00000
Cover-More Insurance Services Pty Ltd		N/A	AUS	Travel Assist Pty Limited	100.00000
CP Holding Limited		N/A	VGB	Zurich Insurance Company Ltd, Bermuda Branch	100.00000
CREC (COLLIERVILLE), LLC	83-2914126	N/A	DE	Zurich Structured Finance, Inc.	100.00000
CREC (Durham), LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
CREC (Hagerstown) Lender, LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
CREC (Las Vegas), LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
CREC (Sacramento), LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
CREC (Sioux Falls), LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
CREC (Sioux Falls) Lender, LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
Cursud N.V.		N/A	ANT	Zurich Versicherungs-Gesellschaft AG	100.00000
Customer Care Assistance Pty Ltd		N/A	AUS	Customer Care Holdings Pty Ltd	100.00000
Customer Care Holdings Pty Ltd		N/A	AUS	Travel Assist Pty Limited	100.00000
Customer Care Pty Ltd		N/A	AUS	Customer Care Holdings Pty Ltd	100.00000
DA Deutsche Allgemeine Versicherung Aktiengesellschaft		N/A	DEU	Zürich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Dallas Office MGP Manager, Inc.		N/A	DE	Zurich Structured Finance, Inc.	100.00000
Dallas Office MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Dallas Office MGP, LLC		N/A	DE	Dallas Office MGP Manager, Inc.	1.00000
Dallas Tower LP		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Davidson Trahaire Corpsych (Singapore) Pte. Limited		N/A	SGP	DTC Bidco Pty Ltd	100.00000
Davidson Trahaire Corpsych Pty Ltd		N/A	AUS	Davidson Trahaire Holding Pty Ltd	65.00000
Davidson Trahaire Corpsych Pty Ltd		N/A	AUS	Applyhere Pty Ltd	35.00000
Davidson Trahaire Holding Pty Ltd		N/A	AUS	DTC Australia Pty Ltd	100.00000
DB Vita S.A.		N/A	LUX	Deutscher Herold Aktiengesellschaft	25.00000
DC Apt 1, LLC	47-4654837	N/A	DE	Zurich American Insurance Company	100.00000
DC Retail 1, LLC	82-2833981	N/A	DE	Farmers New World Life Insurance Company	100.00000
Delkir S.A.		N/A	URY	Zürich Versicherungs-Gesellschaft AG	100.00000
Delta Wetlands Properties		N/A	IL	KLMLP 2, LLC	90.00000
Delta Wetlands Properties		N/A	IL	KLMLP 3, LLC	10.00000
DEN IND 1, LLC	84-3610066	N/A	DE	Farmers New World Life Insurance Company	100.00000
DEN Retail 1 LLC	47-1387852	N/A	DE	Farmers New World Life Insurance Company	100.00000
Dentolo Deutschland GmbH		N/A	DEU	Zürich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Derimed S.A.		N/A	ARG	Zürich Versicherungs-Gesellschaft AG	100.00000
Deutsche Zurich Pensiones, Entidad Gestora de Fondos de Pens		N/A	ESP	Zurich Vida, Compañía de Seguros y Reaseguros, S.A. - Socied	50.00000
Deutscher Herold Aktiengesellschaft		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	79.82639
Deutscher Pensionsfonds Aktiengesellschaft		N/A	DEU	Deutscher Herold Aktiengesellschaft	74.90000
Deutsches Institut für Altersvorsorge GmbH		N/A	DEU	Deutscher Herold Aktiengesellschaft	22.00000

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
Digital Insurance Group B.V.		N/A	NLD	Zürich Versicherungs-Gesellschaft AG	10.00000
Disability Management Services, Inc.	06-1427246	N/A	CT	Centre Group Holdings (U.S.) Limited	40.00000
DTC Australia Pty Ltd		N/A	AUS	DTC Bidco Pty Ltd	100.00000
DTC Bidco Pty Ltd		N/A	AUS	DTC Holdco Pty Ltd	100.00000
DTC Holdco Pty Ltd		N/A	AUS	ASTIS Holdings Limited	100.00000
DTC NZ Bidco Limited		N/A	NZL	DTC Bidco Pty Ltd	100.00000
Dunbar Assets Ireland		N/A	IRL	Zurich Finance Company Ltd	0.03664
Dunbar Assets Ireland		N/A	IRL	ZCMC II Holdings Limited	99.96335
Dunbar Assets plc		N/A	GBR	Dunbar Assets Ireland	100.00000
Dunbar Nominees Limited		N/A	GBR	Dunbar Assets plc	100.00000
Dunbar Sports and Social Club Limited		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Dusfal S.A.		N/A	URY	Zürich Versicherungs-Gesellschaft AG	100.00000
Eagle Star (Leasing) Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Eagle Star Direct Services Limited		N/A	GBR	Zurich UK General Services Limited	100.00000
Eagle Star Estates Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Eagle Star European Life Assurance Company Limited		N/A	IRL	Zurich Life Assurance plc	100.00000
Eagle Star Farms Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Eagle Star Forests Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Eagle Star Group Holdings Limited		N/A	GBR	Eagle Star Holdings Limited	100.00000
Eagle Star Group Services Limited		N/A	GBR	Eagle Star Holdings Limited	100.00000
Eagle Star Holding Company of Ireland		N/A	IRL	Eagle Star Group Holdings Limited	0.00006
Eagle Star Holding Company of Ireland		N/A	IRL	Zurich Assurance Ltd	99.99994
Eagle Star Holdings Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	100.00000
Eagle Star Insurance Company Limited		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Eagle Star Loans Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Eagle Star Securities Limited		N/A	GBR	Zurich Insurance plc	100.00000
Edilspettacolo SRL		N/A	ITA	Zurich Insurance Company Ltd - Rappresentanza Generale per I	35.71233
Empire Fire and Marine Insurance Company	47-6022701	21326	IL	Zurich American Insurance Company	100.00000
Empire Indemnity Insurance Company	73-6091717	21334	OK	Zurich American Insurance Company	100.00000
Employee Services Limited		N/A	GBR	Allied Dunbar Financial Services Limited	100.00000
Endsleigh Financial Services Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Endsleigh Pension Trustee Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Eritage S.A.		N/A	URY	Zürich Versicherungs-Gesellschaft AG	65.00000
ES (Walsall) Nominee Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
ES Cannock Nominee 1 Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
ES Cannock Nominee 2 Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
ES Dudley Nominee 1 Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
ES Dudley Nominee 2 Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
ES Plympton Nominee 1 Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
ES Plympton Nominee 2 Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
ES Ramsgate Nominee 1 Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
ES Ramsgate Nominee 2 Limited		N/A	GBR	Zurich Assurance Ltd	100.00000

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
ESI Financing Limited		N/A	GBR	Eagle Star Insurance Company Limited	0.00011
ESI Financing Limited		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	99.99989
Euclid KY Annex, LP		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Euclid Office LP		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Euclid Warehouses LP		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Euroamérica Administradora General de Fondos S.A		N/A	CHL	Chilena Consolidada Seguros de Vida S.A.	100
Extremus Versicherung-Aktiengesellschaft		N/A	DEU	Zurich Insurance plc Niederlassung fur Deutschland	5.00000
Farmers Family Fund	45-3561769	N/A	CA	Farmers Group, Inc.	100.00000
Farmers Group, Inc.	95-0725935	N/A	NV	Zurich Versicherungs-Gesellschaft AG	87.90000
Farmers Group, Inc.	95-0725935	N/A	NV	Zurich Insurance Group Ltd.	12.10000
Farmers Life Insurance Company of New York	46-4261000	N/A	NY	Farmers New World Life Insurance Company	100.00000
Farmers New World Life Insurance Company	91-0335750	63177	WA	Farmers Group, Inc.	100.00000
Farmers Reinsurance Company	95-4650862	10873	CA	Farmers Group, Inc.	100.00000
Farmers Services Corporation		N/A	NV	Farmers Group, Inc.	100.00000
Farmers Underwriters Association		N/A	CA	Farmers Group, Inc.	100.00000
Fidelity and Deposit Company of Maryland	13-3046577	39306	IL	Zurich American Insurance Company	100.00000
FIG Holding Company		N/A	CA	Farmers Group, Inc.	100.00000
FIG Leasing Co., Inc.		N/A	CA	Farmers Group, Inc.	100.00000
Fire Underwriters Association	95-2670247	N/A	CA	Farmers Group, Inc.	100.00000
Fitsense Insurance Services Pty Ltd		N/A	AUS	Travel Assist Pty Limited	100.00000
Futuro de Bolivia S.A. Administradora de Fondos de Pensiones		N/A	BOL	Zurich Boliviana Seguros Personales S.A.	8.42193
Futuro de Bolivia S.A. Administradora de Fondos de Pensiones		N/A	BOL	Zurich South America Invest AB	71.57801
FX Insurance Agency, LLC	35-2281892	N/A	DE	FIG Leasing Co., Inc.	100.00000
FX Insurance Agency Hawaii, LLC	83-1572480	N/A	HI	FIG Leasing Co., Inc.	100.00000
General Surety & Guarantee Co Limited		N/A	GBR	Zurich Insurance Company (U.K.) Limited	100.00000
Groveswood Property Holdings Limited		N/A	GBR	Eagle Star Holdings Limited	100.00000
H4B Humboldthafen Einheitsgesellschaft GmbH&Co.KG		N/A	DEU	REX-ZDHL S.C.S. SICAV-SIF	94.90000
Halo Holdco Limited		N/A	GBR	Cover-More Australia Pty Ltd	100.00000
Halo Holdco Limited		N/A	GBR	Zürich Versicherungs-Gesellschaft AG	0.00000
Halo Insurance Services Limited		N/A	GBR	Halo Holdco Limited	100.00000
Halo Insurance Services Pty Ltd		N/A	AUS	Halo Insurance Services Limited	100.00000
Hawkcentral Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Herengracht Investments B.V		N/A	DEU	RE Curve Holding B.V.	100.00000
Home & Overseas Insurance Company Limited		N/A	GBR	Eagle Star Insurance Company Limited	100.00000
Hoplite Reinsurance Company of Vermont, Inc.	32-0478525	N/A	VT	Zurich Holding Company of America, Inc.	100.00000
HOU IND 1, LLC	46-2975161	N/A	DE	Zurich American Insurance Company	100.00000
HOU IND 2, LLC	46-2984834	N/A	DE	Zurich American Insurance Company	100.00000
HOU IND 3, LLC		N/A	DE	Zurich American Insurance Company	100.00000
Independence Center Realty L.P.		N/A	DE	Philadelphia Investor, LLC	89.00000
INNATE, Inc.		N/A	DC	Cover-More Holdings USA Inc.	100.00000
INTEGRA Versicherungsdienst GmbH		N/A	AUT	Zurich Versicherungs-Aktiengesellschaft	100.00000
International Travel Assistance S.A.		N/A	PAN	Zürich Versicherungs-Gesellschaft AG	55.00000

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
Inversiones Suizo Chilena S.A.		N/A	CHL	Inversiones Suizo-Argentina S.A.	0.00001
Inversiones Suizo Chilena S.A.		N/A	CHL	Zurich Versicherungs-Gesellschaft AG	99.99999
Inversiones Suizo-Argentina S.A.		N/A	ARG	Zurich Lebensversicherungs-Gesellschaft AG	5.00400
Inversiones Suizo-Argentina S.A.		N/A	ARG	Zurich Versicherungs-Gesellschaft AG	94.99600
Inversiones ZS America Dos Limitada		N/A	CHL	Inversiones ZS America SpA	100.00000
Inversiones ZS America SpA		N/A	CHL	Zurich Santander Insurance America, S.L.	100.00000
Inversiones ZS America Tres SpA		N/A	CHL	Zurich Santander Insurance America, S.L.	100.00000
Irish National Insurance Company p.l.c.		N/A	IRL	Zurich Insurance plc	99.99999
Isis S.A.		N/A	ARG	Inversiones Suizo-Argentina S.A.	60.50140
Isis S.A.		N/A	ARG	Zurich Versicherungs-Gesellschaft AG	39.49860
JFS/ZSF 1997 L.P.		N/A	VA	Zurich Structured Finance, Inc.	99.00000
JFS/ZSF 1998, L.P.		N/A	VA	Zurich Structured Finance, Inc.	99.00000
Kansas City Office LP		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Kansas Office MGP Manager, Inc.		N/A	DE	Zurich Structured Finance, Inc.	100.00000
Kansas Office MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Kansas Office MGP, LLC		N/A	DE	Kansas Office MGP Manager, Inc.	1.00000
Karvat Cover-More Assist. Pvt Ltd.		N/A	IND	Cover-More Asia Pte. Ltd	100.00000
Kennet Road 1 UK Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Kennet Road 2 UK Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Klare Corredora de Seguros S.A.		N/A	CHL	Zurich Insurance Mobile Solutions AG	49.90000%
KLMLP 2, LLC		N/A	DE	KLMLP, L.P.	100.00000
KLMLP 3, LLC		N/A	DE	KLMLP 2, LLC	100.00000
KLMLP, L.P.		N/A	DE	Zurich American Corporation	75.00000
Knip (Deutschland) GmbH		N/A	DEU	Knip AG	100.00000
Knip AG		N/A	CHE	Digital Insurance Group B.V.	98.88000
Komparu B.V.		N/A	NLD	Digital Insurance Group B.V.	100.00000
Kono Insurance Limited		N/A	HKG	Zurich Versicherungs-Gesellschaft AG	100.00000
Kouler S.A.		N/A	URY	Zürich Versicherungs-Gesellschaft AG	100.00000
LA Industrial 1, LLC	36-4877375	N/A	DE	Zurich American Insurance Company	100.00000
LA Retail 1 LLC	47-1325180	N/A	DE	Zurich American Insurance Company	100.00000
Limited Liability Company "BRIGHT BOX"		N/A	RUS	Bright Box HK Limited	100.00000
Limited Liability Company "REMOTO"		N/A	RUS	Bright Box HK Limited	100.00000
Manon Vision Co., Ltd.		N/A	THA	Centre Solutions (Bermuda) Limited	0.00057
Manon Vision Co., Ltd.		N/A	THA	Zurich Finance Company Ltd	0.00066
Manon Vision Co., Ltd.		N/A	THA	Zurich Versicherungs-Gesellschaft AG	99.99877
MEATPACKING B.V.		N/A	NLD	Rock Inne Vastgoed B.V.	100.00000
Medidata AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	8.85180
Meritclass Investments Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
MI Administrators, LLC		N/A	DE	FIG Leasing Co., Inc.	100.00000
MIAMI INDUSTRIAL 1, LLC	30-0947450	N/A	DE	Zurich American Insurance Company	100.00000
Miami Industrial 2, LLC	81-3346909	N/A	DE	Farmers New World Life Insurance Company	100.00000
Miami Office 2, LLC	38-4002060	N/A	DE	Zurich American Insurance Company	100.00000



## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
MIAMI OFFICE 3, LLC	35-2567170	N/A	DE	Zurich American Insurance Company	100.00000
Miami Retail 1, LLC	61-1852255	N/A	DE	Zurich American Insurance Company	100.00000
Minas Brasil Promotora de Servicos S/A		N/A	BRA	Zurich Minas Brasil Seguros S.A,	100.00000
MSHQ, LLC		N/A	DE	JFS/ZSF 1998, L.P.	100.00000
MSP APT 1, LLC	30-1003542	N/A	DE	Zurich American Insurance Company	100.00000
Nashville Office 1, LLC	30-1004249	N/A	DE	Zurich American Insurance Company	100.00000
Navigators and General Insurance Company Limited		N/A	GBR	Zurich Insurance plc	100.00000
Nearheath Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
NY Industrial 1, LLC	30-1071415	N/A	DE	Zurich American Insurance Company	100.00000
Oak Underwriting plc		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
OnePath General Insurance Pty Limited		N/A	AUS	Zurich Financial Services Australia Limited	100.00000
OnePath Life Australia Holdings Pty Ltd		N/A	AUS	Zurich Financial Services Australia Limited	100.00000
OnePath Life Limited		N/A	AUS	OnePath Life Australia Holdings Pty Ltd	100.00000
Orange Stone Company		N/A	IRL	Zurich Finance Company AG	100.00000
Orion Rechtsschutz-Versicherung AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	78.00000
Parcelgate Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Perils AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	11.11111
Perunsel S.A.		N/A	URY	Zürich Versicherungs-Gesellschaft AG	60.00000
Philly Office 1, LLC	35-2553880	N/A	DE	Zurich American Insurance Company	100.00000
POR Apt 1, LLC	47-1392591	N/A	DE	Zurich American Insurance Company	100.00000
POR Apt 2, LLC	47-4067157	N/A	DE	Zurich American Insurance Company	100.00000
POR Office 1, LLC	47-4054154	N/A	DE	Farmers New World Life Insurance Company	100.00000
Prime Corporate Psychology Pty Ltd		N/A	AUS	DTC Bidco Pty Ltd	100.00000
Protektor Lebensversicherungs-AG		N/A	DEU	Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft	5.15838
PT Asuransi Adira Dinamika Tbk		N/A	IDN	Zürich Versicherungs-Gesellschaft AG	98.48794%
PT Zurich Insurance Indonesia	AA-5360007	N/A	IDN	Zurich International (Bermuda) Ltd.	1.56878
PT Zurich Insurance Indonesia	AA-5360007	N/A	IDN	Zurich Versicherungs-Gesellschaft AG	97.09134
PT Zurich Topas Life		N/A	IDN	Zurich Versicherungs-Gesellschaft AG	80.00000
R3 FL Holdings, LLC		N/A	FL	Fidelity and Deposit Company of Maryland	100.00000
Raleigh/Durham Offices, L.P.		N/A	DE	Zurich Structured Finance, Inc.	99.00000
RE Curve Holding B.V.		N/A	DEU	Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft	100.00000
Real Garant Espana S.L.		N/A	ESP	Real Garant GmbH Garantiesysteme	100.00000
Real Garant GmbH Garantiesysteme		N/A	DEU	Real Garant Versicherung Aktiengesellschaft	100.00000
Real Garant Versicherung Aktiengesellschaft		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Research Triangle MGP Manager, Inc.		N/A	DE	Zurich Structured Finance, Inc.	100.00000
Research Triangle Office MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Research Triangle Office MGP, LLC		N/A	DE	Research Triangle MGP Manager, Inc.	1.00000
REX Holding S.a.r.l.		N/A	LUX	REX-ZDHL S.C.S. SICAV-SIF	100.00000
REX-Humboldthafen Verwaltungs GmbH		N/A	DEU	REX-ZDHL S.C.S. SICAV-SIF	100.00000
REX-Germany-ZDHL S.C.S		N/A	LUX	REX-ZDHL S.C.S. SICAV-SIF	95.24000
Rex-Spain-ZDHL S.L.		N/A	ESP	Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft	100.00000
REX-The East S.à.r.l.		N/A	LUX	REX-ZDHL S.C.S. SICAV-SIF	94.80000

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
REX-ZDHL GP S.a.r.l.		N/A	LUX	Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft	100.00000
REX-ZDHL S.C.S. SICAV-SIF		N/A	LUX	Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft	100.00000
Rock Inne Vastgoed B.V.		N/A	NLD	REX Holding S.à.r.l.	100.00000
Rokin 21 B.V.		N/A	NLD	Roxana Vastgoed B.V.	100.00000
Rokin 49 B.V.		N/A	NLD	Rock Inne Vastgoed B.V.	100.00000
Roxana Vastgoed B.V.		N/A	NLD	REX Holding S.à.r.l.	100.00000
Rural Community Insurance Company	41-1375004	39039	MN	Zurich American Insurance Company	100.00000
Sacramento Office MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
San Diego Apt 1, LLC		N/A	DE	Zurich American Insurance Company	100.00000
SAN DIEGO INDUSTRIAL 1, LLC	47-5542773	N/A	DE	Zurich American Insurance Company	100.00000
San Diego Retail 1, LLC	61-1791237	N/A	DE	Zurich American Insurance Company	100.00000
Santander Rio Seguros S.A.		N/A	ARG	Inversiones ZS America SpA	4.00000
Santander Rio Seguros S.A.		N/A	ARG	Zurich Santander Insurance America, S.L.	96.00000
Santander Seguros Sociedad Anónima		N/A	URY	Zurich Santander Insurance America, S.L.	100.00000
Saudi National Insurance Company		N/A	BHR	Zurich Insurance Company Ltd (Bahrain Branch)	5.00000
Sceptre Trust Limited		N/A	BHS	Eagle Star Holdings Limited	0.00002
Sceptre Trust Limited		N/A	BHS	Eagle Star Insurance Company Limited	99.99998
SEA APARTMENT 2, LLC	46-3060914	N/A	DE	Zurich American Insurance Company	100.00000
Sea Pine Technologies, Inc.		N/A	IL	Zurich Holding Company of America, Inc.	100.00000
Serviaide Assistencia e Servicos, Lda.		N/A	PRT	AIDE Assistencia Seguros y Reaseguros, S.A. - Sociedad Uniper	95.00001
Serviaide Assistencia e Servicos, Lda.		N/A	PRT	Serviaide, S.A. - Sociedad Unipersonal	4.99999
Serviaide, S.A. - Sociedad Unipersonal		N/A	ESP	AIDE Assistencia Seguros y Reaseguros, S.A. - Sociedad Uniper	100.00000
Servizurich S.A. - Sociedad Unipersonal		N/A	ESP	Zurich Insurance plc, Sucursal en Espana	100.00000
SF Apt 1, LLC	47-1153493	N/A	DE	Zurich American Insurance Company	100.00000
SF Office 4, LLC	47-2967693	N/A	DE	Zurich American Insurance Company	100.00000
Shire Park Limited		N/A	GBR	Zurich Assurance Ltd	12.41935
Speigelhof Vastgoed B.V.		N/A	DEU	RE Curve Holding B.V.	100.00000
Springboard Health and Performance Pty Ltd		N/A	AUS	DTC Bidco Pty Ltd	100.00000
Steadfast Insurance Company	52-0981481	26387	IL	Zurich American Insurance Company	100.00000
Steadfast Santa Clarita Holdings LLC		N/A	DE	Steadfast Insurance Company	100.00000
Sterling ISA Managers (Nominees) Limited		N/A	GBR	Sterling ISA Managers Limited	100.00000
Sterling ISA Managers Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	100.00000
Stratos Limited		N/A	NZL	DTC NZ Bidco Limited	100.00000
Swiss Insurance Management (Hong Kong) Limited		N/A	HKG	Zurich Insurance Holdings (Hong Kong) Limited	99.50495
Swiss Insurance Management (Hong Kong) Limited		N/A	HKG	Zurich Services (Hong Kong) Limited	0.49505
TDG Tele Dienste GmbH		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Tennyson Insurance Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
The Liverpool Reversionary Company Limited		N/A	GBR	Eagle Star Insurance Company Limited	100.00000
The Trust Company of Scotland Limited		N/A	GBR	Zurich Insurance plc	100.00000
The Zurich Services Corporation	36-3839542	N/A	IL	Zurich Holding Company of America, Inc.	100.00000
TopReport Schadenbesichtigungs GmbH		N/A	AUT	Zurich Versicherungs-Aktiengesellschaft	14.28571
Travel Ace Chile S.A.		N/A	CHL	Travel Ace Internacional de Servicios S.A.	1.00000

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
Travel Ace Chile S.A.		N/A	CHL	Zürich Versicherungs-Gesellschaft AG	99.00000
Travel Ace Internacional de Servicios S.A.		N/A	URY	Zürich Versicherungs-Gesellschaft AG	100.00000
Travel Assist Pty Limited		N/A	AUS	ASTIS Holdings Limited	100.00000
Travel Insurance Partners Pty Ltd		N/A	AUS	Travel Assist Pty Limited	100.00000
Travelex Insurance Services Limited		N/A	DE	Cover-More Holdings USA Inc.	100.00000
Truck Underwriters Association	95-2670330	N/A	CA	Farmers Group, Inc.	100.00000
Turegum Immobilien AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	100.00000
UA Assistance S.A. de C.V.		N/A	MEX	Travel Ace Internacional de Servicios S.A.	0.00000
UA Assistance S.A. de C.V.		N/A	MEX	Zürich Versicherungs-Gesellschaft AG	100.00000
Universal Assistance Assistencia Ao Viajante Ltda		N/A	BRA	Perunsel S.A.	0.00000
Universal Assistance Chile S.A.		N/A	CHL	Travel Ace Internacional de Servicios S.A.	0.02000
Universal Assistance Chile S.A.		N/A	CHL	Travel Ace Chile S.A.	99.98000
Universal Assistance S.A.		N/A	ARG	World Wide Assistance S.A.	92.71000
Universal Assistance S.A.		N/A	ARG	Zürich Versicherungs-Gesellschaft AG	7.29000
Universal Assistance S.A.		N/A	URY	Zürich Versicherungs-Gesellschaft AG	100.00000
Universal Travel Assistance S.A.S.		N/A	COL	Zürich Versicherungs-Gesellschaft AG	100.00000
Universal Underwriters Insurance Company	43-1249228	41181	IL	Zurich American Insurance Company	100.00000
Universal Underwriters of Texas Insurance Company	36-3139101	40843	IL	Universal Underwriters Insurance Company	100.00000
Universal Underwriters Service Corporation	43-1269296	N/A	MO	Zurich Holding Company of America, Inc.	100.00000
Unviversal Assistance Inc.		N/A	FL	Universal Assistance S.A.	0.00000
Vehicle Dealer Solutions, Inc.	26-1282208	N/A	FL	Zurich Holding Company of America, Inc.	100.00000
Winchester Land, LLC		N/A	FL	R3 FL Holdings, LLC	100.00000
Winn-Dixie MGP Manager, Inc.		N/A	DE	Zurich Structured Finance, Inc.	100.00000
Wohnen H3B Humboldthafen GmbH&Co.KG		N/A	DEU	REX-ZDHL S.C.S. SICAV-SIF	94.90000
World Travel Protection Canada Inc.		N/A	CAN	Zurich Canadian Holdings Limited	100.00000
World Wide Assistance S.A.		N/A	ARG	Zürich Versicherungs-Gesellschaft AG	100.00000
Wrightway Underwriting Limited		N/A	IRL	Ballykilliane Holdings Limited	100.00000
Z flex Gesellschaft für Personaldienstleistungen mbH		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
ZCM (U.S.) Limited		N/A	DE	Zurich Finance Company Ltd	100.00000
ZCM Asset Holding Company (Bermuda) Limited		N/A	BMU	Zurich Finance Company Ltd	100.00000
ZCM Matched Funding Corp.		N/A	CYM	Zurich Capital Markets Inc.	100.00000
ZCMC II Holdings Limited		N/A	IRL	ZCM Asset Holding Company (Bermuda) Limited	0.20000
ZCMC II Holdings Limited		N/A	IRL	Zurich Financial Services EUB Holdings Limited	99.80000
ZFUS Services, LLC	20-5900744	N/A	DE	Zurich Holding Company of America, Inc.	100.00000
ZLS Aseguradora de Colombia S.A		N/A	COL	Zürich Versicherungs-Gesellschaft AG	95.00000
ZLS Aseguradora de Colombia S.A		N/A	COL	Zürich Lebensversicherungs-Gesellschaft AG	4.43000
ZNA Services, LLC	02-0802795	N/A	DE	ZFUS Services, LLC	100.00000
ZPC Capital Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
ZSF / Collierville, LLC		N/A	DE	Collierville Center, LP	100.00000
ZSF / Office KY, LLC		N/A	DE	Euclid Office LP	100.00000
ZSF / Office NV, LLC		N/A	DE	Euclid Office LP	100.00000
ZSF / Office NY, LLC		N/A	DE	Euclid Office LP	100.00000

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP  
PART 1 - ORGANIZATIONAL CHART**

Company	FEIN	NAIC	Domiciled	Ownership	%
ZSF KY Annex, LLC		N/A	DE	Euclid KY Annex, LP	100.00000
ZSF/Bloomington, LLC		N/A	DE	Bloomington Office LP	100.00000
ZSF/C1 MGP Manager, Inc		N/A	DE	Zurich Structured Finance, Inc.	100.00000
ZSF/C1 MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	99.00000
ZSF/C1 MGP, LLC		N/A	DE	ZSF/C1 MGP Manager, Inc	1.00000
ZSF/C2 MGP Manager, Inc		N/A	DE	Zurich Structured Finance, Inc.	100.00000
ZSF/C2 MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	99.00000
ZSF/C2 MGP, LLC		N/A	DE	ZSF/CF2 MGP Manager, Inc.	1.00000
ZSF/Dallas Tower, LLC		N/A	DE	Dallas Tower LP	100.00000
ZSF/Kansas, LLC		N/A	DE	Kansas City Office LP	100.00000
ZSF/Land Parcels LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
ZSF/Research Gateway, LLC		N/A	DE	Raleigh/Durham Offices, L.P.	100.00000
ZSF/WD Fitzgerald, LLC		N/A	DE	Euclid Warehouses LP	100.00000
ZSF/WD Hammond, LLC		N/A	DE	Euclid Warehouses LP	100.00000
ZSF/WD Jacksonville, LLC		N/A	DE	Euclid Warehouses LP	100.00000
ZSF/WD Montgomery 31, LLC		N/A	DE	Euclid Warehouses LP	100.00000
ZSF/WD Opa Locka, LLC		N/A	DE	Euclid Warehouses LP	100.00000
ZSF/WD Orlando, LLC		N/A	DE	Euclid Warehouses LP	100.00000
ZSFH LLC	36-3096373	N/A	DE	Zurich Holding Company of America, Inc.	100.00000
ZSG Kfz-ZulassungsservicegesmbH		N/A	AUT	Zurich Versicherungs-Aktiengesellschaft	33.33333
ZSL Financing Limited		N/A	GBR	Zurich Holdings (UK) Limited	1.00000
ZSL Financing Limited		N/A	GBR	Zurich Specialties London Limited	99.00000
Zurich - Companhia de Seguros Vida S.A.		N/A	PRT	Zurich Finanz-Gesellschaft AG	0.00002
Zurich - Companhia de Seguros Vida S.A.		N/A	PRT	Zurich Investments Life S.p.A.	0.00002
Zurich - Companhia de Seguros Vida S.A.		N/A	PRT	Zurich Lebensversicherungs-Gesellschaft AG	99.99990
Zurich - Companhia de Seguros Vida S.A.		N/A	PRT	Zurich Versicherungs-Gesellschaft AG	0.00002
Zurich - Companhia de Seguros Vida S.A.		N/A	PRT	Zurich Vida, Compania de Seguros y Reaseguros, S.A. - Sociad	0.00002
Zurich (Scotland) Limited Partnership		N/A	GBR	Zurich General Partner (Scotland) Ltd	100.00000
Zurich Advice Network Limited		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Zurich AFIN Mexico, S.A. DE C.V.		N/A	MEX	Zurich Compania de Sefuros, S.A.	0.00200
Zurich AFIN Mexico, S.A. DE C.V.		N/A	MEX	Zurich Versicherungs-Gesellschaft AG	99.99800
Zurich Agency Services Inc.	04-3126497	N/A	MA	Zurich Holding Company of America, Inc.	100.00000
Zurich Alternative Asset Management, LLC	86-1164252	N/A	DE	Zurich Holding Company of America, Inc.	100.00000
Zurich America Latina Serviços Brasil Ltda.		N/A	BRA	Zurich Lebensversicherungs-Gesellschaft AG	0.01000
Zurich America Latina Serviços Brasil Ltda.		N/A	BRA	Zurich Versicherungs-Gesellschaft AG	99.99000
Zurich American Corporation	36-6169781	N/A	DE	Zurich Holding Company of America, Inc.	100.00000
Zurich American Insurance Company	36-4233459	16535	NY	Zurich Holding Company of America, Inc.	100.00000
Zurich American Insurance Company of Illinois	36-2781080	27855	IL	American Zurich Insurance Company	100.00000
Zurich American Life Insurance Company	36-3050975	90557	IL	Zurich American Corporation	100.00000
Zurich American Life Insurance Company of New York	27-4746162	14178	NY	Zurich American Life Insurance Company.	100.00000
Zurich American Puerto Rico Insurance Company		N/A	IL	Zurich American Insurance Company	100.00000
Zurich Argentina Cia. de Seguros S.A.		N/A	ARG	Inversiones Suizo-Argentina S.A.	55.46140

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
Zurich Argentina Cia. de Seguros S.A.	AA-2130022	N/A	ARG	Zurich Versicherungs-Gesellschaft AG	44.53611
Zurich Argentina Compañía de Seguros de Retiro S.A.	AA-2130022	N/A	ARG	Zurich Argentina Cia. de Seguros S.A.	46.64193
Zurich Argentina Compañía de Seguros de Retiro S.A.		N/A	ARG	Zurich Versicherungs-Gesellschaft AG	53.35807
Zurich Aseguradora Argentina S.A.		N/A	ARG	Zürich Versicherungs-Gesellschaft AG	99.90000
Zurich Aseguradora Mexicana, S.A. de C.V.		N/A	MEX	Zürich Versicherungs-Gesellschaft AG	100
Zurich Aseguradora Mexicana, S.A. de C.V.		N/A	MEX	Zürich Lebensversicherungs-Gesellschaft AG	0
Zurich Asset Management Gerente de Fondos Comunes de Inversi		N/A	ARG	Inversiones Suizo-Argentina S.A.	89.99990
Zurich Asset Management Gerente de Fondos Comunes de Inversi		N/A	ARG	Isis S.A.	10.00010
Zurich Assurance Ltd		N/A	GBR	Eagle Star Holdings Limited	100.00000
Zurich Australia Limited		N/A	AUS	Zurich Financial Services Australia Limited	100.00000
Zurich Australian Insurance Limited	AA-1930995	N/A	AUS	Zurich Financial Services Australia Limited	100.00000
Zurich Australian Insurance Properties Pty Limited		N/A	AUS	Zurich Australia Limited	40.00000
Zurich Australian Insurance Properties Pty Limited		N/A	AUS	Zurich Australian Insurance Limited	60.00000
Zurich Australian Property Holdings Pty Ltd		N/A	AUS	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Australian Superannuation Pty Limited		N/A	AUS	Zurich Financial Services Australia Limited	100.00000
Zurich Bank International Limited		N/A	GBR	Dunbar Assets Ireland	100.00000
Zurich Benefit Finance LLC	13-4186554	N/A	DE	Zurich Holding Company of America, Inc.	100.00000
Zurich Beteiligungs-Aktiengesellschaft (Deutschland)		N/A	DEU	Zurich IT Service AG Niederlassung fur Deutschland	82.61672
Zurich Beteiligungs-Aktiengesellschaft (Deutschland)		N/A	DEU	Zurich Leben Service AG Niederlassung fur Deutschland	17.38328
Zurich Brasil Capitalizacao S.A		N/A	BRA	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Brasil Companhia de Seguros		N/A	BRA	Zurich Minas Brasil Seguros S.A.	100.00000
Zurich Building Control Services Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Canadian Holdings Limited		N/A	CAN	Zurich Insurance Company Ltd, Canadian Branch	68.81942
Zurich Canadian Holdings Limited		N/A	CAN	Zurich Versicherungs-Gesellschaft AG	31.18058
Zurich Capital Markets Inc.		N/A	DE	ZCM (U.S.) Limited	100.00000
Zurich Capital Markets Securities Inc.		N/A	DE	Zurich Capital Markets Inc.	100.00000
Zurich Colombia Seguros S.A.		N/A	COL	Zurich Versicherungs-Gesellschaft AG	94.90000
Zurich Colombia Seguros S.A.		N/A	COL	Zurich Lebensversicherungs-Gesellschaft AG	5.10000
Zurich Community Trust (UK) Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	50.00000
Zurich Community Trust (UK) Limited		N/A	GBR	Zurich Financial Services (UKISA) Nominees Limited	50.00000
Zurich Compañia de Reaseguros Argentina S.A.		N/A	ARG	Zurich Versicherungs-Gesellschaft AG	5.00000
Zurich Compañia de Reaseguros Argentina S.A.		N/A	ARG	Inversiones Suizo-Argentina S.A.	95.00000
Zurich Compañía de Seguros, S.A.		N/A	MEX	Zurich Versicherungs-Gesellschaft AG	99.88280
Zurich Computer Services Limited		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Zurich Corredora de Bolsa S.A.		N/A	CHL	Inversiones Suizo Chilena S.A.	99.00030
Zurich Corredora de Bolsa S.A.		N/A	CHL	Zurich Investments Chile S.A.	0.99970
Zurich Customer Active Management, d.o.o.		N/A	SVN	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich CZI Management Holding Ltd.	36-4412924	N/A	DE	Zurich Global Investment Management Inc.	100.00000
Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft		N/A	DEU	Deutscher Herold Aktiengesellschaft	67.54030
Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	32.45970
Zurich E&S Insurance Brokerage, Inc.	95-4773780	N/A	CA	Zurich American Insurance Company	100.00000
Zurich Employment Services Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	100.00000

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
Zurich Engineering Inspection Services Ireland Limited		N/A	IRL	Zurich Insurance plc	100.00000
Zurich Eurolife S.A.		N/A	LUX	Zurich Lebensversicherungs-Gesellschaft AG	90.00000
Zurich Eurolife S.A.		N/A	LUX	Zurich Versicherungs-Gesellschaft AG	10.00000
Zurich F&I Reinsurance T&C Limited	AA-0053640	N/A	TCA	Zurich Agency Services Inc.	0.00050
Zurich F&I Reinsurance T&C Limited	AA-0053640	N/A	TCA	Universal Underwriters Service Corporation	99.99950
Zurich Fianzas Mexico, S.A.DE C.V.		N/A	MEX	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Finance (Australia) Limited		N/A	AUS	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Finance (Bermuda) Ltd.		N/A	BMU	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Finance (Ireland) DAC		N/A	IRL	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Finance (Luxembourg) S.A.		N/A	LUX	Zurich Lebensversicherungs-Gesellschaft AG	0.08065
Zurich Finance (Luxembourg) S.A.		N/A	LUX	Zurich Versicherungs-Gesellschaft AG	99.91935
Zurich Finance (UK) plc		N/A	GBR	Zurich Financial Services (UKISA) Limited	99.99800
Zurich Finance (UK) plc		N/A	GBR	Zurich Financial Services (UKISA) Nominees Limited	0.00200
Zurich Finance Company Ltd		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Financial Management Limited		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Zurich Financial Services (Isle of Man) Group Services Limit		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Financial Services (Isle of Man) Holdings Limited		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Financial Services (Isle of Man) Insurance Manager Lt		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Financial Services (UKISA) Group Services Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	100.00000
Zurich Financial Services (UKISA) Limited		N/A	GBR	Allied Zurich Holdings Limited	90.31559
Zurich Financial Services (UKISA) Limited		N/A	GBR	Zurich Insurance plc	9.68441
Zurich Financial Services (UKISA) Nominees Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	100.00000
Zurich Financial Services Australia Limited	AA-1930995	N/A	AUS	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Financial Services EUB Holdings Limited		N/A	IRL	Zurich Ins Group	0.08333
Zurich Financial Services EUB Holdings Limited		N/A	IRL	Zurich Insurance Group Ltd.	99.91667
Zurich Financial Services UK Pension Trustee Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	99.00000
Zurich Finanz-Gesellschaft AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich General Insurance Company (China) Limited		N/A	CHN	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich General Insurance Malaysia Berhad		N/A	MYS	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich General Partner (Scotland) Ltd		N/A	GBR	Allied Zurich Holdings Limited	100.00000
Zurich GL Servicios Mexico, S.A. de C.V.		N/A	MEX	Zurich Vida, Compañía de Seguros, S.A.	95.00000
Zurich GL Servicios Mexico, S.A. de C.V.		N/A	MEX	Zurich Compania de Seguros, S.A.	5.00000
Zurich Global Corporate UK Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Global Investment Management Inc.	04-3729755	N/A	DE	Zurich Holding Company of America, Inc.	100.00000
Zurich Global, Ltd.	AA-3190947	N/A	BMU	Zurich Holding Company of America, Inc.	100.00000
Zurich Group Pension Services (UK) Ltd		N/A	GBR	Zurich Assurance Ltd	100.00000
Zurich GSG Limited		N/A	GBR	Zurich GSH Limited	100.00000
Zurich GSH Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Holding Company of America, Inc.	36-3096373	N/A	DE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Holding Ireland Limited		N/A	IRL	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Holdings (UK) Limited		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Immobilien Liegenschaftsverwaltungs-GesmbH		N/A	AUT	Zurich Versicherungs-Gesellschaft AG	100.00000

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
Zurich Insurance Company (U.K.) Limited		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Insurance Company Escritorio de Representacao no Bras		N/A	BRA	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Insurance Company Ltd., Beijing Representative Office		N/A	CHN	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Insurance Company Ltd., Representative Office Buenos Aires		N/A	ARG	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Insurance Group Ltd.		N/A	CHE	Board of Directors	
Zurich Insurance Holdings (Hong Kong) Limited		N/A	HKG	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Insurance Malaysia Berhad		N/A	MYS	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Insurance plc	AA-1780059	N/A	IRL	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	25.07428
Zurich Insurance plc	AA-1780059	N/A	IRL	Zurich Holding Ireland Limited	70.40509
Zurich Insurance plc	AA-1780059	N/A	IRL	Zurich Insurance Company Ltd - Rappresentanza Generale per I	4.52063
Zurich Insurance plc, Representative Office Buenos Aires		N/A	ARG	Zurich Insurance plc	100.00000
Zurich Intermediary Group Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	99.99995
Zurich Intermediary Group Limited		N/A	GBR	Zurich Financial Services (UKISA) Nominees Limited	0.00005
Zurich International (UK) Limited	AA-1120018	N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich International Life Limited		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich International Pensions Administration Limited		N/A	IMN	Zurich International Life Limited	100.00000
Zurich International Services (Luxembourg) S.A.		N/A	LUX	Zurich Eurolife S.A.	0.04000
Zurich International Services (Luxembourg) S.A.		N/A	LUX	Zurich Versicherungs-Gesellschaft AG	99.96000
Zurich Invest AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Invest ICAV		N/A	IRL	Zürich Versicherungs-Gesellschaft AG	50.00000
Zurich Invest ICAV		N/A	IRL	Zurich Invest AG	50.00000
Zurich Investment Management AG		N/A	CHE	Farmers Group, Inc.	80.00000
Zurich Investment Management AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	20.00000
Zurich Investment Management Limited		N/A	AUS	Zurich Australia Limited	100.00000
Zurich Investment Services (UK) Limited		N/A	GBR	Allied Zurich Holdings Limited	100.00000
Zurich Investment Services Limited		N/A	BMU	Zurich Finance Company Ltd	100.00000
Zurich Investments Life S.p.A.		N/A	ITA	Zurich Insurance Company Ltd - Rappresentanza Generale per I	100.00000
Zurich JVCompany Servicios Mexico, S.A. DE C.V.		N/A	MEX	Zurich Vida, Compania de Seguros, S.A.	0.00200
Zurich JVCompany Servicios Mexico, S.A. DE C.V.		N/A	MEX	Zurich Santander Seguros Mexico, S.A.	99.99800
Zurich Kunden Center GmbH		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Zurich Latin America Corporation	26-0530367	N/A	FL	Zurich Holding Company of America, Inc.	100.00000
Zurich Latin America Holding S.L. - Sociedad Unipersonal		N/A	ESP	Zurich Lebensversicherungs-Gesellschaft AG	100.00000
Zurich Latin American Services S.A.		N/A	ARG	Inversiones Suizo-Argentina S.A.	6.32000
Zurich Latin American Services S.A.		N/A	ARG	Zurich Versicherungs-Gesellschaft AG	93.68000
Zurich Lebensversicherungs-Gesellschaft AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Life Assurance plc		N/A	IRL	Zurich Holding Ireland Limited	100.00000
Zurich Life Insurance (Hong Kong) Limited		N/A	HKG	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Life Insurance (Singapore) Pte Ltd		N/A	SGP	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Life Insurance Company Ltd., Representative office Buenos Aires		N/A	ARG	Zurich Lebensversicherungs-Gesellschaft AG	100.00000
Zurich Management (Bermuda) Ltd		N/A	BMU	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Management Services Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Minas Brasil Seguros S.A.		N/A	BRA	Zurich Versicherungs-Gesellschaft AG	100.00000

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
Zurich Pension Trustees Ireland Limited		N/A	IRL	Zurich Insurance plc	50.00000
Zurich Pension Trustees Ireland Limited		N/A	IRL	Zurich Trustee Services Limited	50.00000
Zurich Pension Trustees Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Zurich Pensions Management Limited		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Zurich Pensionskassen-Beratung AG		N/A	CHE	Zurich Lebensversicherungs-Gesellschaft AG	100.00000
Zurich Professional Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Project Finance (UK) Limited		N/A	GBR	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Properties Pty Limited		N/A	AUS	Zurich Australia Limited	40.00056
Zurich Properties Pty Limited		N/A	AUS	Zurich Australian Insurance Limited	59.99944
Zurich Property Services Malaysia Sdn Bhd		N/A	MYS	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Realty, Inc.	30-0165071	N/A	MD	Zurich Holding Company of America, Inc.	100.00000
Zurich Rechtsschutz-Schadenservice GmbH		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Zurich Reliable Insurance Limited		N/A	RUS	Zurich Versicherungs-Gesellschaft AG	99.90000
Zurich Reliable Insurance Limited		N/A	RUS	Zurich Versicherungs-Aktiengesellschaft	0.10000
Zurich Resseguradora Brasil S.A.		N/A	BRA	Zurich Versicherungs-Gesellschaft AG	99.99999
Zurich Resseguradora Brasil S.A.		N/A	BRA	Zurich Lebensversicherungs-Gesellschaft AG	0.00001
Zurich Risk Consulting RU		N/A	RUS	Zurich Reliable Insurance	100.00000
Zurich Risk Management Services (India) Private Limited		N/A	IND	Zurich International (Bermuda) Ltd.	1.00000
Zurich Risk Management Services (India) Private Limited		N/A	IND	Zurich Versicherungs-Gesellschaft AG	99.00000
Zurich Risk Services Asia Pacific Sdn Bhd		N/A	MYS	Zurich Management Services Limited	100.00000
Zurich Roadside Assistance Malaysia Sdn Bhd		N/A	MYS	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Ruckversicherungs-Gesellschaft AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Sacramento, Inc.		N/A	CA	JFS/ZSF 1998, L.P.	100.00000
Zurich Santander Brasil Odonto LTDA.		N/A	BRA	Zurich Santander Brasil Seguros e Previdência S.A.	99.00000
Zurich Santander Brasil Odonto LTDA.		N/A	BRA	Zurich Santander Brasil Seguros S.A.	1.00000
Zurich Santander Brasil Seguros e Previdência S.A.		N/A	BRA	Zurich Latin America Holding S.L. - Sociedad Unipersonal	0.22007
Zurich Santander Brasil Seguros e Previdência S.A.		N/A	BRA	Zurich Santander Holding (Spain), S.L.	99.56848
Zurich Santander Brasil Seguros S.A.		N/A	BRA	Zurich Santander Brasil Seguros e Previdência S.A.	100.00000
Zurich Santander Holding (Spain), S.L.		N/A	ESP	Zurich Santander Insurance America, S.L.	100.00000
Zurich Santander Holding Dos (Spain), S.L.		N/A	ESP	Zurich Santander Insurance America, S.L.	100.00000
Zurich Santander Insurance America, S.L.		N/A	ESP	Zurich Latin America Holding S.L. - Sociedad Unipersonal	51.00000
Zurich Santander Seguros Argentina S.A.		N/A	ARG	Zurich Santander Insurance America, S.L.	96.00000
Zurich Santander Seguros Argentina S.A.		N/A	ARG	Inversiones ZS America SpA	4.00000
Zurich Santander Seguros de Vida Chile S.A.		N/A	CHL	Inversiones ZS America Dos Limitada	99.78173
Zurich Santander Seguros de Vida Chile S.A.		N/A	CHL	Inversiones ZS America SpA	0.21827
Zurich Santander Seguros Generales Chile S.A.		N/A	CHL	Inversiones ZS America Dos Limitada	99.50540
Zurich Santander Seguros Generales Chile S.A.		N/A	CHL	Inversiones ZS America SpA	0.49460
Zurich Santander Seguros Mexico, S.A.		N/A	MEX	Inversiones ZS America SpA	0.00053
Zurich Santander Seguros Mexico, S.A.		N/A	MEX	Zurich Santander Insurance America, S.L.	99.99947
Zurich Seguros Ecuador, S.A.		N/A	ECU	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Service GmbH		N/A	DEU	Zurich Versicherungs-Aktiengesellschaft	100.00000
Zurich Services (Australia) Pty Limited		N/A	AUS	Zurich Financial Services Australia Limited	100.00000



## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
Zurich Services (Hong Kong) Limited		N/A	HKG	Swiss Insurance Management (Hong Kong) Limited	0.00286
Zurich Services (Hong Kong) Limited		N/A	HKG	Zurich Insurance Holdings (Hong Kong) Limited	99.99714
Zurich Services A.I.E.		N/A	ESP	AIDE Asistencia Seguros y Reaseguros, S.A. - Sociedad Uniper	0.00008
Zurich Services A.I.E.		N/A	ESP	Bansabadell Pensiones, E.G.F.P, S.A.	0.00008
Zurich Services A.I.E.		N/A	ESP	Bansabadell Seguros Generales, S.A. de Seguros y Reaseguros	0.00008
Zurich Services A.I.E.		N/A	ESP	Bansabadell Vida S.A. de Seguros y Reaseguros	0.00008
Zurich Services A.I.E.		N/A	ESP	Zurich Insurance plc, Sucursal en Espana	97.18393
Zurich Services A.I.E.		N/A	ESP	Zurich Vida, Compañía de Seguros y Reaseguros, S.A. - Societ	2.81550
Zurich Services Company (Pty) Ltd		N/A	AUS	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Services US. LLC	35-2546417	N/A	DE	Farmers Group, Inc.	50.00000
Zurich Services US. LLC	35-2546417	N/A	DE	Zurich Holding Company of America, Inc.	50.00000
Zurich Servicios de Mexico, S.A. de C.V.		N/A	MEX	Zurich Vida, Compania de Seguros, S.A.	90.00000
Zurich Servicios de Mexico, S.A. de C.V.		N/A	MEX	Zurich, Compania de Seguros, S.A.	10.00000
ZURICH SERVICIOS DIRECTO ESPAÑA, S.L.		N/A	ESP	Zurich Insurance Mobile Solutions AG	100.00000
Zurich Servicios y Soporte México, S.A. de C.V.		N/A	MEX	Zürich Versicherungs-Gesellschaft AG	99.98000
Zurich Servicios y Soporte México, S.A. de C.V.		N/A	MEX	Zürich Lebensversicherungs-Gesellschaft AG	0.02000
Zurich Shared Services S.A.		N/A	CHL	Inversiones Suizo Chilena S.A.	99.98667
Zurich Shared Services S.A.		N/A	CHL	Zurich Investments Chile S.A.	0.01333
Zurich Sigorta A.S.		N/A	TUR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Small Amount and Short Term Insurance Ltd		N/A	JPN	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich South America Invest AB		N/A	SWE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Specialties London Limited	AA-1120001	N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Structured Finance, Inc.		N/A	DE	Zurich Finance Company Ltd	100.00000
Zurich Takaful Malaysia Berhad (ZTMB)		N/A	MYS	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Technical and Consulting Services (Beijing) Co. Ltd.		N/A	CHN	Zurich Insurance Holdings (Hong Kong) Limited	100.00000
Zurich Technology Malaysia Sdn Bhd		N/A	MYS	Zurich Technology Services Malaysia Sdn Bhd	100.00000
Zurich Technology Services Malaysia Sdn Bhd		N/A	MYS	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Training and Development Services Limited		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Zurich Transitional Services Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Travel Solutions Pty Limited		N/A	AUS	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Treasury Services Limited		N/A	IRL	Zurich Financial Services EUB Holdings Limited	100.00000
Zurich Trustee Company (UK) Limited		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Zurich Trustee Services Limited		N/A	IRL	Zurich Life Assurance plc	100.00000
Zurich UK General Employee Services Limited		N/A	GBR	Zurich UK General Services Limited	100.00000
Zurich UK General Services Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Versicherungs-Aktiengesellschaft	AA-1220080	N/A	AUT	Zurich Versicherungs-Gesellschaft AG	99.98125
Zurich Versicherungs-Gesellschaft AG	AA-1460190	N/A	CHE	Zurich Insurance Group Ltd.	100.00000
Zurich Vida e Previdencia S.A.		N/A	BRA	Zurich Minas Brasil Seguros S.A,	100.00000
Zurich Vida, Compañía de Seguros y Reaseguros, S.A. - Societ	AA-1840022	N/A	ESP	Zurich Lebensversicherungs-Gesellschaft AG	100.00000
Zurich Vida, Compañía de Seguros, S.A.	AA-2734111	N/A	MEX	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Warranty Solutions, Inc.	36-4453190	N/A	IL	American Zurich Insurance Company	100.00000
Zurich Whiteley Investment Trust Limited		N/A	GBR	Zurich Insurance plc	100.00000

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF ZURICH INSURANCE GROUP  
PART 1 - ORGANIZATIONAL CHART**

<b>Company</b>	<b>FEIN</b>	<b>NAIC</b>	<b>Domiciled</b>	<b>Ownership</b>	<b>%</b>
Zurich Whiteley Trust Limited		N/A	GBR	Zurich Whiteley Investment Trust Limited	100.00000

Note 1: Farmers Insurance Exchange, formed and organized pursuant to California Insurance Code Section 1280, et seq., is owned by its policyholders. Its attorney-in-fact, Farmers Group, Inc., dba Farmers Underwriters Association, which is a subsidiary of Zurich Insurance Group Ltd. (See also Schedule Y, Part 1A)

Note 2: Farmers Texas County Mutual Insurance Company, formed and organized pursuant to Chapter 912 of the Texas Insurance Code, is managed by Farmers Group, Inc., dba Farmers Underwriters Association

Note 3: Fire Insurance Exchange, formed and organized pursuant to California Insurance Code Section 1280, et seq., is owned by its policyholders. Its attorney-in-fact, Fire Underwriters Association, which is a subsidiary of Zurich Insurance Group Ltd. (See also Schedule Y, Part 1A)

Note 4: Foremost County Mutual Insurance Company is managed by Foremost Insurance Company Grand Rapids, Michigan.

Note 5: Foremost Lloyds of Texas underwriters are officers and/or directors of Western Star Insurance Services, Inc.

Note 6: Truck Insurance Exchange, formed and organized pursuant to California Insurance Code Section 1280, et seq., is owned by its policyholders. Its attorney-in-fact, Truck Underwriters Association, which is a subsidiary of Zurich Insurance Group Ltd. (See also Schedule Y, Part 1A)

Note 7: Zurich Insurance Plc operates branches in the following countries: Italy (AA-1364106), Portugal (AA-1820001), Spain (AA-1840150), and United Kingdom (AA-1780059).

Note 8: Zurich Versicherungs-Aktiengesellschaft operates a branch in Germany (AA-1340017)

Note 9: Zurich Versicherungs-Gesellschaft AG also known as Zurich Insurance Company, Ltd operates branches in the following countries: Bermuda (AA-3190825), Canada (AA-1560999), Hong Kong (AA-5324112), Ireland (AA-1780042), Japan (AA-1584115), and Singapore (AA-5760036). It also operates a management entity Alpina International (AA-1460010) in Switzerland.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE FARMERS INSURANCE EXCHANGE  
**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
2504. Equities and deposits in pools and associations .....	3,580,082		3,580,082	5,593,559
2597. Summary of remaining write-ins for Line 25 from overflow page	3,580,082		3,580,082	5,593,559

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Deferred agent/DM bonus liability .....	31,503,461	28,880,923
2505. Uncashed drafts and checks pending escheatment .....	28,814,445	26,902,016
2506. Agent/DM bonus liability .....	16,554,184	34,824,086
2507. Miscellaneous .....	15,027,860	12,142,186
2508. Pooled share of unauthorized reinsurance .....	1,120,527	1,171,665
2509. Pooled share of LAD program liability .....	2,899	5,764
2597. Summary of remaining write-ins for Line 25 from overflow page	93,023,375	103,926,640

Additional Write-ins for Statement of Income Line 14

	1 Current Year	2 Prior Year
1404. Premiums for business-owned life insurance .....	(442,239)	(462,040)
1497. Summary of remaining write-ins for Line 14 from overflow page	(442,239)	(462,040)

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

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. Miscellaneous investment expenses .....			4,595,027	4,595,027
2497. Summary of remaining write-ins for Line 24 from overflow page			4,595,027	4,595,027

## ALPHABETICAL INDEX

### ANNUAL STATEMENT BLANK

Assets .....	2
Cash Flow .....	5
Exhibit of Capital Gains (Losses) .....	12
Exhibit of Net Investment Income .....	12
Exhibit of Nonadmitted Assets .....	13
Exhibit of Premiums and Losses (State Page) .....	19
Five-Year Historical Data .....	17
General Interrogatories .....	15
Jurat Page .....	1
Liabilities, Surplus and Other Funds .....	3
Notes To Financial Statements .....	14
Overflow Page For Write-ins .....	100
Schedule A - Part 1 .....	E01
Schedule A - Part 2 .....	E02
Schedule A - Part 3 .....	E03
Schedule A - Verification Between Years .....	SI02
Schedule B - Part 1 .....	E04
Schedule B - Part 2 .....	E05
Schedule B - Part 3 .....	E06
Schedule B - Verification Between Years .....	SI02
Schedule BA - Part 1 .....	E07
Schedule BA - Part 2 .....	E08
Schedule BA - Part 3 .....	E09
Schedule BA - Verification Between Years .....	SI03
Schedule D - Part 1 .....	E10
Schedule D - Part 1A - Section 1 .....	SI05
Schedule D - Part 1A - Section 2 .....	SI08
Schedule D - Part 2 - Section 1 .....	E11
Schedule D - Part 2 - Section 2 .....	E12
Schedule D - Part 3 .....	E13
Schedule D - Part 4 .....	E14
Schedule D - Part 5 .....	E15
Schedule D - Part 6 - Section 1 .....	E16
Schedule D - Part 6 - Section 2 .....	E16
Schedule D - Summary By Country .....	SI04
Schedule D - Verification Between Years .....	SI03
Schedule DA - Part 1 .....	E17
Schedule DA - Verification Between Years .....	SI10
Schedule DB - Part A - Section 1 .....	E18
Schedule DB - Part A - Section 2 .....	E19
Schedule DB - Part A - Verification Between Years .....	SI11
Schedule DB - Part B - Section 1 .....	E20
Schedule DB - Part B - Section 2 .....	E21
Schedule DB - Part B - Verification Between Years .....	SI11
Schedule DB - Part C - Section 1 .....	SI12
Schedule DB - Part C - Section 2 .....	SI13
Schedule DB - Part D - Section 1 .....	E22
Schedule DB - Part D - Section 2 .....	E23
Schedule DB - Part E .....	E24
Schedule DB - Verification .....	SI14
Schedule DL - Part 1 .....	E25
Schedule DL - Part 2 .....	E26
Schedule E - Part 1 - Cash .....	E27
Schedule E - Part 2 - Cash Equivalents .....	E28
Schedule E - Part 2 - Verification Between Years .....	SI15
Schedule E - Part 3 - Special Deposits .....	E29
Schedule F - Part 1 .....	20
Schedule F - Part 2 .....	21
Schedule F - Part 3 .....	22
Schedule F - Part 4 .....	27
Schedule F - Part 5 .....	28
Schedule F - Part 6 .....	29
Schedule H - Accident and Health Exhibit - Part 1 .....	30
Schedule H - Part 2, Part 3 and 4 .....	31
Schedule H - Part 5 - Health Claims .....	32

**ANNUAL STATEMENT BLANK (Continued)**

Schedule P - Part 1 - Summary .....	33
Schedule P - Part 1A - Homeowners/Farmowners .....	35
Schedule P - Part 1B - Private Passenger Auto Liability/Medical .....	36
Schedule P - Part 1C - Commercial Auto/Truck Liability/Medical .....	37
Schedule P - Part 1D - Workers' Compensation (Excluding Excess Workers' Compensation) .....	38
Schedule P - Part 1E - Commercial Multiple Peril .....	39
Schedule P - Part 1F - Section 1 - Medical Professional Liability - Occurrence .....	40
Schedule P - Part 1F - Section 2 - Medical Professional Liability - Claims-Made .....	41
Schedule P - Part 1G - Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler and Machinery) .....	42
Schedule P - Part 1H - Section 1 - Other Liability-Occurrence .....	43
Schedule P - Part 1H - Section 2 - Other Liability - Claims-Made .....	44
Schedule P - Part 1I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft) .....	45
Schedule P - Part 1J - Auto Physical Damage .....	46
Schedule P - Part 1K - Fidelity/Surety .....	47
Schedule P - Part 1L - Other (Including Credit, Accident and Health) .....	48
Schedule P - Part 1M - International .....	49
Schedule P - Part 1N - Reinsurance - Nonproportional Assumed Property .....	50
Schedule P - Part 1O - Reinsurance - Nonproportional Assumed Liability .....	51
Schedule P - Part 1P - Reinsurance - Nonproportional Assumed Financial Lines .....	52
Schedule P - Part 1R - Section 1 - Products Liability - Occurrence .....	53
Schedule P - Part 1R - Section 2 - Products Liability - Claims-Made .....	54
Schedule P - Part 1S - Financial Guaranty/Mortgage Guaranty .....	55
Schedule P - Part 1T - Warranty .....	56
Schedule P - Part 2, Part 3 and Part 4 - Summary .....	34
Schedule P - Part 2A - Homeowners/Farmowners .....	57
Schedule P - Part 2B - Private Passenger Auto Liability/Medical .....	57
Schedule P - Part 2C - Commercial Auto/Truck Liability/Medical .....	57
Schedule P - Part 2D - Workers' Compensation (Excluding Excess Workers' Compensation) .....	57
Schedule P - Part 2E - Commercial Multiple Peril .....	57
Schedule P - Part 2F - Section 1 - Medical Professional Liability - Occurrence .....	58
Schedule P - Part 2F - Section 2 - Medical Professional Liability - Claims-Made .....	58
Schedule P - Part 2G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery) .....	58
Schedule P - Part 2H - Section 1 - Other Liability - Occurrence .....	58
Schedule P - Part 2H - Section 2 - Other Liability - Claims-Made .....	58
Schedule P - Part 2I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft) .....	59
Schedule P - Part 2J - Auto Physical Damage .....	59
Schedule P - Part 2K - Fidelity, Surety .....	59
Schedule P - Part 2L - Other (Including Credit, Accident and Health) .....	59
Schedule P - Part 2M - International .....	59
Schedule P - Part 2N - Reinsurance - Nonproportional Assumed Property .....	60
Schedule P - Part 2O - Reinsurance - Nonproportional Assumed Liability .....	60
Schedule P - Part 2P - Reinsurance - Nonproportional Assumed Financial Lines .....	60
Schedule P - Part 2R - Section 1 - Products Liability - Occurrence .....	61
Schedule P - Part 2R - Section 2 - Products Liability - Claims-Made .....	61
Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty .....	61
Schedule P - Part 2T - Warranty .....	61
Schedule P - Part 3A - Homeowners/Farmowners .....	62
Schedule P - Part 3B - Private Passenger Auto Liability/Medical .....	62
Schedule P - Part 3C - Commercial Auto/Truck Liability/Medical .....	62
Schedule P - Part 3D - Workers' Compensation (Excluding Excess Workers' Compensation) .....	62
Schedule P - Part 3E - Commercial Multiple Peril .....	62
Schedule P - Part 3F - Section 1 - Medical Professional Liability - Occurrence .....	63
Schedule P - Part 3F - Section 2 - Medical Professional Liability - Claims-Made .....	63
Schedule P - Part 3G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery) .....	63
Schedule P - Part 3H - Section 1 - Other Liability - Occurrence .....	63
Schedule P - Part 3H - Section 2 - Other Liability - Claims-Made .....	63
Schedule P - Part 3I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft) .....	64
Schedule P - Part 3J - Auto Physical Damage .....	64
Schedule P - Part 3K - Fidelity/Surety .....	64
Schedule P - Part 3L - Other (Including Credit, Accident and Health) .....	64
Schedule P - Part 3M - International .....	64
Schedule P - Part 3N - Reinsurance - Nonproportional Assumed Property .....	65
Schedule P - Part 3O - Reinsurance - Nonproportional Assumed Liability .....	65
Schedule P - Part 3P - Reinsurance - Nonproportional Assumed Financial Lines .....	65
Schedule P - Part 3R - Section 1 - Products Liability - Occurrence .....	66
Schedule P - Part 3R - Section 2 - Products Liability - Claims-Made .....	66
Schedule P - Part 3S - Financial Guaranty/Mortgage Guaranty .....	66
Schedule P - Part 3T - Warranty .....	66

**ANNUAL STATEMENT BLANK (Continued)**

Schedule P - Part 4A - Homeowners/Farmowners .....	67
Schedule P - Part 4B - Private Passenger Auto Liability/Medical .....	67
Schedule P - Part 4C - Commercial Auto/Truck Liability/Medical .....	67
Schedule P - Part 4D - Workers' Compensation (Excluding Excess Workers' Compensation) .....	67
Schedule P - Part 4E - Commercial Multiple Peril .....	67
Schedule P - Part 4F - Section 1 - Medical Professional Liability - Occurrence .....	68
Schedule P - Part 4F - Section 2 - Medical Professional Liability - Claims-Made .....	68
Schedule P - Part 4G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery) .....	68
Schedule P - Part 4H - Section 1 - Other Liability - Occurrence .....	68
Schedule P - Part 4H - Section 2 - Other Liability - Claims-Made .....	68
Schedule P - Part 4I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft) .....	69
Schedule P - Part 4J - Auto Physical Damage .....	69
Schedule P - Part 4K - Fidelity/Surety .....	69
Schedule P - Part 4L - Other (Including Credit, Accident and Health) .....	69
Schedule P - Part 4M - International .....	69
Schedule P - Part 4N - Reinsurance - Nonproportional Assumed Property .....	70
Schedule P - Part 4O - Reinsurance - Nonproportional Assumed Liability .....	70
Schedule P - Part 4P - Reinsurance - Nonproportional Assumed Financial Lines .....	70
Schedule P - Part 4R - Section 1 - Products Liability - Occurrence .....	71
Schedule P - Part 4R - Section 2 - Products Liability - Claims-Made .....	71
Schedule P - Part 4S - Financial Guaranty/Mortgage Guaranty .....	71
Schedule P - Part 4T - Warranty .....	71
Schedule P - Part 5A - Homeowners/Farmowners .....	72
Schedule P - Part 5B - Private Passenger Auto Liability/Medical .....	73
Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical .....	74
Schedule P - Part 5D - Workers' Compensation (Excluding Excess Workers' Compensation) .....	75
Schedule P - Part 5E - Commercial Multiple Peril .....	76
Schedule P - Part 5F - Medical Professional Liability - Claims-Made .....	78
Schedule P - Part 5F - Medical Professional Liability - Occurrence .....	77
Schedule P - Part 5H - Other Liability - Claims-Made .....	80
Schedule P - Part 5H - Other Liability - Occurrence .....	79
Schedule P - Part 5R - Products Liability - Claims-Made .....	82
Schedule P - Part 5R - Products Liability - Occurrence .....	81
Schedule P - Part 5T - Warranty .....	83
Schedule P - Part 6C - Commercial Auto/Truck Liability/Medical .....	84
Schedule P - Part 6D - Workers' Compensation (Excluding Excess Workers' Compensation) .....	84
Schedule P - Part 6E - Commercial Multiple Peril .....	85
Schedule P - Part 6H - Other Liability - Claims-Made .....	86
Schedule P - Part 6H - Other Liability - Occurrence .....	85
Schedule P - Part 6M - International .....	86
Schedule P - Part 6N - Reinsurance - Nonproportional Assumed Property .....	87
Schedule P - Part 6O - Reinsurance - Nonproportional Assumed Liability .....	87
Schedule P - Part 6R - Products Liability - Claims-Made .....	88
Schedule P - Part 6R - Products Liability - Occurrence .....	88
Schedule P - Part 7A - Primary Loss Sensitive Contracts .....	89
Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts .....	91
Schedule P Interrogatories .....	93
Schedule T - Exhibit of Premiums Written .....	94
Schedule T - Part 2 - Interstate Compact .....	95
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group .....	96
Schedule Y - Part 1A - Detail of Insurance Holding Company System .....	97
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates .....	98
Statement of Income .....	4
Summary Investment Schedule .....	SI01
Supplemental Exhibits and Schedules Interrogatories .....	99
Underwriting and Investment Exhibit Part 1 .....	6
Underwriting and Investment Exhibit Part 1A .....	7
Underwriting and Investment Exhibit Part 1B .....	8
Underwriting and Investment Exhibit Part 2 .....	9
Underwriting and Investment Exhibit Part 2A .....	10
Underwriting and Investment Exhibit Part 3 .....	11