



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2020  
OF THE CONDITION AND AFFAIRS OF THE

## FARMERS INSURANCE EXCHANGE

NAIC Group Code 0069 0069 NAIC Company Code 21652 Employer's ID Number 95-2575893  
(Current) (Prior)

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

Main Administrative Office 6301 Owensmouth Ave  
(Street and Number) Woodland Hills, CA, US 91367  
(City or Town, State, Country and Zip Code) 818-936-1400  
(Area Code) (Telephone Number)

Mail Address 6301 Owensmouth Ave, Woodland Hills, CA, US 91367  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 6301 Owensmouth Ave  
(Street and Number) Woodland Hills, CA, US 91367  
(City or Town, State, Country and Zip Code) 818-876-7924  
(Area Code) (Telephone Number)

Internet Website Address www.farmers.com

Statutory Statement Contact Joseph Hammond, 818-876-7924  
(Name) (Area Code) (Telephone Number)  
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(E-mail Address) (FAX Number)

### 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

<u>Thomas George Allen **</u>	<u>Thomas David Brown **</u>	<u>Joe David Bryant **</u>
<u>Julio Areias Da Silva **</u>	<u>Alan Roy Gildemeister **</u>	<u>Scott William Hood **</u>
<u>Frederick Henry Kruse **</u>	<u>Ronald Lee Marrone **</u>	<u>Gary Randolph Martin **</u>
<u>Ronald Gregory Myhan **</u>		

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.

DocuSigned by:  
Jeff Dailey  
C089E577CFB2402...

Jeffrey John Dailey \*  
President, CEO

DocuSigned by:  
D E Hohl  
8AA115583887458...

Doren Eugene Hohl  
Secretary

DocuSigned by:  
Thomas S Noh  
C054F83048014AA...

Thomas Sangkyu Noh  
CFO, Treasurer

Subscribed and sworn to (or affirmed) before me this 15th day of February, 2021, by

- (1) Jeffrey John Dailey, proved to me on the basis of satisfactory evidence to be the person who appeared before me, and
- (2) Doren Eugene Hohl, 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 [  ] No [  ]
- b. If no,
  - 1. State the amendment number.....
  - 2. Date filed .....
  - 3. Number of pages attached.....

To be completed after the COVID-19 pandemic

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 2020 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) .....	4,702,027,118		4,702,027,118	4,262,209,591
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	11,620,795	11,620,795		
2.2 Common stocks .....	6,006,789,101	16,470	6,006,772,631	5,903,078,933
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) .....	32,670,777		32,670,777	34,157,482
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	237,617,860		237,617,860	246,449,894
4.3 Properties held for sale (less \$ encumbrances) .....				10,950,833
5. Cash (\$ .....(52,975,351) , Schedule E - Part 1), cash equivalents (\$ .....708,383,406 , Schedule E - Part 2) and short-term investments (\$ ..... , Schedule DA) .....	655,408,055		655,408,055	633,076,470
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....	224,677,121		224,677,121	223,942,468
9. Receivable for securities .....	77,796		77,796	90,349
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) .....	11,870,888,624	11,637,265	11,859,251,359	11,313,956,020
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	35,241,704	310,375	34,931,329	35,764,987
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	239,261,210	15,754,961	223,506,249	223,576,163
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ .....(4,654,705) earned but unbilled premiums) .....	3,495,399,724		3,495,399,724	3,297,308,290
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....	545,731		545,731	613,707
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	797,732,591		797,732,591	843,714,942
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 .....	198,772,810		198,772,810	723,852,534
18.2 Net deferred tax asset .....	240,875,713		240,875,713	237,398,506
19. Guaranty funds receivable or on deposit .....	254,690		254,690	362,374
20. Electronic data processing equipment and software .....	728,311	728,311		
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	29,773,092	29,773,092		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	356,770,804		356,770,804	160,987,601
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	727,656,735	82,435,213	645,221,522	618,965,118
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	17,993,901,739	140,639,217	17,853,262,522	17,456,500,242
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	17,993,901,739	140,639,217	17,853,262,522	17,456,500,242
<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 .....	513,594,521		513,594,521	482,081,179
2502. Other assets .....	151,028,360	82,435,213	68,593,147	75,704,072
2503. Business-owned life insurance-cash value .....	61,063,812		61,063,812	57,599,785
2598. Summary of remaining write-ins for Line 25 from overflow page .....	1,970,041		1,970,041	3,580,082
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	727,656,735	82,435,213	645,221,522	618,965,118

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE FARMERS INSURANCE EXCHANGE  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	3,778,135,649	3,658,425,810
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	820,368,925	998,986,006
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	1,082,773,735	1,080,203,754
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	6,975,335	6,564,072
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	59,882,717	27,748,274
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 \$ .....7,280,914,399 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) .....	3,135,683,977	3,104,057,489
10. Advance premium .....	99,460,241	86,118,898
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	596,220,600	795,204,423
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20) .....	3,484,400,159	3,117,494,927
14. Amounts withheld or retained by company for account of others .....	314,757	28,631,849
15. Remittances and items not allocated .....	37,880,622	49,063,645
16. Provision for reinsurance (including \$ ..... certified) (Schedule F, Part 3, Column 78) .....	2,300,139	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 .....	304,667	9,611,798
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 .....	81,179,590	632,221
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	13,185,881,113	12,962,783,801
27. Protected cell liabilities .....		
28. Total liabilities (Lines 26 and 27) .....	13,185,881,113	12,962,783,801
29. Aggregate write-ins for special surplus funds .....	3,700,000	3,800,000
30. Common capital stock .....		
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....		
33. Surplus notes .....	1,793,836,999	1,793,736,999
34. Gross paid in and contributed surplus .....		
35. Unassigned funds (surplus) .....	2,869,844,411	2,696,179,443
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) .....	4,667,381,410	4,493,716,442
38. TOTALS (Page 2, Line 28, Col. 3)	17,853,262,522	17,456,500,242
<b>DETAILS OF WRITE-INS</b>		
2501. Claims payments made after data-processing close .....	(270,182,441)	(262,271,831)
2502. Accounts payable .....	182,655,907	136,070,127
2503. Accrued liability on voluntary separation plan ("vsp") related expenses incurred in 2020 but fully paid for during 2021 .....	36,177,300	
2598. Summary of remaining write-ins for Line 25 from overflow page .....	132,528,824	126,833,925
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	81,179,590	632,221
2901. Reclassification of unamortized discount on surplus note from Unassigned surplus to Special surplus .....	3,700,000	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)	3,700,000	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 2020 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).....	7,347,285,673	7,238,144,682
<b>DEDUCTIONS:</b>		
2. Losses incurred (Part 2, Line 35, Column 7).....	4,377,138,403	4,232,592,938
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	698,948,509	761,873,649
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	2,464,890,832	2,356,835,656
5. Aggregate write-ins for underwriting deductions.....	(6,693,746)	(11,864,660)
6. Total underwriting deductions (Lines 2 through 5).....	7,534,283,997	7,339,437,584
7. Net income of protected cells.....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....	(186,998,324)	(101,292,901)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	53,555,479	62,834,409
10. Net realized capital gains or (losses) less capital gains tax of \$ 9,507,460 (Exhibit of Capital Gains (Losses) ).....	24,800,353	55,665,491
11. Net investment gain (loss) (Lines 9 + 10).....	78,355,832	118,499,900
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 6,203 amount charged off \$ 67,410,483 ).....	(67,404,280)	(44,091,908)
13. Finance and service charges not included in premiums.....	79,297,981	99,242,726
14. Aggregate write-ins for miscellaneous income.....	(77,877,954)	(57,995,383)
15. Total other income (Lines 12 through 14).....	(65,984,253)	(2,844,565)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(174,626,745)	14,362,433
17. Dividends to policyholders.....	396,076	792,459
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).....	(175,022,821)	13,569,974
19. Federal and foreign income taxes incurred.....	(58,664,261)	(41,703,653)
20. Net income (Line 18 minus Line 19)(to Line 22).....	(116,358,560)	55,273,627
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	4,493,716,442	4,096,344,283
22. Net income (from Line 20).....	(116,358,560)	55,273,627
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 10,839,432.....	231,465,711	325,242,868
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	14,316,639	8,156,730
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	44,129,310	3,895,445
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(2,259,503)	(40,636)
29. Change in surplus notes.....	100,000	200,000
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.....	2,271,372	4,644,126
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	173,664,968	397,372,159
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	4,667,381,410	4,493,716,442
<b>DETAILS OF WRITE-INS</b>		
0501. Pooled share of LAD program income.....	(6,693,746)	(11,864,660)
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).....	(6,693,746)	(11,864,660)
1401. Interest expense on funds held.....	(92,550,489)	(90,582,121)
1402. Miscellaneous income.....	16,925,543	34,607,012
1403. Premiums for company-owned life insurance.....	(1,788,037)	(1,578,035)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	(464,971)	(442,239)
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....	(77,877,954)	(57,995,383)
3701. Net proceeds from company-owned life insurance.....	1,470,198	4,592,988
3702. Pooled share of unauthorized reinsurance.....	801,174	51,138
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above).....	2,271,372	4,644,126

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE FARMERS INSURANCE EXCHANGE

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	6,993,277,690	7,370,672,525
2. Net investment income .....	83,496,855	89,670,903
3. Miscellaneous income .....	(65,984,253)	(2,844,565)
4. Total (Lines 1 through 3) .....	7,010,790,292	7,457,498,862
5. Benefit and loss related payments .....	4,397,973,904	4,296,539,629
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	3,075,336,444	3,067,677,055
8. Dividends paid to policyholders .....	396,076	792,459
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	(574,236,525)	(41,684,738)
10. Total (Lines 5 through 9) .....	6,899,469,898	7,323,324,405
11. Net cash from operations (Line 4 minus Line 10) .....	111,320,393	134,174,457
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	1,643,565,879	1,488,719,523
12.2 Stocks .....	235,268,726	291,746,562
12.3 Mortgage loans .....		
12.4 Real estate .....	13,730,386	57,013,371
12.5 Other invested assets .....		5,785,381
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	9,451	22,285
12.7 Miscellaneous proceeds .....		5,124,014
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	1,892,574,441	1,848,411,137
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	2,090,050,163	1,772,397,469
13.2 Stocks .....	83,006,629	319,722,182
13.3 Mortgage loans .....		
13.4 Real estate .....	693,161	
13.5 Other invested assets .....	175,887	
13.6 Miscellaneous applications .....	9,279,812	
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	2,183,205,652	2,092,119,651
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) .....	(290,631,210)	(243,708,514)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....		
16.2 Capital and paid in surplus, less treasury stock .....		
16.3 Borrowed funds .....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5 Dividends to stockholders .....		
16.6 Other cash provided (applied) .....	201,642,403	342,756,764
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	201,642,403	342,756,764
<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) .....	22,331,586	233,222,707
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	633,076,470	399,853,763
19.2 End of period (Line 18 plus Line 19.1) .....	655,408,055	633,076,470

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

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ANNUAL STATEMENT FOR THE YEAR 2020 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 .....	220,111,437	143,042,465	153,768,470	209,385,432
2.	Allied lines .....	180,365,377	111,101,713	121,462,514	170,004,576
3.	Farmowners multiple peril .....				
4.	Homeowners multiple peril .....	2,221,086,725	1,231,820,919	1,256,366,973	2,196,540,671
5.	Commercial multiple peril .....	563,918,795	293,826,937	298,204,574	559,541,157
6.	Mortgage guaranty .....				
8.	Ocean marine .....	23,388,695	11,696,586	12,328,983	22,756,298
9.	Inland marine .....	19,475,901	10,659,992	10,252,551	19,883,342
10.	Financial guaranty .....				
11.1	Medical professional liability - occurrence .....				
11.2	Medical professional liability - claims-made .....				
12.	Earthquake .....	12,643,699	6,619,782	6,677,154	12,586,327
13.	Group accident and health .....				
14.	Credit accident and health (group and individual) .....				
15.	Other accident and health .....				
16.	Workers' compensation .....	79,109,836	53,506,523	44,713,627	87,902,732
17.1	Other liability - occurrence .....	129,550,051	45,745,219	74,253,295	101,041,975
17.2	Other liability - claims-made .....				
17.3	Excess workers' compensation .....				
18.1	Products liability - occurrence .....	34,443	15,679	13,304	36,818
18.2	Products liability - claims-made .....				
19.1, 19.2	Private passenger auto liability .....	2,362,110,409	676,944,167	662,429,493	2,376,625,083
19.3, 19.4	Commercial auto liability .....	142,045,098	73,690,740	61,875,289	153,860,549
21.	Auto physical damage .....	1,421,917,301	445,291,763	433,276,900	1,433,932,165
22.	Aircraft (all perils) .....				
23.	Fidelity .....	287,805	1,781	1,573	288,013
24.	Surety .....	2,871,835	(41)	(35)	2,871,830
26.	Burglary and theft .....	2,327	1,389	1,151	2,564
27.	Boiler and machinery .....	(7,575)	91,875	58,160	26,141
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>7,378,912,160</b>	<b>3,104,057,489</b>	<b>3,135,683,977</b>	<b>7,347,285,673</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 2020 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 .....	153,768,470				153,768,470
2.	Allied lines .....	121,462,514				121,462,514
3.	Farmowners multiple peril .....					
4.	Homeowners multiple peril .....	1,256,366,880	93			1,256,366,973
5.	Commercial multiple peril .....	298,204,574				298,204,574
6.	Mortgage guaranty .....					
8.	Ocean marine .....	12,328,983				12,328,983
9.	Inland marine .....	10,252,551				10,252,551
10.	Financial guaranty .....					
11.1	Medical professional liability - occurrence .....					
11.2	Medical professional liability - claims-made .....					
12.	Earthquake .....	6,677,154				6,677,154
13.	Group accident and health .....					
14.	Credit accident and health (group and individual) .....					
15.	Other accident and health .....					
16.	Workers' compensation .....	44,713,627				44,713,627
17.1	Other liability - occurrence .....	74,248,381	4,914			74,253,295
17.2	Other liability - claims-made .....					
17.3	Excess workers' compensation .....					
18.1	Products liability - occurrence .....	13,304				13,304
18.2	Products liability - claims-made .....					
19.1, 19.2	Private passenger auto liability .....	662,429,493				662,429,493
19.3, 19.4	Commercial auto liability .....	61,875,289				61,875,289
21.	Auto physical damage .....	433,218,394	58,506			433,276,900
22.	Aircraft (all perils) .....					
23.	Fidelity .....	1,573				1,573
24.	Surety .....	(35)				(35)
26.	Burglary and theft .....	1,151				1,151
27.	Boiler and machinery .....	58,160				58,160
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>3,135,620,464</b>	<b>63,512</b>			<b>3,135,683,977</b>
36.	Accrued retrospective premiums based on experience .....					
37.	Earned but unbilled premiums .....					
38.	Balance (Sum of Line 35 through 37)					3,135,683,977
<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 2020 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 .....	9,207,602	612,431,249		229,274,286	172,253,128	220,111,437
2. Allied lines .....	15,435,152	531,884,501		228,283,268	138,671,008	180,365,377
3. Farmowners multiple peril .....						
4. Homeowners multiple peril .....	1,737,238,471	6,880,827,479	58,661	4,802,398,029	1,594,639,858	2,221,086,725
5. Commercial multiple peril .....	480,169,884	1,901,609,981		1,439,071,607	378,789,463	563,918,795
6. Mortgage guaranty .....						
8. Ocean marine .....		61,075,064		21,959,539	15,726,829	23,388,695
9. Inland marine .....	14,136,709	58,487,418		40,051,558	13,096,668	19,475,901
10. Financial guaranty .....						
11.1 Medical professional liability - occurrence .....						
11.2 Medical professional liability - claims-made .....						
12. Earthquake .....	18,904,041	42,143,313		39,901,577	8,502,079	12,643,699
13. Group accident and health .....						
14. Credit accident and health (group and individual) .....						
15. Other accident and health .....						
16. Workers' compensation .....	22,895,957	357,478,439		248,065,285	53,199,274	79,109,836
17.1 Other liability - occurrence .....	143,744,223	285,628,628	(3,638)	129,513,760	170,305,402	129,550,051
17.2 Other liability - claims-made .....						
17.3 Excess workers' compensation .....						
18.1 Products liability - occurrence .....	23,647	102,139		68,183	23,160	34,443
18.2 Products liability - claims-made .....						
19.1, 19.2 Private passenger auto liability .....	1,651,541,361	4,530,560,613		2,217,777,556	1,602,214,010	2,362,110,409
19.3, 19.4 Commercial auto liability .....	129,316,581	550,042,929		419,731,023	117,583,389	142,045,098
21. Auto physical damage .....	931,658,814	2,880,812,169		1,406,846,746	983,706,936	1,421,917,301
22. Aircraft (all perils) .....						
23. Fidelity .....	3,829	757,085		279,586	193,523	287,805
24. Surety .....		5,549,440		2,677,605		2,871,835
26. Burglary and theft .....	1,217	8,042		5,368	1,565	2,327
27. Boiler and machinery .....	60,253	51,409		124,330	(5,093)	(7,575)
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	5,154,337,739	18,699,449,900	55,023	11,226,029,304	5,248,901,199	7,378,912,160
<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 2020 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	3,949,174	433,598,544	282,208,256	155,339,462	33,813,856	23,899,152	165,254,166	78.9
2. Allied lines	7,983,841	128,376,690	95,741,022	40,619,510	5,526,369	3,342,676	42,803,203	25.2
3. Farmowners multiple peril					214,865	(170)	215,035	
4. Homeowners multiple peril	1,171,748,296	4,295,687,438	4,044,565,191	1,422,870,544	568,617,381	462,843,587	1,528,644,339	69.6
5. Commercial multiple peril	240,015,605	1,120,326,995	1,046,716,589	313,626,011	418,414,304	409,518,481	322,521,834	57.6
6. Mortgage guaranty								
8. Ocean marine		39,928,849	24,700,344	15,228,505	11,014,746	10,422,028	15,821,223	69.5
9. Inland marine	3,416,538	13,060,324	12,123,025	4,353,837	9,690,703	9,260,141	4,784,399	24.1
10. Financial guaranty								
11.1 Medical professional liability - occurrence					527,048	437,387	89,662	
11.2 Medical professional liability - claims-made		501	242	259	1,129,143	1,322,029	(192,627)	77,050,796.0
12. Earthquake	19,212	125,448	110,255	34,404	138,720	482,510	(309,387)	(2.5)
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation	15,824,233	217,630,336	177,827,072	55,627,496	410,155,802	441,061,944	24,721,355	28.1
17.1 Other liability - occurrence	72,572,179	247,179,247	254,187,926	65,563,500	322,801,929	330,510,727	57,854,701	57.3
17.2 Other liability - claims-made								
17.3 Excess workers' compensation								
18.1 Products liability - occurrence		39,640	25,326	14,314	71,692	128,020	(42,014)	(114.1)
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	920,709,517	2,641,726,073	2,232,231,087	1,330,204,503	1,725,137,701	1,729,097,431	1,326,244,773	55.8
19.3, 19.4 Commercial auto liability	122,724,261	359,737,475	392,785,793	89,675,943	192,467,927	157,829,904	124,313,967	80.8
21. Auto physical damage	540,584,048	1,528,567,254	1,304,970,901	764,180,401	76,973,305	77,821,156	763,332,551	53.2
22. Aircraft (all perils)		678	193	486		28,445	(27,959)	
23. Fidelity		101,422	66,613	34,809	210,439	339,946	(94,698)	(32.9)
24. Surety		55,444	26,752	28,692	1,197,384	2,059	1,224,018	42.6
26. Burglary and theft	88	943	781	250	532	555	227	8.9
27. Boiler and machinery	18,227	78,059	70,650	25,636	31,804	77,805	(20,365)	(77.9)
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	3,099,565,218	11,026,221,362	9,868,358,017	4,257,428,564	3,778,135,649	3,658,425,810	4,377,138,403	59.6
<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)							

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ANNUAL STATEMENT FOR THE YEAR 2020 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			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	412,581	63,183,444	39,552,297	24,043,728	480,981	65,585,532	56,296,386	33,813,856	7,633,344
2. Allied lines	1,789,575	17,417,836	13,589,918	5,617,493	1,010,622	9,631,139	10,732,885	5,526,369	3,032,114
3. Farmowners multiple peril		300,000	85,170	214,830		(1)	(36)	214,865	52
4. Homeowners multiple peril	196,056,967	980,193,261	878,450,378	297,799,851	375,802,795	1,093,224,607	1,198,209,872	568,617,381	124,950,755
5. Commercial multiple peril	149,089,441	643,984,164	606,676,958	186,396,647	244,896,626	846,421,345	859,300,314	418,414,304	166,997,623
6. Mortgage guaranty									
8. Ocean marine		15,571,463	7,875,476	7,695,987		8,700,202	5,381,444	11,014,746	1,047,704
9. Inland marine	41,200	18,343,203	9,547,073	8,837,331	655,070	2,619,844	2,421,542	9,690,703	331,080
10. Financial guaranty									
11.1 Medical professional liability - occurrence		251,521	121,725	129,796		635,320	238,067	527,048	177,326
11.2 Medical professional liability - claims-made		90,933	(45,445)	136,378		1,978,036	985,271	1,129,143	531,475
12. Earthquake		31,600	104,029	(72,429)	187,147	706,163	682,162	138,720	511,776
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health								(a)	
16. Workers' compensation	27,234,180	432,462,766	332,398,746	127,298,200	84,382,866	945,333,310	746,858,574	410,155,802	94,132,860
17.1 Other liability - occurrence	51,084,696	226,562,603	213,637,332	64,009,967	133,371,543	644,697,635	519,277,216	322,801,929	148,267,934
17.2 Other liability - claims-made									
17.3 Excess workers' compensation									
18.1 Products liability - occurrence	101	4,042	3,409	734	71,796	197,487	198,325	71,692	43,884
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability	536,362,513	1,424,017,857	1,234,321,628	726,058,742	1,315,408,586	1,798,973,248	2,115,302,875	1,725,137,701	453,706,439
19.3, 19.4 Commercial auto liability	123,004,677	343,327,763	380,457,872	85,874,567	162,838,731	416,733,930	472,979,302	192,467,927	49,534,262
21. Auto physical damage	78,361	20,586,245	13,836,077	6,828,528	51,317,839	170,673,833	151,846,895	76,973,305	31,631,191
22. Aircraft (all perils)									
23. Fidelity					5,297	621,702	416,561	210,439	190,738
24. Surety		34,000	16,405	17,595		2,283,263	1,103,474	1,197,384	31,953
26. Burglary and theft		464	288	176	39	971	654	532	398
27. Boiler and machinery					14,956	98,853	82,005	31,804	20,828
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	1,085,154,291	4,186,363,166	3,730,629,336	1,540,888,121	2,370,444,895	6,009,116,420	6,142,313,787	3,778,135,649	1,082,773,735
<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 2020 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 .....	85,230,774			85,230,774
1.2 Reinsurance assumed .....	1,750,842,203			1,750,842,203
1.3 Reinsurance ceded .....	1,512,080,268			1,512,080,268
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....	323,992,708			323,992,708
2. Commission and brokerage:				
2.1 Direct excluding contingent .....		569,317,058		569,317,058
2.2 Reinsurance assumed, excluding contingent .....		2,395,559,809		2,395,559,809
2.3 Reinsurance ceded, excluding contingent .....		2,524,109,415		2,524,109,415
2.4 Contingent - direct .....		50,361,949		50,361,949
2.5 Contingent - reinsurance assumed .....				
2.6 Contingent - reinsurance ceded .....				
2.7 Policy and membership fees .....		5,808,362		5,808,362
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....		496,937,762		496,937,762
3. Allowances to managers and agents .....		36,385,950		36,385,950
4. Advertising .....		142,279,844		142,279,844
5. Boards, bureaus and associations .....		15,422,613		15,422,613
6. Surveys and underwriting reports .....		89,587,617		89,587,617
7. Audit of assureds' records .....				
8. Salary and related items:				
8.1 Salaries .....	185,933,747	725,828,252	5,254,699	917,016,698
8.2 Payroll taxes .....	18,625,326	49,874,146	361,192	68,860,665
9. Employee relations and welfare .....	85,724,080	221,054,370	31,918	306,810,367
10. Insurance .....	2,187,245	3,461,331		5,648,576
11. Directors' fees .....		1,681,397		1,681,397
12. Travel and travel items .....	7,627,232	1,799,136	13,092	9,439,460
13. Rent and rent items .....	15,411,652	65,475,835	773	80,888,260
14. Equipment .....	10,200,795	104,422,736	18,708	114,642,238
15. Cost or depreciation of EDP equipment and software .....	15,192,221	154,279,158		169,471,379
16. Printing and stationery .....	636,648	5,649,615	585,098	6,871,361
17. Postage, telephone and telegraph, exchange and express .....	5,287,478	54,691,149	826	59,979,453
18. Legal and auditing .....	4,237,477	6,196,001	29,366	10,462,844
19. Totals (Lines 3 to 18) .....	351,063,900	1,678,089,150	6,295,673	2,035,448,722
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....		233,577,330		233,577,330
20.2 Insurance department licenses and fees .....		10,164,556		10,164,556
20.3 Gross guaranty association assessments .....		1,039,289		1,039,289
20.4 All other (excluding federal and foreign income and real estate) .....	538,630	1,982,359		2,520,990
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	538,630	246,763,534		247,302,165
21. Real estate expenses .....			2,004,608	2,004,608
22. Real estate taxes .....			3,684,789	3,684,789
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....	23,353,270	43,100,386	3,799,292	70,252,949
25. Total expenses incurred .....	698,948,509	2,464,890,832	15,784,361	(a) 3,179,623,701
26. Less unpaid expenses - current year .....	1,082,773,735	66,903,525		1,149,677,260
27. Add unpaid expenses - prior year .....	1,080,203,754	34,371,711		1,114,575,465
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) .....	696,378,528	2,432,359,017	15,784,361	3,144,521,907
<b>DETAILS OF WRITE-INS</b>				
2401. Miscellaneous IT-related ULAE expenses .....	23,353,270			23,353,270
2402. Miscellaneous IT-related agent network expenses .....		38,726,084		38,726,084
2403. Charitable contributions .....		4,374,303		4,374,303
2498. Summary of remaining write-ins for Line 24 from overflow page .....			3,799,292	3,799,292
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above) .....	23,353,270	43,100,386	3,799,292	70,252,949

(a) Includes management fees of \$ .....1,420,030,674 to affiliates and \$ ..... to non-affiliates.

**ANNUAL STATEMENT FOR THE YEAR 2020 OF THE FARMERS INSURANCE EXCHANGE**  
**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 21,786,820	21,674,479
1.1 Bonds exempt from U.S. tax	(a) 25,951,058	25,928,192
1.2 Other bonds (unaffiliated)	(a) 93,699,715	93,266,415
1.3 Bonds of affiliates		
2.1 Preferred stocks (unaffiliated)	(b) 296,370	296,370
2.11 Preferred stocks of affiliates		
2.2 Common stocks (unaffiliated)	(b) 8,824,819	8,742,256
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d) 24,265,256	24,265,256
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 1,373,288	1,294,789
7. Derivative instruments	(f)	
8. Other invested assets	12,175,887	12,175,887
9. Aggregate write-ins for investment income	609,380	609,380
10. Total gross investment income	188,982,592	188,253,023
11. Investment expenses		(g) 12,099,572
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 3,684,789
13. Interest expense		(h) 108,408,655
14. Depreciation on real estate and other invested assets		(i) 10,542,916
15. Aggregate write-ins for deductions from investment income		(38,388)
16. Total deductions (Lines 11 through 15)		134,697,544
17. Net investment income (Line 10 minus Line 16)		53,555,479
<b>DETAILS OF WRITE-INS</b>		
0901. Write-In Misc Inc	609,380	609,380
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)	609,380	609,380
1501. Investment Expenses		(138,388)
1502. Amortization of surplus note issuance expense		100,000
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		(38,388)

- (a) Includes \$ 3,662,883 accrual of discount less \$ 23,360,756 amortization of premium and less \$ 2,403,635 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 \$ 26,272 accrual of discount less \$ 33,446 amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 108,408,655 interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ 10,542,916 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	4,055,431		4,055,431		
1.1 Bonds exempt from U.S. tax	770,481		770,481		
1.2 Other bonds (unaffiliated)	12,426,572	(6,222,714)	6,203,857	866,604	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	42,293,795	(21,335,771)	20,958,024	50,192,658	
2.21 Common stocks of affiliates				190,688,800	
3. Mortgage loans					
4. Real estate	2,403,125		2,403,125		
5. Contract loans					
6. Cash, cash equivalents and short-term investments	9,451		9,451	(1,685)	
7. Derivative instruments					
8. Other invested assets				558,766	
9. Aggregate write-ins for capital gains (losses)		(92,555)	(92,555)		
10. Total capital gains (losses)	61,958,854	(27,651,041)	34,307,813	242,305,143	
<b>DETAILS OF WRITE-INS</b>					
0901. F&F Retirement		(92,555)	(92,555)		
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)		(92,555)	(92,555)		

ANNUAL STATEMENT FOR THE YEAR 2020 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 .....	11,620,795	5,755,231	(5,865,564)
2.2 Common stocks .....	16,470		(16,470)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	11,637,265	5,755,231	(5,882,034)
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....	310,375	9,974	(300,401)
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	15,754,961	24,906,562	9,151,601
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....	728,311	15,988,351	15,260,041
21. Furniture and equipment, including health care delivery assets .....	29,773,092	40,289,330	10,516,238
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 .....	82,435,213	97,819,078	15,383,865
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	140,639,217	184,768,526	44,129,310
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Lines 26 and 27)	140,639,217	184,768,526	44,129,310
<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 .....	82,435,213	97,819,078	15,383,865
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)	82,435,213	97,819,078	15,383,865

## NOTES TO FINANCIAL STATEMENTS

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## 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, 2020 and the year ended December 31, 2019 is shown below:

	SSAP #	F/S Page	F/S Line #	2020	2019
<b>NET INCOME</b>					
(1) California basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ (116,358,560)	\$ 55,273,627
(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)				\$ (116,358,560)	\$ 55,273,627
<b>SURPLUS</b>					
(5) California basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 4,667,381,410	\$ 4,493,716,442
(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	\$ 4,667,381,410	\$ 4,493,716,442

#### 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) The FIE has investments in joint ventures and partnerships and carries these investments based on the underlying audited GAAP equity of the investee with unrealized gains reflected in the capital and surplus. In addition, the Company 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, 2020.
- (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, 2020 and 2019, 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

Effective January 1, 2020, the NAIC made substantive revisions to SSAP No. 22R – (“Leases”), modifying the guidance on sale-leaseback transactions, lessor accounting, and leveraged leases for lessors. This revision not only incorporated and provided guidance on the valuation of leveraged leases but also clarified the statutory accounting and reporting treatment by lessors on all lease-related transactions. It stipulated for the lessors involved in leveraged leases transactions to initially measure their investment in a leveraged lease net of the nonrecourse debt, and for such net balances to continue to represent and serve as the initial and continuing investment in all said leveraged leases situations. Additional guidance improves on determining whether an arrangement contains a lease and what is included in the definition of property, plant and equipment. These revisions and expanded definitions have been reviewed and incorporated into the FIE’s 2020 and subsequent financial statements and had no material impact on FIE’s statutory financial statements.

In 2020, the NAIC revised and added new guidance to SSAP No. 105R – (“Working Capital Finance Investments”) that clarified the role of the Securities Valuation Office (“SVO”) in the valuation of a qualifying international finance agent and also broadened the overall review requirements to allow independent review of the finance agent by either audit or through an internal control report. This revision effectively removed the requirement that the SVO determine if the international finance agent is the functional equivalent of the U.S Regulator and also removed the finance agent prohibitions on commingling. Also removed from this guidance was duplicative text regarding exercise of investor rights. In addition, this revised guidance changed and expanded the default provisions of non-admission for an investment in default for a period up to 30 days instead of the current 15 days. The adoption of these revisions had no material impact on FIE’s 2020 statutory financial statements.

### 3. BUSINESS COMBINATIONS AND GOODWILL

#### A. Statutory Purchase Method

Not Applicable.

#### B. Statutory Merger

Not applicable.

#### C. Impairment Loss

None.

### 4. DISCONTINUED OPERATIONS

Not applicable.

### 5. INVESTMENTS

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

Not applicable

#### B. Debt Restructuring

(1) None.

(2) None.

(3) None.

(4) None.

#### C. Reverse Mortgages

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 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
576434V76	\$ 646,469	\$ 610,457	\$ (36,011)	\$ 612,017	\$ 648,029
225470DX8	1,155,992	1,090,285	(65,707)	998,470	1,064,177
<b>Total Impaired in Quarter 2 2020</b>	<b>\$ 1,802,461</b>	<b>\$ 1,700,742</b>	<b>\$ (101,719)</b>	<b>\$ 1,610,487</b>	<b>\$ 1,712,206</b>
225470DX8	1,008,903	967,799	(41,104)	940,334	981,438
<b>Total Impaired in Quarter 3 2020</b>	<b>\$ 1,008,903</b>	<b>\$ 967,799</b>	<b>\$ (41,104)</b>	<b>\$ 940,334</b>	<b>\$ 981,438</b>
225470DX8	959,243	944,010	(15,234)	907,408	922,642
<b>Total Impaired in Quarter 4 2020</b>	<b>\$ 959,243</b>	<b>\$ 944,010</b>	<b>\$ (15,234)</b>	<b>\$ 907,408</b>	<b>\$ 922,642</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) (in thousands):
- a. The aggregate amount of unrealized losses:
- |                        |             |
|------------------------|-------------|
| 1. Less than 12 months | (\$188,405) |
| 2. 12 months or Longer | (\$279,386) |
- b. The aggregate related fair value of securities with unrealized losses:
- |                        |              |
|------------------------|--------------|
| 1. Less than 12 months | \$60,157,129 |
| 2. 12 months or Longer | \$91,829,413 |
- (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 43R.

### 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.

**NOTES TO FINANCIAL STATEMENTS**

**J. Real Estate**

(1) None.

(2) As of December 31, 2020, FIE sold the following operating properties:

- a) Located in Vancouver, Washington, recognized a gain of \$440,563 on June 26, 2020.
- b) Located in Reno, Nevada, recognized a gain of \$401,074 on December 1, 2020.
- c) Located in Agoura Hills, California, recognized a gain of \$1,561,488 on December 17, 2020.

As of December 31, 2020, there were no real estate properties listed for sale by the FIE.

(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	15,000,000	-	-	-	15,000,000	15,000,000	-				
j. On deposit with states	680,473,424	-	-	-	680,473,424	684,605,490	(4,132,066)	-	680,473,424	3.78%	3.81%
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	695,473,424	-	-	-	695,473,424	699,605,490	(4,132,066)	-	680,473,424	3.78%	3.81%

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

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.

**NOTES TO FINANCIAL STATEMENTS**

**O. 5GI Securities**

<u>Investment</u>	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	-	\$ 2.00	\$ -	\$ 2.00	\$ -
(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	-	\$ 2.00	\$ -	\$ 2.00	\$ -

**P. Short Sales**

(1-2) None.

**Q. Prepayment Penalty and Acceleration Fees**

	<u>General Account</u>	<u>Separate Account</u>
Number of CUSIPs	9	-
Aggregate Amount of Investment Income	\$ 1,133,070.00	\$ -

**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, 2020 and 2019.
- 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, 2020.

**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 \$303,350 and \$9,974 at December 31, 2020 and 2019, 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:

	12/31/2020			12/31/2019		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 301,855,319	\$ 5,214,168	\$ 307,069,487	\$ 293,071,791	\$ 2,679,870	\$ 295,751,661
(b) Statutory Valuation Allowance Adjustments	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	301,855,319	5,214,168	307,069,487	293,071,791	2,679,870	295,751,661
(d) Deferred Tax Assets Nonadmitted	-	-	-	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	301,855,319	5,214,168	307,069,487	293,071,791	2,679,870	295,751,661
(f) Deferred Tax Liabilities	34,115,904	32,077,870	66,193,774	35,387,954	22,965,200	58,353,154
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	<u>\$ 267,739,415</u>	<u>\$ (26,863,702)</u>	<u>\$ 240,875,713</u>	<u>\$ 257,683,837</u>	<u>\$ (20,285,330)</u>	<u>\$ 237,398,507</u>

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ 8,783,528	\$ 2,534,298	\$ 11,317,826
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	8,783,528	2,534,298	11,317,826
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	8,783,528	2,534,298	11,317,826
(f) Deferred Tax Liabilities	(1,272,050)	9,112,670	7,840,620
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	<u>\$ 10,055,578</u>	<u>\$ (6,578,372)</u>	<u>\$ 3,477,206</u>

**NOTES TO FINANCIAL STATEMENTS**

2.

	12/31/2020			12/31/2019		
	(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.	\$ 248,065,699	\$ 5,214,168	\$ 253,279,867	\$ 226,664,537	\$ 2,679,870	\$ 229,344,407
(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	-	1	12,195,235	-	12,195,235
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	1	-	1	12,195,235	-	12,195,235
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	---	---	658,858,194	---	---	634,623,703
(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	<u>53,789,619</u>	<u>-</u>	<u>53,789,619</u>	<u>54,212,019</u>	<u>-</u>	<u>54,212,019</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	<u>\$ 301,855,319</u>	<u>\$ 5,214,168</u>	<u>\$ 307,069,487</u>	<u>\$ 293,071,791</u>	<u>\$ 2,679,870</u>	<u>\$ 295,751,661</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.	\$ 21,401,162	\$ 2,534,298	\$ 23,935,460
(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)	(12,195,234)	-	(12,195,234)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	(12,195,234)	-	(12,195,234)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	---	---	24,234,491
(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	<u>(422,400)</u>	<u>-</u>	<u>(422,400)</u>
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	<u>\$ 8,783,528</u>	<u>\$ 2,534,298</u>	<u>\$ 11,317,826</u>

3.

	2020	2019
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	455%	476%
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above	\$ 4,307,884,287	\$ 4,139,119,246

**NOTES TO FINANCIAL STATEMENTS**

4.

	12/31/2020		12/31/2019		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1-3) Ordinary	(6) (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 5A1(c)	\$ 301,855,319	\$ 5,214,168	\$ 293,071,791	\$ 2,679,870	\$ 8,783,528	\$ 2,534,298
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 5A1(e)	\$ 301,855,319	\$ 5,214,168	\$ 293,071,791	\$ 2,679,870	\$ 8,783,528	\$ 2,534,298
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)
	12/31/2020	12/31/2019	(Col 1-2) Change
1. Current income tax			
(a) Federal	\$ 167,780,630	\$ 192,763,275	\$ (24,982,644)
(b) Foreign	-	-	-
(c) Subtotal	167,780,630	192,763,275	(24,982,644)
(d) Federal income tax on net capital gains (losses)	9,495,852	16,351,500	(6,855,649)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Attorney-in-fact credit	(226,433,282)	(234,466,927)	8,033,645
(g) Other Tax Credits	-	-	-
(h) Federal and foreign income taxes incurred	\$ (49,156,800)	\$ (25,352,152)	\$ (23,804,648)

## NOTES TO FINANCIAL STATEMENTS

## 2. Deferred Tax Assets:

## (a) Ordinary

(1) Discounting of unpaid losses	\$	59,319,011	\$	58,460,442	\$	858,569
(2) Unearned premium reserve		135,352,741		134,007,904		1,344,837
(3) Policyholder reserves		-		-		-
(4) Investments		-		-		-
(5) Deferred acquisition costs		-		-		-
(6) Policyholder dividends accrual		-		-		-
(7) Fixed assets		4,382		-		4,382
(8) Compensation and benefit accrual		20,614,722		21,018,006		(403,284)
(9) Pension accrual		-		-		-
(10) Receivables - nonadmitted		3,308,542		5,230,378		(1,921,836)
(11) Net Operating Loss Carryover		-		-		-
(12) Tax credit carry-forward		-		-		-
(13) Other (including items <5% of total ordinary tax assets)		1,912,777		2,271,486		(358,709)
(14) Other assets - non admitted		26,225,693		33,571,012		(7,345,319)
(15) Intangible Assets		-		-		-
(16) Accrued expenses		29,284,380		10,142,162		19,142,218
(17) Post retirement accrual		21,258,333		18,765,119		2,493,214
(18) Guarantee Fund Asset (Receivable)		-		-		-
(19) Guarantee Fund Assessment		26,689		34,274		(7,585)
(99) Subtotal		<u>301,855,319</u>		<u>293,071,791</u>		<u>8,783,528</u>
(b) Statutory valuation allowance adjustment		-		-		-
(c) Nonadmitted		-		-		-
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	\$	<u>301,855,319</u>	\$	<u>293,071,791</u>	\$	<u>8,783,528</u>

## (e) Capital:

(1) Investments	\$	1,723,385	\$	2,034,689	\$	(311,304)
(2) Net capital loss carry-forward		-		-		-
(3) Real estate		-		-		-
(4) Other (including items <5% of total capital tax assets)		-		-		-
(5) Investment write downs		3,490,783		645,181		2,845,602
(99) Subtotal		<u>5,214,168</u>		<u>2,679,870</u>		<u>2,534,298</u>
(f) Statutory valuation allowance adjustment		-		-		-
(g) Nonadmitted		-		-		-
(h) Admitted capital deferred tax assets (2e99-2f-2g)		<u>5,214,168</u>		<u>2,679,870</u>		<u>2,534,298</u>
(i) Admitted deferred tax assets (2d+2h)	\$	<u>307,069,487</u>	\$	<u>295,751,661</u>	\$	<u>11,317,826</u>



**NOTES TO FINANCIAL STATEMENTS**

(1)	(2)	(3)
12/31/2020	12/31/2019	(Col 1-2) Change

3. Deferred tax liabilities:

(a) Ordinary

(1) Investments	\$ 814,609	\$ 1,130,872	\$ (316,263)
(2) Fixed assets	10,721,249	10,879,614	(158,365)
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	4,079,102	1,973,789	2,105,313
(6) Pension liabilities	-	-	-
(7) BOLI /ICOLI	-	-	-
(8) Guaranty Funds Receivable	-	-	-
(99) Subtotal	<u>\$ 34,115,904</u>	<u>\$ 35,387,954</u>	<u>\$ (1,272,050)</u>

(b) Capital:

(1) Investments	\$ 32,077,870	\$ 22,965,200	\$ 9,112,670
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	<u>\$ 32,077,870</u>	<u>\$ 22,965,200</u>	<u>\$ 9,112,670</u>

(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ 66,193,774</u>	<u>\$ 58,353,154</u>	<u>\$ 7,840,620</u>
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4. Net deferred tax assets/liabilities (2i - 3c)	<u>240,875,713</u>	<u>\$ 237,398,507</u>	<u>\$ 3,477,206</u>
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5. The change in net deferred income taxes is composed of the following at December 31, 2020 and December 31, 2019 are as follows:

(1)	(2)	(3)
12/31/2020	12/31/2019	(Col 1-2) Change

Adjusted gross deferred tax assets	\$ 307,069,487	\$ 295,751,661	\$ 11,317,826
Total deferred tax liabilities	<u>66,193,774</u>	<u>58,353,154</u>	<u>7,840,620</u>
Net deferred tax asset	240,875,713	237,398,507	3,477,206
Tax effect of unrealized (gains) losses			(10,839,432)
Change in net deferred income tax (charge)/benefit			<u>\$ 14,316,638</u>

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

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

(1)	Effective Tax Rate
12/31/2020	

Provision computed at statutory rate	\$ (34,758,223)	21.00%
Tax-exempt interest	(5,265,506)	3.18%
Dividend received deduction	(898,900)	0.54%
25% exemption adjustment	1,502,712	(0.91%)
Unallowable deductions	11,188,895	(6.76%)
BOLI /ICOLI	(8,258,630)	4.99%
Tax credits	-	0.00%
Net Interest Receivable	(16,704,568)	10.09%
Prior year under/(over) accrual of income taxes	(19,546,376)	11.81%
Change in nonadmitted assets	9,267,158	(5.60%)
Subsidiary Liquidation	-	0.00%
Other	(0)	0.00%
Total	<u>\$ (63,473,438)</u>	<u>38.35%</u>
Federal income tax incurred/(benefit)	\$ (58,652,652)	35.44%
Tax on capital gains/(losses)	9,495,852	(5.74%)
Less: Change in net deferred income tax	<u>(14,316,638)</u>	<u>8.65%</u>
Total statutory income taxes	<u>\$ (63,473,438)</u>	<u>38.35%</u>

## NOTES TO FINANCIAL STATEMENTS

### 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, 2020, 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, 2020 and December 31, 2019 :

	<u>Amount</u>
Current year	\$ 217,019,112
First preceding year	233,214,156

- Deposits admitted under Internal Revenue Service Code Section 6603 None

### F. Consolidated Federal Income Tax Return

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

Farmers Insurance Exchange	Hawaii Insurance Consultants Ltd.
American Federation Insurance Company	Mid-Century Insurance Company
American Pacific Insurance Company, Inc.	Mid-Century Insurance Company of Texas
Bristol West Casualty Insurance Company	Illinois Farmers Insurance Company
Bristol West Holdings, Inc.	Security National Insurance Company
Bristol West Insurance Company	Texas Farmers Insurance Company
Bristol West Insurance Services of California, Inc.	Toggle Insurance Company
Bristol West Insurance Services, Inc. of Florida	Western Star Insurance Services, Inc.
Bristol West Preferred Insurance Company	21st Century Advantage Insurance Company
BWIS of Nevada, Inc.	21st Century Auto Insurance Company of New Jersey
Coast National General Agency, Inc.	21st Century Casualty Company
Coast National Holding Company	21st Century Centennial Insurance Company
Coast National Insurance Company	21st Century Indemnity Insurance Company
Farmers Insurance Company of Idaho	21st Century Insurance & Financial Services
Farmers Insurance Company of Oregon	21st Century Insurance Company
Farmers Insurance Company, Inc.	21st Century Insurance Group
Farmers Insurance Hawaii, Inc.	21st Century North America Insurance Company
Farmers Insurance of Columbus, Inc.	21st Century Pacific Insurance Company
Farmers New Century Insurance Company	21st Century Pinnacle Insurance Company
Farmers Specialty Insurance Company	21st Century Premier Insurance Company
Kraft Lake Insurance Agency Inc.	21st Century Superior Insurance Company
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	

- Farmers Insurance Exchange ("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.

## NOTES TO FINANCIAL STATEMENTS

### 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

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

	Amount
(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.

On January 13, 2020, 21st Century Superior Insurance Company was merged into 21st Century North America Insurance Company and subsequently dissolved.

### B. Significant Transactions and Changes in Terms of Intercompany Arrangements

None.

### C. Transactions with related parties who are not reported on Schedule Y

(1) Detail of Material Related Party Transactions

None.

(2) Detail of Material Related Party Transactions Involving Services

None.

(3) Detail of Material Related Party Transactions Involving Exchange of Assets and Liabilities

None.

(4) Detail of Amounts Owed To/From a Related Party

## NOTES TO FINANCIAL STATEMENTS

None.

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

At December 31, 2020 and 2019, FIE reported \$356.8 million and \$161.0 million due from affiliates, respectively. The terms of settlement require that these amounts be settled within 45 days.

### E. 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, 2020, FIE assumed \$7,378.9 million in net premiums written, \$7,347.3 million in net premiums earned, and \$4,377.1 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.

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 other 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.

Effective October 24, 2019, FIE entered into a service agreement with American Federation Insurance Company ("AFIC") pursuant to which FIE will provides various services, including preparation of insurance policies, calculation of premiums, calculation and payment of commissions to agents, accounting services, claims adjustment services, and other administrative services to AFIC.

FIE also has service agreements with several of its other 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:

**NOTES TO FINANCIAL STATEMENTS**

<b>Company Name</b>	<b>NAIC Company Code</b>	<b>State of Domicile</b>
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.

Equipment Breakdown Insurance Program. Service Agreement between Zurich Services Corporation and FIE, Truck Insurance 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.

## NOTES TO FINANCIAL STATEMENTS

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.

### **F. Guarantees or Undertakings for Related Parties**

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

### **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 the following:

**NOTES TO FINANCIAL STATEMENTS**

<b>Company Name</b>	<b>NAIC Company Code</b>	<b>State of Domicile</b>
Farmers Insurance Exchange	21652	California
Fire Insurance Exchange	21709	California
Truck Insurance Exchange	21660	California
21St Century Advantage Insurance Company	25232	Minnesota
21St Century Auto Insurance Company Of New Jersey	10184	New Jersey
21St Century Casualty Company	36404	California
21St Century Centennial Insurance Company	34789	Pennsylvania
21St Century Indemnity Insurance Company	43974	Pennsylvania
21St Century Insurance Company	12963	California
21St Century North America Insurance Company	32220	New York
21St Century Pacific Insurance Company	23795	Colorado
21St Century Pinnacle Insurance Company	10710	New Jersey
21St Century Premier Insurance Company	20796	Pennsylvania
American Federation Insurance Company	10245	Texas
American Pacific Insurance Company, Inc.	10805	Hawaii
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 Company, Inc.	21628	Kansas
Farmers Insurance Hawaii, Inc.	28487	Hawaii
Farmers Insurance Of Columbus, Inc.	36889	Ohio
Farmers New Century Insurance Company	10806	Illinois
*Farmers Reinsurance Company	10873	California
Farmers Specialty Insurance Company	43699	Michigan
Farmers Texas County Mutual Insurance Company	24392	Texas
Foremost County Mutual Insurance Company	29254	Texas
Foremost Insurance Company Grand Rapids, Michigan	11185	Michigan
Foremost Lloyds Of Texas	41688	Texas
Foremost Property And Casualty Insurance Company	11800	Michigan
Foremost Signature Insurance Company	41513	Michigan
Illinois Farmers Insurance Company	21679	Illinois
Mid-Century Insurance Company	21687	California
Mid-Century Insurance Company Of Texas	28673	Texas
Neighborhood Spirit Property And Casualty Company	10317	California
Security National Insurance Company	33120	Florida
Texas Farmers Insurance Company	21695	Texas
Toggle Insurance Company	44245	Delaware

*\*Represents a reinsurance company within NAIC Code "0212", which assumes 100% of its business from Farmers Insurance Group entities, with NAIC Group Code: "0069" per terms of reinsurance agreements and combines its statutory results with the Farmers Exchanges.*

For more details on ownership, see Schedule Y.

## NOTES TO FINANCIAL STATEMENTS

### 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, 2020 and 2019. The following represents summarized information related to Mid-Century (in millions):

	2020	2019
Total assets	\$ <u>6,941</u>	\$ <u>6,792</u>
Total liabilities	2,829	2,830
Total capital and surplus	4,112	3,962
Total liabilities, capital, and surplus	\$ <u>6,941</u>	\$ <u>6,792</u>
Net income (Loss)	\$ <u>47</u>	\$ <u>569</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, 2020 and 2019.

### 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 \$234.9 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) - 2020



**NOTES TO FINANCIAL STATEMENTS**

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities		\$ -	\$ -	\$ -
Total SSAP No. 97 8a Entities	XXX	\$ -	\$ -	\$ -
b. SSAP No. 97 8b(ii) Entities				
Bristol West Holdings, Inc	42	\$ 234,914,672	\$ 234,914,672	\$ -
Total SSAP No. 97 8b(ii) Entities	XXX	\$ 234,914,672	\$ 234,914,672	\$ -
c. SSAP No. 97 8b(iii) Entities				
None		\$ -	\$ -	\$ -
Total SSAP No. 97 8b(iii) Entities	XXX	\$ -	\$ -	\$ -
d. SSAP No. 97 8b(iv) Entities				
None		\$ -	\$ -	\$ -
Total SSAP No. 97 8b(iv) Entities	XXX	\$ -	\$ -	\$ -
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	\$ 234,914,672	\$ 234,914,672	\$ -
f. Aggregate Total (a+e)	XXX	\$ 234,914,672	\$ 234,914,672	\$ -

(2) NAIC Filing Response Information - 2019

SCA Entity (Should be same entities as shown in M(1) above.)	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code**
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	8/27/2020	\$ 223,142,858	Y	Y	
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$ 223,142,858	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	\$ 223,142,858	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	\$ 223,142,858	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**

**A. Debt**

Not applicable.

**B. FHLB (Federal Home Loan Bank) Agreements**

## NOTES TO FINANCIAL STATEMENTS

### FHLB (Federal Home Loan Bank) Agreements

(1) FIE is a member of the Federal Home Loan Bank (FHLB) of San Francisco. Through its membership, FIE has conducted business activity (borrowings) with the FHLB. It is part of FIE's strategy to utilize these funds as backup liquidity FIE has determined the actual/estimated maximum borrowing capacity as \$ 617,229,350. FIE calculated this amount in accordance with the FHLB of San Francisco's total financing availability.

(2) FHLB Capital Stock

a. Aggregate Totals

	1 Total 2+3	2 General Account	3 Protected Cell Accounts
1. Current Year			
(a) Membership Stock - Class A	-	-	-
(b) Membership Stock - Class B	15,000,000	15,000,000	-
(c) Activity Stock	-	-	-
(d) Excess Stock	-	-	-
(e) Aggregate Total (a+b+c+d)	15,000,000	15,000,000	-
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer	617,229,350	XXX	XXX
2. Prior Year-end			
(a) Membership Stock - Class A	-	-	-
(b) Membership Stock - Class B	15,000,000	15,000,000	-
(c) Activity Stock	-	-	-
(d) Excess Stock	-	-	-
(e) Aggregate Total (a+b+c+d)	15,000,000	15,000,000	-
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer	594,538,000	XXX	XXX

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

Membership Stock	1 Current Year Total (2+3+4+5+6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less Than 6 Months	4 6 Months to Less than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
1. Class A	-	-	-	-	-	-
2. Class B	15,000,000	15,000,000	-	-	-	-

**NOTES TO FINANCIAL STATEMENTS**

(3) Collateral Pledged to FHLB

a. Amount pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Protected Cell Accounts Total Collateral Pledged (Lines 2+3)	-	-	-
2. Current Year General Account Total Collateral Pledged	-	-	-
3. Current Year Protected Cell Accounts Total Collateral Pledged	-	-	-
4. Prior Year-end Total General and Protected Cell Accounts Total Collateral Pledged	-	-	-

b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Max Collateral
1. Current Year Total General and Protected Cell Accounts Maximum Collateral Pledged (Lines 2+3)	-	-	-
2. Current Year General Account Maximum Collateral Pledged	-	-	-
3. Current Year Protected Cell Accounts Maximum Collateral Pledged	-	-	-
4. Prior Year-end Total General and Protected Cell Accounts Maximum Collateral Pledged	-	-	-

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

	1 Total 2+3	2 General Account	3 Protected Cell Account	4 Funding Agreements Reserves Established
1. Current Year				
(a) Debt	-	-	-	XXX
(b) Funding Agreements	-	-	-	-
(c) Other	-	-	-	XXX
(d) Aggregate Total (a+b+c)	-	-	-	-
2. Prior Year-end				
(a) Debt	-	-	-	XXX
(b) Funding Agreements	-	-	-	-
(c) Other	-	-	-	XXX
(d) Aggregate Total (a+b+c)	-	-	-	-

b. Maximum Amount during Repoerting Period (Current Year)

	1 Total 2+3	2 General Account	3 Protected Cell Account
1. Debt	-	-	-
2. Funding Agreements	-	-	-
3. Other	-	-	-
4. Aggregate Total (Lines 1+2+3)	-	-	-

c. FHLB - Prepayment Obligations

	Does the company have prepayment obligations obligations under the following arrangements (YES/NO)?
1. Debt	NO
2. Funding Agreements	NO
3. Other	NO

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

**A. Defined Benefit Plans**

**Postretirement Benefits**

## NOTES TO FINANCIAL STATEMENTS

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, 2020 and 2019:

(1) Change in benefit obligation

a. Pension Benefits

None.

b. Postretirement Benefits

		Underfunded	
		2020	2019
1	Benefit obligation at beginning of year	172,671,903	152,744,188
	Adoption of SSAP No. 92 (nonvested obligation)		
2	Service cost	7,306,322	6,695,122
3	Interest cost	4,766,506	5,751,452
4	Contribution by plan participants	696,658	609,431
5	Actuarial (gain) /loss	15,447,365	11,680,754
6	Foreign currency exchange rate changes		
7	Benefits paid	(5,274,924)	(4,809,044)
8	Plan amendments		-
9	Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-
10	Benefit obligation at end of year	195,613,830	172,671,903

c. Postemployment & Compensated Absence Benefits

None

(2) Change in plan assets

		Postretirement Benefits	
		2020	2019
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	4,578,266	4,199,613
e.	Plan participants' contributions	696,658	609,431
f.	Benefits paid	(5,274,924)	(4,809,044)
g.	Business combinations, divestitures and settlements	-	-
h.	Fair value of plan assets at end of year	-	-

(3) Funded Status

**NOTES TO FINANCIAL STATEMENTS**

	<b>Postretirement Benefits</b>	
	<b>2020</b>	<b>2019</b>
a. Components:		
1. Prepaid benefit costs	-	-
2. Overfunded plan assets	-	-
3. Accrued benefit costs	(195,613,830)	(172,671,903)
4. Liability for pension benefits	-	-
b. Assets and liabilities recognized		
1. Assets (nonadmitted)		
2. Liabilities recognized	(195,613,830)	(172,671,903)
c. Unrecognized liabilities	-	-

(4) Components of net periodic cost

	<b>Postretirement Benefits</b>	
	<b>2020</b>	<b>2019</b>
a. Service cost	7,306,322	6,695,122
b. Interest cost	4,766,506	5,751,452
c. Expected return on plan assets		
d. Transition asset or obligation		
e. Gains and losses	(58,900)	-
f. Prior service cost or credit	(332,551)	4,007,086
g. Gain or loss recognized due to a settlement or curtailment	-	(1,525,714)
h. Total net periodic benefit cost	11,681,377	14,927,946

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

	<b>Postretirement Benefits</b>	
	<b>2020</b>	<b>2019</b>
a. Items not yet recognized as a component of net periodic cost – prior year	(16,224,333)	(25,423,715)
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)
e. Net gain and loss arising during the period	332,551	-
f. Net gain and loss recognized	15,506,265	13,206,468
g. Items not yet recognized as a component of net periodic cost – current year	15,506,265	(16,224,333)

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

	<b>Postretirement Benefits</b>	
	<b>2020</b>	<b>2019</b>
a. Net transition asset or obligation	-	-
b. Net prior service cost or credit	(1,687,150)	(2,019,701)
c. Net recognized gains and losses	1,301,633	(14,204,632)

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

	<b>2020</b>	<b>2019</b>
a. Weighted-average discount rate	3.15%	4.16%
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:

## NOTES TO FINANCIAL STATEMENTS

		2020	2019
d.	Weighted-average discount rate	2.30%	3.15%
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 \$195.6 million for the current year and \$172.7 million for the prior year.
- (9) The health care cost trend rate for participants who retired before January 1, 1991 is 6.25% in 2021, graded down to 5.0% in 2026.
- (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.	2021	\$ 7,737,023
b.	2022	9,065,778
c.	2023	10,079,881
d.	2024	11,230,278
e.	2026	12,435,272
f.	2026 - 2030	72,578,716

- (11) Farmers' companies currently plan to make contributions to the postretirement benefits plan of \$7.7 million in 2021. FIE's share of this postretirement benefit contribution is \$4.0 million.

Farmers' companies total benefit obligation under statutory accounting at the end of 2020 and 2019 was \$195.6 million and \$172.7 million, respectively. FIE's share of this postretirement benefit obligation was \$101.2 million and \$89.4 million at December 31, 2020 and 2019, respectively. The total funded status for Farmers' companies was (\$195.6) million and (\$172.7) million, respectively. FIE's share was (\$101.2) million and (\$89.4) million at December 31, 2020 and 2019, 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

Effective May 1, 2020, a group of employees transferred from Farmers to FGI to the new divisions created under FGI in 2019. The \$443,000 obligation corresponding to this transfer was reflected in Farmers' 2020 results as actuarial gains. On October 15, 2020, Farmers announced a Voluntary Separation Plan ("VSP") to qualifying eligible employees which became effective on December 8, 2020. The program did not include any changes to benefits offered through

## NOTES TO FINANCIAL STATEMENTS

the pension or postretirement welfare plans, but it did impact demographic experience during 2020 and Farmers' expectation of demographic experience for 2021-2024, both of which are reflected in this measurement.

(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.

### 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.

## NOTES TO FINANCIAL STATEMENTS

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.

Again no enhancements to existing the Employees' Pension Plan provisions were offered under the VSP program.

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. The remaining employees were transferred in 2020. The corresponding \$0.5 million APBO transferred was reflected in 2020 P&L as a prior service cost for FGI.

For fiscal year 2020 and 2019 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, 2020, Farmers, FGI and its subsidiaries made no contributions. In 2019, Farmers and FGI and its subsidiaries made total contributions to the plans of \$72.1 million, of which \$72.1 million came from Farmers. FIE's share of the 2019 contribution was \$37.3 million. Farmers contributions to be made in 2021 to the Employees' Pension Plan are currently expected to be \$0.0 million, of which \$0.0 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 \$153.1 thousand and \$152.3 thousand for the years ended December 2020 and 2019, respectively.

### 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 \$47.7 million and \$42.8 million as of December 31, 2020 and 2019, 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 \$40.7 million and \$40.3 million as of December 31, 2020 and 2019, 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 \$1.9 million and \$2.0 million in compensated absences on behalf of the Farmers companies as of December 31, 2020 and 2019, respectively.

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

Not applicable

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

A. FIE is a reciprocal exchange and, therefore, does not issue common or preferred stock.



## NOTES TO FINANCIAL STATEMENTS

- B. FIE is a reciprocal exchange and, therefore, dividend rate of preferred stock is not applicable.
- C. FIE is a reciprocal exchange and, therefore, dividend restrictions is not applicable.
- D. FIE is a reciprocal exchange and, therefore, dates and amounts of dividends paid is not applicable.
- E. FIE is a reciprocal exchange and, therefore, amount of ordinary dividends that may be paid is not applicable.
- F. No restrictions have been placed on unassigned funds.
- G. FIE does not have advances to surplus.
- H. FIE does not hold stock for special purposes.
- I. 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, 2020, the amortized discount totaled \$300,000 (See Note 13 (11)).
- J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and (losses) were \$2,571.8 million and \$2,340.3 million at December 31, 2020 and 2019, respectively.

**NOTES TO FINANCIAL STATEMENTS**

K. 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:

1 Item Number	2 Date Issued	3 Interest Rate	4 Original Issue Amount of Note	5 Is Surplus Note Holder a Related Party (Y/N)	6 Carrying Value of Note Prior Year	7 Carrying Value of Note Current Year*	8 Unapproved Interest And/Or Principal
0001	05/11/94	8.625%	\$ 203,444,000	N	\$ 203,444,000	\$ 203,444,000	\$ -
0002	07/10/98	7.050%	\$ 373,077,923	N	\$ 279,776,923	\$ 279,776,923	\$ -
0003	07/10/98	7.200%	\$ 111,923,077	N	\$ 103,316,077	\$ 103,316,077	\$ -
0004	11/05/13	6.151%	\$ 312,000,000	N	\$ 312,000,000	\$ 312,000,000	\$ -
0005	10/07/14	5.454%	\$ 399,000,000	N	\$ 399,000,000	\$ 399,000,000	\$ -
0006	10/10/17	4.747%	\$ 400,000,000	N	\$ 396,200,000	\$ 396,300,000	\$ -
0007	12/20/17	3.758%	\$ 100,000,000	N	\$ 100,000,000	\$ 100,000,000	\$ -
Total	XXX	XXX	\$ 1,899,445,000	XXX	\$ 1,793,737,000	\$1,793,837,000	\$ -

\* Total should agree with Page 3, Line 33.

1 Item Number	9 Current Year Interest Expense Recognized	10 Life-To-Date Interest Expense Recognized	11 Current Year Interest Offset Percentage (not including amounts paid to a 3rd party liquidity provider)	12 Current Year Principal Paid	13 Life-To-Date Principal Paid	14 Date of Maturity	15 Are Surplus Note Payments Contractually Linked? (Y/N)
0001	\$ 17,547,045	\$ 464,509,275	0.000%	\$ -	\$ -	05/01/24	N
0002	\$ 19,724,273	\$ 440,015,658	0.000%	\$ -	\$ -	07/15/28	N
0003	\$ 7,438,758	\$ 165,946,284	0.000%	\$ -	\$ -	07/15/48	N
0004	\$ 19,191,120	\$ 134,124,605	0.000%	\$ -	\$ -	11/01/53	N
0005	\$ 21,761,459	\$ 130,568,758	0.000%	\$ -	\$ -	10/15/54	N
0006	\$ 18,988,000	\$ 57,755,167	0.000%	\$ -	\$ -	11/01/57	N
0007	\$ 3,758,000	\$ 11,274,000	0.000%	\$ -	\$ -	12/20/27	N
Total	\$108,408,655	\$1,404,193,747	XXX	\$ -	\$ -	XXX	XXX

1 Item Number	16 Surplus Note Payments Subject to Administrative Offsetting Provisions? (Y/N)	17 Were Surplus Note Proceeds Used to Purchase an Asset Directly From the Holder of the Surplus Note? (Y/N)	18 Is Asset Issuer a Related Party (Y/N)	19 Type of Assets Received Upon Issuance	20 Principal Amount of Assets Received Upon Issuance	21 Book/Adjusted Carry Value of Assets	22 Is Liquidity Source a Related Party to the Surplus Note Issuer? (Y/N)
0001	N	N	N	Cash	\$ -	\$ -	N
0002	N	N	N	Cash	\$ -	\$ -	N
0003	N	N	N	Cash	\$ -	\$ -	N
0004	N	N	N	Cash	\$ -	\$ -	N
0005	N	N	N	Cash	\$ -	\$ -	N
0006	N	N	N	Cash	\$ -	\$ -	N
0007	N	N	N	Cash	\$ -	\$ -	Y
Total	XXX	XXX	XXX	XXX	\$ -	\$ -	XXX

The surplus notes in the amount of \$203.4 million listed under 0001 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 0002 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

## NOTES TO FINANCIAL STATEMENTS

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 11. of SSAP No. 41R 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 0003 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 also 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 11. of SSAP No. 41R 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 0004 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.

The trust surplus notes in the amount of \$399 million listed under 0005 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 0006 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. 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 0007, 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 surplus notes were approved by the California Insurance Commissioner.

(L-M) FIE has not undergone any quasi-reorganizations.

### 14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

#### A. Contingent Commitments

As of December 31, 2020, the Company had remaining commitments of \$824,328 related to Impact Community Capital, \$61,200 related to Impact Huntington Equity, and \$788,288 related to Impact Huntington Member Loan.

#### 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

## NOTES TO FINANCIAL STATEMENTS

years depending on the guidelines established by each state.

In 2020, FIE has accrued a liability for guaranty fund and related assets for premium tax credits or policy surcharges of (\$0.1) million as well as related premium tax benefit assets and policy surcharges assets of (\$0.1) million. The amounts recorded represent management's best estimates based on assessment rate information received from the states in which the Company writes business and the direct premiums written in those states. 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	\$ (14,062)
b. Decreased current year:	
Premium tax offsets applied	108,285
Premium tax offsets charged off	
Policy surcharges collected	337,289
Policy surcharges charged off	
c. Increased current year:	
Premium tax offsets accrued	602
Policy surcharges accrued	395,955
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	\$ <u>(63,079)</u>

(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	\$ 2,003,980

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.

## NOTES TO FINANCIAL STATEMENTS

### 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 April 10, 2020, the latest date for which information was available, the Farmers companies’ residential earthquake insurance market share was 14.02%, and its respective share of this contingent liability was \$233.2 million at December 31, 2020. 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 \$120.7 million. As of December 31, 2020, 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.

### 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 \$3.3 million and \$10.0 million at December 31, 2020 and 2019, respectively.

This agreement expires on June 28, 2021, and will not be renewed.

### 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. During the year, the FIE loaned funds to Fire and Mid-Century Insurance Company under this agreement and subsequently received back, in cash, from Fire and Mid-Century Insurance Company, the full repayment of the principal balance during the same year, with interest, per terms of the agreement. At December 31, 2020 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 \$10,054,411 (See Note 27 for additional disclosure).

### Agent Loan Relief Program

As part of the response to the COVID-19 pandemic, in April 2020, Farmers worked with the Farmers Insurance Group Federal Credit Union (“FIGFCU”) to develop and offer a loan assistance program to qualifying Farmers agents. Under the terms of the program, Farmers will guarantee loans issued to certain of its agents, up to a maximum of \$15 million. In addition, Farmers agreed to pay a maximum of \$150 thousand servicing fee to FIGFCU. Management has established a provision, as appropriate, based on applicable accounting procedures.

### Acquisitions - Metropolitan Property and Casualty Company (“MetLife”)

On December 11, 2020, the Exchanges and FGI announced that they will jointly acquire the US property and casualty (“P&C”) insurance business of Metropolitan Property and Casualty Company (“Metlife”) for total consideration of \$3.94 billion in cash. Zurich will contribute \$2.43 billion of the purchase price through FGI and Farmers will pay \$1.51

## NOTES TO FINANCIAL STATEMENTS

billion in cash for MetLife's auto and home business. The parties expect to complete the transaction in the second quarter of 2021, pending regulatory approvals.

### 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 2020 and 2019 was \$7.3 million and \$8.6 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 2020 and 2019 was \$51.9 million and \$56.2 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, 2020, FIE incurred \$2.9 million for the early termination of operating leased space and \$0.0 million for the early termination of leased computer equipment.

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

(A) As of December 31, 2020, the minimum aggregate rental commitments for the above obligations are as follows:

Year Ending December 31:	Operating Leases
2020	\$ 48,335,803
2021	\$ 39,950,651
2022	\$ 37,861,296
2023	\$ 28,370,051
2024	\$ 20,249,619
<b>Total</b>	<b>\$ 174,767,420</b>

(B) As of December 31, 2020, 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	\$ 1,291,214
2021	\$ 1,296,673
2022	\$ 1,256,022
2023	\$ 676,719
2024	\$ 489,446
<b>Total</b>	<b>\$ 5,010,075</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, 2020 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:

## NOTES TO FINANCIAL STATEMENTS

### B. Lessor Leases

Not applicable.

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

Not applicable.

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

#### A. Transfers of 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.

### 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. (in thousands)

"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

**NOTES TO FINANCIAL STATEMENTS**

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) Net Asset Value (NAV)
<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	-	45,914,865	-	45,914,865	-
Hybrid Securities	-	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Bonds	\$ -	\$ 45,914,865	\$ -	\$ 45,914,865	\$ -
<b>Common Stock</b>					
Industrial and Misc	394,851,031	15,000,000	-	409,851,031	-
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Common Stocks	\$ 394,851,031	\$ 15,000,000	\$ -	\$ 409,851,031	\$ -
<b>Derivatives</b>					
Warrants	-	-	-	-	-
Total Derivatives	\$ -	\$ -	\$ -	\$ -	\$ -
Joint Venture Interest Other	-	-	-	-	-
<b>Total Assets at Fair Value</b>	<b>\$ 394,851,031</b>	<b>\$ 60,914,865</b>	<b>\$ -</b>	<b>\$ 455,765,896</b>	<b>\$ -</b>

2. Rollforward of Level 3

	(1) Balance at 12/31/19	(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 12/31/20
Residential mortgage backed securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial mortgage backed securities	-	-	-	-	-	-	-	-	-	-
Asset backed securities	-	-	-	-	-	-	-	-	-	-
Other Bonds	-	-	-	-	-	-	-	-	-	-
Preferred Stock	-	-	-	-	-	-	-	-	-	-
Common Stock	-	-	-	-	-	-	-	-	-	-
Joint Venture Interest	10,987,808	-	(10,987,808)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 10,987,808</b>	<b>\$ -</b>	<b>\$ (10,987,808)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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



## NOTES TO FINANCIAL STATEMENTS

markets prices for identical instruments was determined by FIE to be the most reliable method to determine fair value.

### 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:

All Investment Assets at Fair Value as of December 31, 2020:

(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	\$ 4,977,962,196	\$ 4,702,027,118	\$ -	\$ 4,842,129,537	\$ 135,832,659	\$ -	\$ -
Preferred Stock	-	-	-	-	-	-	-
Common Stock	409,851,031	409,851,031	394,851,031	15,000,000	-	-	-
Real Estate	-	-	-	-	-	-	-
Cash, Cash Equivalents and Short-Term	655,400,099	655,402,792	563,772,759	91,627,340	-	-	-
Receivable for Securities	77,796	77,796	77,796	-	-	-	-
Derivative Instruments	-	-	-	-	-	-	-
Securities Lending	-	-	-	-	-	-	-
Mortgage Loans - Unaffiliated	-	-	-	-	-	-	-
Mortgage Loan Joint Venture Interest-Unaffiliated	-	-	-	-	-	-	-
Joint Venture Loans and Interest	12,858,460	12,954,660	-	-	12,858,460	-	-
Surplus Debentures, etc - Affiliated	211,246,974	200,000,000	-	-	211,246,974	-	-
Other Class Unaffiliated	-	-	-	-	-	-	-
Fixed or Variable Rate - Bonds - Unaffiliated	-	-	-	-	-	-	-
<b>Total Assets at Fair Value</b>	<b>\$ 6,267,396,555</b>	<b>\$ 5,980,313,397</b>	<b>\$ 958,701,585</b>	<b>\$ 4,948,756,877</b>	<b>\$ 359,938,093</b>	<b>\$ -</b>	<b>\$ -</b>
<b>b. Liabilities At Fair Value</b>							
Payable for securities	304,667	304,667	304,667	-	-	-	-
<b>Total Liabilities at Fair Value</b>	<b>\$ 304,667</b>	<b>\$ 304,667</b>	<b>\$ 304,667</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.

## 21. OTHER ITEMS

### A. Unusual or Infrequent Items

#### Coronavirus Pandemic ("COVID-19") and Farmers Business Resumption Plan

In March 2020, the US government, working in conjunction and in collaboration with state and other international bodies such as the World Health Organization (which declared the novel strain of coronavirus disease ("COVID-19") as a pandemic on March 11, 2020), directed for the use of federal resources to contain, maintain, stop, and prevent the spread of this virus to society. In response to this pandemic, in April 2020, some Farmers P&C Companies ("Farmers") reduced personal auto premiums to policyholders for the months of April and May, 2020, as well as providing credits to the Farmers Business Insurance customers in the restaurant, office, retail and service sectors across the country. Farmers reflected the \$311.2 million in voluntary return of premium to policyholders in response to the COVID-19 pandemic as an adjustment to premiums in the accompanying Annual, 2020 financial statements. Farmers continues to monitor the impact of the ongoing COVID-19 pandemic on the global business and operating environment and to comply with state specific mandates. FIE does not anticipate a material impact on its capital or ability to service its customers.

### B. Troubled Debt Restructuring: Debtors

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### C. Other Disclosures

#### All Lines Quota Share Reinsurance Agreement

Farmers began participating in an All Lines Quota Share reinsurance agreement (“ALQS”) with Farmers Re and Zurich in 2002, which has been amended over the years with the aggregate participation ratio at 26% effective December 31, 2020. Prior to this amendment, the prevailing 2019 participation ratio was 29%.

Following are the participating reinsurers in the ALQS for 2019 through 2020:

<b>Reinsurers</b>	<b>2020</b>	<b>2019</b>
Swiss Reinsurance Company Limited (“Swiss Zurich”)	7.00%	7.00%
Hannover Rück SE (“Hannover Re”)	7.00%	7.00%
Munich Reinsurance America, Inc., (“Munich Re”)	3.75%	5.00%
Transatlantic Reinsurance Company (“Trans Re”)	3.50%	3.50%
Catlin Reinsurance Switzerland Limited (“Catlin Re”)	4.50%	4.50%
Farmers Reinsurance Company (“Farmers Re”)	0.25%	1.00%
Ariel Re Bermuda Limited (“Ariel Re”)	0.00%	1.00%
<b>Total</b>	<b><u>26.00%</u></b>	<b><u>29.00%</u></b>

In addition to this change in the 2019 agreement, 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 2020 and 2019, FIE's share of recoveries were \$1,666.6 million and \$2,033.3 million, respectively. For the years ended December 31, 2020 and 2019, FIE's share of ceded premiums earned were \$2,579.6 million and \$2,956.4 million, respectively. FIE's share of ceding commissions were \$828.4 million and \$919.5 million for the years ended December 31, 2020 and 2019, 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.

#### 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 \$447.0 million and \$241.3 million for the years ended December 31, 2020 and December 2019, 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.

## NOTES TO 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 2020 and 2019, FIE’s share of ceded premiums earned, recoveries, and ceding commissions were \$31.7 million and \$25.9 million, \$2.5 million and \$25.9 million, \$20.8 million and \$6.2 million, respectively.

### 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 2020 share of ceded premiums earned, recoveries, and ceding commissions were \$1.4 million, \$0.7 million, and \$1.1 million, respectively. FIE’s 2019 share of ceded premiums earned, recoveries, and ceding commissions were \$620, \$329, and \$11,467, respectively.

### 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 the Company’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.

### 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, 2020, the investment loss was \$5.9 million. At December 31, 2019, the investment loss was \$10.1 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, 2020, the investment earnings and insurance expenses were \$5.5 million and \$0.5 million, respectively. At December 31, 2019, the investment earnings and insurance expenses were \$9.1 million and \$0.4 million, respectively.

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

## NOTES TO FINANCIAL STATEMENTS

### 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, 2020, the investment earnings and insurance expenses were \$35.1 million and \$2.1 million, respectively. At December 31, 2019, the investment earnings and insurance expenses were \$55.5 million and \$1.9 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 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

### Additional Schedule P Data

The following summary, as reported in columns 13 through 24 in FIE's 2020 Schedule P- Part I, presents net unpaid losses, defense and cost containment expense ("DCC") and adjusting and other expense ("AO") reserves for accident years 2010, 2009, 2008, 2007, 2006, 2005 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		
2005 & prior	\$ 48,737	\$ 218,207	\$ 39	\$ 104,553	\$ 35,221	\$ 406,757
2006	3,302	22,177	3	2,272	1,014	28,768
2007	6,603	9,028	4	1,463	1,463	18,562
2008	4,977	13,472	25	1,989	1,847	22,311
2009	9,742	16,306	253	3,077	2,507	31,886
2010	8,280	17,984	86	3,929	2,563	32,843
Total	<u>\$ 81,642</u>	<u>\$ 297,175</u>	<u>\$ 410</u>	<u>\$ 117,284</u>	<u>\$ 44,616</u>	<u>\$ 541,126</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		
2005 & prior	\$ 2,120	\$ 0	\$ 0	\$ (138)	\$ 0	\$ 1,982
2006	346	0		0	7	353
2007	1,691	21		7	7	1,727
2008	317	9	0	28	2	357
2009	1,756	24		1	160	1,943
2010	<u>132</u>	<u>52</u>	<u>0</u>	<u>16</u>	<u>22</u>	<u>223</u>
Total	<u>\$ 6,363</u>	<u>\$ 107</u>	<u>\$ 0</u>	<u>\$ (84)</u>	<u>\$ 200</u>	<u>\$ 6,585</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		
2005 & prior	\$ (10,756)	\$ (6)	\$ 1	\$ 0	\$ 2	\$ (10,759)
2006	81	15,426		1,331	24	16,862
2007	529	896	0	85	168	1,678
2008	460	1,036	0	84	205	1,786
2009	828	771		124	269	1,992
2010	<u>745</u>	<u>952</u>	<u>0</u>	<u>180</u>	<u>303</u>	<u>2,181</u>
Total	<u>\$ (8,112)</u>	<u>\$ 19,075</u>	<u>\$ 1</u>	<u>\$ 1,805</u>	<u>\$ 972</u>	<u>\$ 13,739</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		
2005 & prior	\$ 328	\$ 2	\$ (3)	\$ (6)	\$ 13	\$ 334
2006	0	0	3	11	0	14
2007		0		14	0	15
2008	0	10	0	32	3	45
2009	(119)	15	(12)	41	4	(71)
2010	<u>3</u>	<u>24</u>	<u>0</u>	<u>67</u>	<u>5</u>	<u>100</u>
Total	<u>\$ 212</u>	<u>\$ 51</u>	<u>\$ (12)</u>	<u>\$ 161</u>	<u>\$ 25</u>	<u>\$ 437</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		
2005 & prior	\$ 26,800	\$ 53,100	\$ 41	\$ 4,408	\$ 8,235	\$ 92,585
2006	2,226	5,842		412	858	9,338
2007	4,316	6,994	4	551	1,160	13,025
2008	4,113	10,295	25	867	1,371	16,671
2009	6,752	13,293	71	1,350	1,801	23,267
2010	<u>6,646</u>	<u>14,497</u>	<u>59</u>	<u>2,108</u>	<u>1,910</u>	<u>25,221</u>
Total	<u>\$ 50,854</u>	<u>\$ 104,021</u>	<u>\$ 199</u>	<u>\$ 9,696</u>	<u>\$ 15,336</u>	<u>\$ 180,106</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		
2005 & prior	\$ 2,624	\$ 3,053	\$ 0	\$ 4,023	\$ 326	\$ 10,026
2006	623	870		498	120	2,110
2007	63	1,055		775	121	2,014
2008	77	2,054	(0)	943	258	3,332
2009	461	2,071	109	1,513	254	4,408
2010	<u>392</u>	<u>2,283</u>	<u>27</u>	<u>1,545</u>	<u>298</u>	<u>4,544</u>
Total	<u>\$ 4,240</u>	<u>\$ 11,385</u>	<u>\$ 136</u>	<u>\$ 9,297</u>	<u>\$ 1,377</u>	<u>\$ 26,434</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		
2005 & prior	\$ 130	\$ 397	\$ 0	\$ 156	\$ 70	\$ 753
2006						
2007						
2008						
2009		(0)	(0)			(0)
2010						
Total	<u>\$ 130</u>	<u>\$ 397</u>	<u>\$ (0)</u>	<u>\$ 156</u>	<u>\$ 70</u>	<u>\$ 753</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		
2005 & prior	\$ 136	\$ 993	\$ 0	\$ 416	\$ 36	\$ 1,581
2006						
2007						
2008						
2009	0	0	(0)			0
2010						
Total	<u>\$ 136</u>	<u>\$ 993</u>	<u>\$ (0)</u>	<u>\$ 416</u>	<u>\$ 36</u>	<u>\$ 1,581</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		
2005 & prior	\$ 6,672	\$ 2	\$ 0	\$ 3	\$ 1	\$ 6,677
2006		1		0	0	1
2007		1		0	0	1
2008		1		0	0	2
2009	0	1	0	0	0	2
2010		1		0	0	2
Total	<u>\$ 6,672</u>	<u>\$ 6</u>	<u>\$ 0</u>	<u>\$ 5</u>	<u>\$ 2</u>	<u>\$ 6,684</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		
2005 & prior	\$ 12,614	\$ 160,654	\$ 1	\$ 95,686	\$ 26,534	\$ 295,489
2006	26	31		17	4	78
2007	3	48	0	28	6	85
2008	8	50	0	21	6	85
2009	32	109	0	19	16	177
2010	364	145	0	(7)	18	520
Total	<u>\$ 13,048</u>	<u>\$ 161,037</u>	<u>\$ 1</u>	<u>\$ 95,765</u>	<u>\$ 26,584</u>	<u>\$ 296,434</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		
2005 & prior	\$ 8,062	\$ 4	\$ 0	\$ 5	\$ 3	\$ 8,074
2006		1		1	0	2
2007	0	1	(0)	0	0	2
2008	1	2	0	2	1	5
2009	(0)	4	85	1	1	90
2010	<u>(1)</u>	<u>19</u>	<u></u>	<u>(0)</u>	<u>4</u>	<u>21</u>
Total	<u>\$ 8,062</u>	<u>\$ 29</u>	<u>\$ 85</u>	<u>\$ 9</u>	<u>\$ 8</u>	<u>\$ 8,194</u>

Schedule P - Part IJ - 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		
2005 & prior	\$ 7	\$ 3	\$ 0	\$ (3)	\$ (0)	\$ 7
2006	(0)	5			0	5
2007		9		0	0	9
2008		10		9	1	20
2009	31	13		23	1	69
2010	<u>0</u>	<u>3</u>	<u>0</u>	<u>15</u>	<u>2</u>	<u>20</u>
Total	<u>\$ 38</u>	<u>\$ 42</u>	<u>\$ 0</u>	<u>\$ 44</u>	<u>\$ 4</u>	<u>\$ 129</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		
2005 & prior	\$ 0	\$ 2	\$ 0	\$ 1	\$ 0	\$ 4
2006		1		1	0	1
2007		1		1	0	2
2008		2		1	0	3
2009	(0)	3	0	1	0	4
2010	<u></u>	<u>4</u>	<u></u>	<u>2</u>	<u>0</u>	<u>7</u>
Total	<u>\$ (0)</u>	<u>\$ 13</u>	<u>\$ 0</u>	<u>\$ 7</u>	<u>\$ 1</u>	<u>\$ 22</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		
2005 & prior	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2006						
2007						
2008						
2009						
2010						
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		
2005 & prior	\$ (0)	\$ 2	\$ 0	\$ 1	\$ 0	\$ 3
2006		2		1	0	3
2007		3		2	0	5
2008		3		1	0	4
2009		4		2	0	6
2010		4		2	0	6
Total	<u>\$ (0)</u>	<u>\$ 17</u>	<u>\$ 0</u>	<u>\$ 9</u>	<u>\$ 2</u>	<u>\$ 28</u>

## NOTES TO FINANCIAL STATEMENTS

### 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, 2020:

	Actual Cost	Book Adjusted Carrying Value	Fair Value	Other-than- temporary impairment
a. Residential mortgage backed securities	\$ 10,536	\$ 10,541	\$ 10,914	\$
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs				
f. Other assets				
g. Total	\$ 10,536	\$ 10,541	\$ 10,914	\$

- (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 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, 2020, the cash surrender value in an investment vehicle is \$ 513,594,521 and is allocated into the following categories based on primary underlying investment characteristics: 100% bonds and 0.0% 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	\$513,594,521
(2) Percentage Bonds	100%
(3) Percentage Stocks	0.00%
(4) Percentage Mortgage Loans	0.00%
(5) Percentage Real Estate	0.00%
(6) percentage Cash and Short-Term Investments	0.00%
(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 19, 2021 for these statutory financial statements, which were issued on February 19, 2021.

Effective January 1, 2021, each of the various 21st Century companies will separately cede 100% of its business directly to FIE on a prospective basis. These changes were approved by the appropriate regulatory authorities in each state. Prior to that, each of these 21st Century companies ceded their business to FIE via 21CNAI.

## 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, 2020 (in thousands):

##### Individual Reinsurers Who Are Not Members of a Group

FEIN	Reinsurer Name	Unsecured Amount
AA-1460018	CATLIN RE SWITZERLAND LTD	741,540
AA-1340125	HANNOVER RUECK SE	1,261,633
AA-9991159	MICHIGAN CATASTROPHIC CLAIMS ASSN	550,283
AA-1460146	SWISS REINS CO	1,392,790
AA-3190825	ZURICH INS CO	141,334

##### Individual Reinsurers Who Are Members of a Group

Group Code	FEIN	Reinsurer Name	Unsecured Amount
0069	95-2575892	TRUCK INS EXCH	4,304,470
0069	95-6235715	FIRE INS EXCH	4,179,028
0069	95-6016640	MID CENTURY INS CO	2,475,240
0069	94-1663548	TEXAS FARMERS INS CO	159,034
0069	95-2655893	FARMERS INS CO OF OR	1,100,193
0069	95-2655894	FARMERS INS CO OF WA	308,729
0069	31-0956373	FARMERS INS OF COLUMBUS INC	154,282
0069	95-4528269	CIVIC PROP & CAS CO	154,282
0069	95-4528266	EXACT PROP & CAS CO INC	154,282
0069	95-4528264	NEIGHBORHOOD SPIRIT PROP & CAS CO	154,282
0031	13-2673100	GENERAL REINS CORP	209,908
0361	13-4924125	MUNICH REINS AMER INC	655,443
0501	13-5616275	TRANSATLANTIC REINS CO	619,953

##### All Members of the Groups Shown above with Unsecured Reinsurance Recoverables

Group Code	FEIN	Reinsurer Name	Unsecured Amount
0069	95-2575892	TRUCK INS EXCH	4,304,470
0069	95-6235715	FIRE INS EXCH	4,179,028
0069	95-6016640	MID CENTURY INS CO	2,475,240
0069	94-1663548	TEXAS FARMERS INS CO	159,034
0069	95-2655893	FARMERS INS CO OF OR	1,100,193
0069	95-2655894	FARMERS INS CO OF WA	308,729
0069	31-0956373	FARMERS INS OF COLUMBUS INC	154,282
0069	95-4528269	CIVIC PROP & CAS CO	154,282
0069	95-4528266	EXACT PROP & CAS CO INC	154,282
0069	95-4528264	NEIGHBORHOOD SPIRIT PROP & CAS CO	154,282
Total 0069			<b>13,143,821</b>
0031	13-2673100	GENERAL REINS CORP	209,908
Total 0031			<b>209,908</b>
0361	13-4924125	MUNICH REINS AMER INC	655,443
Total 0361			<b>655,443</b>
0501	13-5616275	TRANSATLANTIC REINS CO	619,953
Total 0501			<b>619,953</b>

## NOTES TO FINANCIAL STATEMENTS

### 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.

### 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:

2020	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$8,429,043,136	\$ 2,749,553,871	\$ 5,124,188,747	\$ 1,639,330,464	\$ 3,304,854,390	\$ 1,110,223,407
All other	<u>227,357</u>	<u>74,164</u>	<u>2,156,725,652</u>	<u>689,979,671</u>	<u>(2,156,498,295)</u>	<u>(689,905,507)</u>
Total	<u>\$8,429,270,493</u>	<u>\$ 2,749,628,035</u>	<u>\$ 7,280,914,399</u>	<u>\$ 2,329,310,135</u>	<u>\$ 1,148,356,094</u>	<u>\$ 420,317,900</u>
Direct unearned premium reserve			<u>\$ 1,987,327,883</u>			
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>			

- (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 \$1.1 million and \$1.2 million for the years ended December 31, 2020 and 2019, respectively. FIE's share of the accrued retrospective premiums receivable totaled \$0.5 million and \$0.6 million for the years ended December 31, 2020 and 2019, 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, 2020 and 2019 for Mid Century was (\$0.5) million and (\$1.5) million, respectively. As of December 31, 2020, FIE's share of the premiums written subject to retrospective rating features was (\$0.3) million, which was (0.2%) of the Farmers' companies' total net workers' compensation premiums written of \$152.9 million. As of December 31, 2018, 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.
- D. FIE had no medical loss ratio rebates at both December 31, 2020 and 2019.
- E. FIE had no non-admitted retrospective premiums at both December 31, 2020 and 2019.
- 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 decreased by \$6.6 million as of December 31, 2020, as a result of re-estimation of unpaid losses and loss adjustment expenses principally on the workers compensation, commercial multiple peril and auto physical damage lines of insurance. This was partially offset by an increase in commercial auto, private passenger auto and other liability lines of insurance. This decrease 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 2020.

### 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 pooling participation percentages are as follows:

**NOTES TO FINANCIAL STATEMENTS**

Participant	NAIC Company Code	State of Domicile	Participation Percentage	
			2020	2019
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%

The following companies either cede their business directly or indirectly to FIE and are not participants in the Intercompany Program:

## NOTES TO FINANCIAL STATEMENTS

Company Name	NAIC Company Code	State of Domicile
21St Century Advantage Insurance Company	25232	Minnesota
21St Century Auto Insurance Company Of New Jersey	10184	New Jersey
21St Century Casualty Company	36404	California
21St Century Centennial Insurance Company	34789	Pennsylvania
21St Century Indemnity Insurance Company	43974	Pennsylvania
21St Century Insurance Company	12963	California
21st Century North America Insurance Company	32220	New York
21St Century Pacific Insurance Company	23795	Colorado
21St Century Pinnacle Insurance Company	10710	New Jersey
21St Century Premier Insurance Company	20796	Pennsylvania
American Federation Insurance Company	10245	Texas
American Pacific Insurance Company, Inc.	10805	Hawaii
Bristol West Casualty Insurance Company	11034	Ohio
Bristol West Insurance Company	19658	Ohio
Bristol West Preferred Insurance Company	12774	Michigan
Coast National Insurance Company	25089	California
Farmers Insurance Company Of Arizona	21598	Arizona
Farmers Insurance Hawaii, Inc.	28487	Hawaii
Farmers Specialty Insurance Company	43699	Michigan
Farmers Texas County Mutual Insurance Company	24392	Texas
Foremost County Mutual Insurance Company	29254	Texas
Foremost Insurance Company, Grand Rapids	11185	Michigan
Foremost Lloyds Of Texas	41688	Texas
Foremost Property And Casualty Insurance Company	11800	Michigan
Foremost Signature Insurance Company	41513	Michigan
Mid-Century Insurance Company Of Texas	28673	Texas
Security National Insurance Company	33120	Florida
Toggle Insurance Company	44245	Delaware

FIE reported \$257.6 million and \$66.5 million due from affiliates at December 31, 2020 and 2019, 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 \$10,054,411 as of December 31, 2020. FIE has a contingent liability of \$10,054,411 should the issuers of these annuities fail to perform under the terms of the annuities.

Loss Reserves Eliminated by Annuities
\$ 10,054,411

Unrecorded Loss Contingencies
\$ 10,054,411

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

Life Insurance Company and Location
None

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

## NOTES TO FINANCIAL STATEMENTS

### 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 5, 2021. As of December 31, 2020 and 2019, FIE had not established any premium deficiency reserves based on this calculation.

	2020	2019
1. Liability carried for premium deficiency reserves	\$ <u>0</u>	\$ <u>0</u>
2. Date of the most recent evaluation of this liability	<u>02/5/2021</u>	<u>02/12/20</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:**

	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 202,517,581	\$ 248,758,801	\$ 278,292,421	\$ 276,521,617	\$ 270,186,193
b. Incurred losses and loss adjustment expenses:	\$ 80,472,732	\$ 31,812,175	\$ 29,993,441	\$ 11,798,654	\$ 1,423,986
c. Calendar year payments for losses and loss adjustment expenses:	<u>\$ 34,231,511</u>	<u>\$ 2,278,556</u>	<u>\$ 31,764,244</u>	<u>\$ 18,134,078</u>	<u>\$ 24,996,922</u>
d. Ending reserves:	<u>\$ 248,758,801</u>	<u>\$ 278,292,421</u>	<u>\$ 276,521,617</u>	<u>\$ 270,186,193</u>	<u>\$ 246,613,258</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:**

	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 199,560,700	\$ 243,630,995	\$ 274,895,510	\$ 273,981,437	\$ 269,057,662
b. Incurred losses and loss adjustment expenses:	\$ 77,414,255	\$ 31,370,793	\$ 21,126,611	\$ 20,672,637	\$ (677,704)
c. Calendar year payments for losses and loss adjustment expenses:	<u>\$ 33,343,959</u>	<u>\$ 106,278</u>	<u>\$ 22,040,684</u>	<u>\$ 25,596,412</u>	<u>\$ 22,726,027</u>
d. Ending reserves:	<u>\$ 243,630,995</u>	<u>\$ 274,895,510</u>	<u>\$ 273,981,437</u>	<u>\$ 269,057,662</u>	<u>\$ 245,653,931</u>

- B. FIE recorded the following amounts for IBNR and/or bulk reserves related to asbestos claims at December 31, 2020:

	2020	2019
(1) Direct:	\$ 234,074,597	\$ 268,252,148
(2) Assumed Reinsurance:	None	None
(3) Net of Ceded Reinsurance:	\$ 233,115,270	\$ 267,123,617

- C. FIE recorded the following amounts for loss adjustment expenses for case, IBNR and/or bulk reserves related to asbestos claims at December 31, 2020:

## NOTES TO FINANCIAL STATEMENTS

	2020	2019
(1) Direct:	\$ 82,478,242	\$ 92,385,704
(2) Assumed Reinsurance:	None	None
(3) Net of Ceded Reinsurance:	\$ 82,478,242	\$ 92,385,704

- 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:**

	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 41,829,025	\$ 60,426,671	\$ 53,588,932	\$ 45,487,583	\$ 37,155,894
b. Incurred losses and loss adjustment expenses:	\$ 29,172,620	\$ 3,650,558	\$ (5,343,327)	\$ (6,212,499)	\$ 3,940,446
c. Calendar year payments for losses and loss adjustment expenses:	<u>\$ 10,574,974</u>	<u>\$ 10,488,298</u>	<u>\$ 2,758,022</u>	<u>\$ 2,119,189</u>	<u>\$ 4,800,161</u>
d. Ending reserves:	<u>\$ 60,426,671</u>	<u>\$ 53,588,932</u>	<u>\$ 45,487,583</u>	<u>\$ 37,155,894</u>	<u>\$ 36,296,179</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:**

	2016	2017	2018	2019	2020
a. Beginning reserves:	\$ 41,005,232	\$ 60,128,713	\$ 53,302,695	\$ 45,349,608	\$ 37,016,333
b. Incurred losses and loss adjustment expenses:	\$ 21,817,995	\$ 2,726,132	\$ (5,669,254)	\$ (6,211,230)	\$ 2,690,624
c. Calendar year payments for losses and loss adjustment expenses:	<u>\$ 2,694,515</u>	<u>\$ 9,552,150</u>	<u>\$ 2,283,833</u>	<u>\$ 2,122,046</u>	<u>\$ 3,568,242</u>
d. Ending reserves:	<u>\$ 60,128,713</u>	<u>\$ 53,302,695</u>	<u>\$ 45,349,608</u>	<u>\$ 37,016,333</u>	<u>\$ 36,138,715</u>

- E. FIE recorded the following amounts for IBNR and/or bulk reserves related to environmental claims at December 31, 2020:

**NOTES TO FINANCIAL STATEMENTS**

	<b>2020</b>	<b>2019</b>
(1) Direct:	\$ 33,280,994	\$ 34,484,801
(2) Assumed Reinsurance:	None	None
(3) Net of Ceded Reinsurance:	\$ 33,280,994	\$ 34,484,801

- F. FIE recorded the following amounts for loss adjustment expenses for case, IBNR and/or bulk reserves related to environmental claims at December 31, 2020:

	<b>2020</b>	<b>2019</b>
(1) Direct:	\$ 19,676,913	\$ 15,811,563
(2) Assumed Reinsurance:	None	None
(3) Net of Ceded Reinsurance:	\$ 19,676,913	\$ 15,811,563

**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. .... 12/31/2021
- 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 2020 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 [ X ] No [ ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
An exemption was filed and approved to allow the lead audit partner to extend his service 1-year beyond the 5-year limitation as prescribed by the Model Audit Rule.
- 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 2020 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 [ ] No [ X ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....

**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  
N/A .....
- 24.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
N/A .....
- 24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. .... \$ .....
- 24.05 For the reporting entity's securities lending program, report amount of collateral for other programs. .... \$ .....
- 24.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? ..... Yes [ ] No [ ] N/A [ X ]
- 24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? ..... Yes [ ] No [ ] N/A [ X ]
- 24.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? ..... Yes [ ] No [ ] N/A [ X ]

**ANNUAL STATEMENT FOR THE YEAR 2020 OF THE FARMERS INSURANCE EXCHANGE  
GENERAL INTERROGATORIES**

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

24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 ..... \$ .....  
 24.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 ..... \$ .....  
 24.093 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 ..... \$ 15,000,000  
 25.28 On deposit with states ..... \$ 680,473,424  
 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 2020 OF THE FARMERS INSURANCE EXCHANGE  
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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 2020 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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	4,793,657,152	5,069,589,536	275,932,384
30.2 Preferred stocks .....		11,620,795	11,620,795
30.3 Totals	4,793,657,152	5,081,210,331	287,553,179

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 [ X ] No [ ]

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 [ X ] 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 ]

36. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:  
a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.  
b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.  
c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.  
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a - 36.c are reported as long-term investments.  
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? ..... Yes [ ] No [ ] N/A [ X ]

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE FARMERS INSURANCE EXCHANGE  
**GENERAL INTERROGATORIES**

**OTHER**

37.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....4,105,514

37.2 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

38.1 Amount of payments for legal expenses, if any? .....\$ .....390,635

38.2 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
HINSHAW & CULBERTSON LLP .....	147,660

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

39.2 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 Current Year	2 Prior Year
2.1 Premium Numerator .....		
2.2 Premium Denominator .....	7,347,285,673	7,238,144,682
2.3 Premium Ratio (2.1/2.2) .....	0.000	0.000
2.4 Reserve Numerator .....		
2.5 Reserve Denominator .....	8,816,962,285	8,841,673,059
2.6 Reserve Ratio (2.4/2.5) .....	0.000	0.000

3.1 Did the reporting entity issue participating policies during the calendar year? ..... Yes [ ] No [ X ]

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

3.21 Participating policies .....		\$ .....
3.22 Non-participating policies .....		\$ .....

4. For mutual reporting Entities and Reciprocal Exchanges Only:

4.1 Does the reporting entity issue assessable policies? ..... Yes [ ] No [ 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 36 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? ..... Yes [ ] No [ X ]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
(a) The entity does not utilize reinsurance; or, ..... Yes [ ] No [ X ]  
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or ..... Yes [ ] 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 .....\$ 462,773
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) .....\$ 12,726
- 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 2020 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 2020	2 2019	3 2018	4 2017	5 2016
<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)	7,671,330,879	8,375,282,553	8,171,623,129	7,915,757,788	7,781,270,631
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	5,115,110,228	5,380,310,787	5,342,813,588	5,177,348,605	5,227,644,322
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	11,061,091,201	11,025,290,296	10,739,857,845	10,723,468,146	10,568,792,910
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	6,310,354	817,458	888,908	934,545	929,591
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	23,853,842,663	24,781,701,094	24,255,183,470	23,817,509,084	23,578,637,454
<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)	2,712,849,838	2,755,144,227	2,659,176,172	2,823,316,101	2,881,129,278
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,854,516,043	1,893,396,813	1,858,391,427	1,914,945,419	2,009,680,316
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	2,808,386,640	2,780,171,692	2,643,036,146	2,601,974,517	2,748,065,390
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	3,159,640	296,198	322,070	366,693	375,526
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	7,378,912,160	7,429,008,930	7,160,925,814	7,340,602,729	7,639,250,510
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	(186,998,324)	(101,292,901)	(109,252,076)	(221,277,133)	(393,112,964)
14. Net investment gain or (loss) (Line 11)	78,355,832	118,499,900	45,729,708	53,308,207	45,877,088
15. Total other income (Line 15)	(65,984,253)	(2,844,565)	(55,020,372)	(5,096,268)	17,272,115
16. Dividends to policyholders (Line 17)	396,076	792,459	371,232	347,996	414,739
17. Federal and foreign income taxes incurred (Line 19)	(58,664,261)	(41,703,653)	(48,438,070)	(107,999,063)	(182,431,959)
18. Net income (Line 20)	(116,358,560)	55,273,627	(70,475,902)	(65,414,126)	(147,946,541)
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	17,853,262,522	17,456,500,242	17,016,311,531	16,164,767,721	16,057,239,778
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	223,506,249	223,576,163	223,126,225	218,711,951	226,847,053
20.2 Deferred and not yet due (Line 15.2)	3,495,399,724	3,297,308,290	3,082,447,475	3,002,377,162	2,932,582,656
20.3 Accrued retrospective premiums (Line 15.3)	545,731	613,707	632,973	569,240	639,538
21. Total liabilities excluding protected cell business (Page 3, Line 26)	13,185,881,113	12,962,783,801	12,919,967,248	11,961,662,716	11,838,399,959
22. Losses (Page 3, Line 1)	3,778,135,649	3,658,425,810	3,614,271,736	3,647,098,366	3,845,525,306
23. Loss adjustment expenses (Page 3, Line 3)	1,082,773,735	1,080,203,754	1,059,029,772	1,069,435,044	1,091,070,385
24. Unearned premiums (Page 3, Line 9)	3,135,683,977	3,104,057,489	2,913,193,242	2,855,212,508	3,029,189,727
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	4,667,381,410	4,493,716,442	4,096,344,283	4,203,105,006	4,218,839,820
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	111,320,393	134,174,457	21,685,795	(510,442,646)	(336,107,073)
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	4,667,381,410	4,493,716,442	4,096,344,283	4,203,105,006	4,218,839,820
29. Authorized control level risk-based capital	946,034,522	870,425,668	889,688,981	999,280,106	1,037,667,407
<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)	39.6	37.7	38.1	39.5	45.0
31. Stocks (Lines 2.1 & 2.2)	50.7	52.2	52.5	51.9	49.6
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	2.3	2.6	3.4	3.6	3.3
34. Cash, cash equivalents and short-term investments (Line 5)	5.5	5.6	3.8	2.8	0.0
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	1.9	2.0	2.1	2.2	2.2
38. Receivables for securities (Line 9)	0.0	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)	5,596,921,600	5,406,232,802	5,125,595,068	4,956,396,052	4,859,620,572
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	5,596,921,600	5,406,232,802	5,125,595,068	4,956,396,052	4,859,620,572
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)	119.9	120.3	125.1	117.9	115.2

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE FARMERS INSURANCE EXCHANGE

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2020	2 2019	3 2018	4 2017	5 2016
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24) .....	231,465,711	325,242,868	125,369,793	142,666,812	143,748,324
52. Dividends to stockholders (Line 35) .....					
53. Change in surplus as regards policyholders for the year (Line 38) .....	173,664,968	397,372,159	(106,760,723)	(15,734,814)	12,080,434
<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) .....	4,598,143,462	4,785,682,794	4,729,666,616	4,674,774,395	4,561,473,846
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	2,659,682,104	2,987,994,071	2,916,042,857	3,198,133,299	3,204,754,025
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	6,867,804,149	5,556,256,286	6,498,818,731	6,238,530,393	5,401,130,647
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	156,866	92,117	765,954	83,269	305,072
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
59. Total (Line 35) .....	14,125,786,581	13,330,025,268	14,145,294,157	14,111,521,355	13,167,663,590
<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) .....	1,541,086,016	1,673,707,289	1,717,762,087	1,800,767,993	1,840,203,147
61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	964,527,864	1,066,227,421	997,042,346	1,204,497,874	1,271,876,521
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	1,751,751,182	1,448,472,434	1,451,509,818	1,686,521,881	1,578,531,592
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	63,501	31,720	298,538	32,110	127,773
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
65. Total (Line 35) .....	4,257,428,564	4,188,438,865	4,166,612,788	4,691,819,859	4,690,739,033
<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) .....	59.6	58.5	58.2	59.8	61.9
68. Loss expenses incurred (Line 3) .....	9.5	10.5	10.0	10.2	10.7
69. Other underwriting expenses incurred (Line 4) .....	33.5	32.6	33.4	33.0	32.5
70. Net underwriting gain (loss) (Line 8) .....	(2.5)	(1.4)	(1.5)	(2.9)	(5.0)
<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) .....	34.2	31.6	33.8	33.8	33.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	69.1	69.0	68.2	70.0	72.5
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) .....	158.1	165.3	174.8	174.6	181.1
<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) .....	43,055	54,220	50,880	21,166	172,418
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) .....	1.0	1.3	1.2	0.5	4.1
<b>Two Year Loss Development (\$000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....	26,579	93,349	77,712	226,239	278,242
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0) .....	0.6	2.2	1.8	5.4	6.7

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 2020 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	60,009	29,187	21,506	3,124	2,616		2,058	51,820	XXX
2. 2011.....	9,378,569	1,852,336	7,526,233	5,675,998	995,214	222,823	31,254	910,186	134,793	352,335	5,647,747	XXX
3. 2012.....	9,663,511	2,587,835	7,075,676	5,706,742	1,428,191	237,022	49,297	835,964	211,349	356,273	5,090,890	XXX
4. 2013.....	9,678,053	2,575,631	7,102,422	5,394,704	1,358,411	203,397	42,707	770,242	212,031	311,906	4,755,194	XXX
5. 2014.....	9,588,056	2,558,971	7,029,086	5,157,017	1,300,587	194,890	40,274	740,132	199,739	316,410	4,551,438	XXX
6. 2015.....	9,765,171	1,907,764	7,857,407	5,490,893	1,006,306	195,571	29,569	797,272	144,219	357,107	5,303,642	XXX
7. 2016.....	10,100,404	2,269,341	7,831,063	5,887,170	1,289,248	193,098	45,030	784,162	161,872	387,978	5,368,279	XXX
8. 2017.....	10,264,782	2,750,202	7,514,580	6,728,034	2,472,879	182,814	86,768	798,360	196,685	383,931	4,952,877	XXX
9. 2018.....	10,435,009	3,332,064	7,102,945	6,016,489	2,248,799	133,063	79,784	773,740	235,735	443,579	4,358,975	XXX
10. 2019.....	10,572,105	3,333,960	7,238,145	5,075,103	1,543,067	70,514	20,425	726,769	243,075	362,021	4,065,818	XXX
11. 2020.....	10,399,135	3,051,849	7,347,286	3,598,535	1,020,459	25,355	3,938	491,337	210,365	183,109	2,880,464	XXX
12. Totals.....	XXX	XXX	XXX	54,790,692	14,692,349	1,680,054	432,170	7,630,780	1,949,864	3,456,707	47,027,144	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.....	106,444	24,802	428,833	131,658	410	117,378	95	44,617	1	1,575	541,126	XXX	
2. 2011.....	13,264	163	37,277	13,022	124	6,544	5	3,410		281	47,430	XXX	
3. 2012.....	12,478	2,910	40,397	18,475	68	7,619	1,531	3,843	2	550	41,474	XXX	
4. 2013.....	16,088	3,550	41,742	19,136	139	8,817	1,892	4,403		656	46,583	XXX	
5. 2014.....	18,945	3,978	50,795	21,334	14	11,014	2,358	6,878		1,046	59,974	XXX	
6. 2015.....	37,185	5,837	61,951	21,635	47	16,261	2,340	9,321		1,946	94,947	XXX	
7. 2016.....	73,474	16,153	86,885	34,951	69	24,837	5,864	14,385	5	3,394	142,544	XXX	
8. 2017.....	165,368	44,537	173,625	76,840	254	39,957	11,307	27,623	14	7,006	274,064	XXX	
9. 2018.....	329,302	113,341	330,150	190,398	297	74,590	26,614	54,781	2	18,457	458,667	XXX	
10. 2019.....	564,030	192,762	608,433	227,814	622	122,801	37,448	114,242	7	36,664	951,907	XXX	
11. 2020.....	831,596	219,254	1,928,574	796,150	1,596	164,674	52,370	343,897	54	143,467	2,202,194	XXX	
12. Totals.....	2,168,174	627,286	3,788,661	1,551,414	3,642	851	594,491	141,824	83	215,043	4,860,909	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	378,817	162,309
2. 2011.....	6,869,627	1,174,451	5,695,176	73.2	63.4	75.7			51.8	37,356	10,073
3. 2012.....	6,844,133	1,711,768	5,132,365	70.8	66.1	72.5			51.8	31,490	9,984
4. 2013.....	6,439,531	1,637,754	4,801,777	66.5	63.6	67.6			51.8	35,144	11,439
5. 2014.....	6,179,685	1,568,274	4,611,412	64.5	61.3	65.6			51.8	44,428	15,545
6. 2015.....	6,608,502	1,209,914	5,398,588	67.7	63.4	68.7			51.8	71,664	23,282
7. 2016.....	7,064,082	1,553,258	5,510,823	69.9	68.4	70.4			51.8	109,256	33,288
8. 2017.....	8,116,035	2,889,094	5,226,941	79.1	105.1	69.6			51.8	217,616	56,448
9. 2018.....	7,712,412	2,894,770	4,817,642	73.9	86.9	67.8			51.8	355,713	102,954
10. 2019.....	7,282,513	2,264,788	5,017,725	68.9	67.9	69.3			51.8	751,886	200,021
11. 2020.....	7,385,562	2,302,904	5,082,659	71.0	75.5	69.2			51.8	1,744,766	457,428
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	3,778,136	1,082,774

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 2020 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 2011	2 2012	3 2013	4 2014	5 2015	6 2016	7 2017	8 2018	9 2019	10 2020	11 One Year	12 Two Year
1. Prior.....	2,000,937	2,075,592	2,088,397	2,095,741	2,134,702	2,240,166	2,255,420	2,269,286	2,274,477	2,266,909	(7,569)	(2,378)
2. 2011.....	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	4,916,373	(2,328)	(4,428)
3. 2012.....	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	4,503,908	(1,660)	(1,170)
4. 2013.....	XXX	XXX	4,184,449	4,185,460	4,223,985	4,238,040	4,240,295	4,238,032	4,240,285	4,239,163	(1,122)	1,131
5. 2014.....	XXX	XXX	XXX	4,014,941	4,026,307	4,047,301	4,062,892	4,062,091	4,067,025	4,064,141	(2,884)	2,051
6. 2015.....	XXX	XXX	XXX	XXX	4,686,993	4,698,712	4,717,275	4,740,331	4,742,638	4,736,214	(6,424)	(4,117)
7. 2016.....	XXX	XXX	XXX	XXX	XXX	4,873,136	4,840,481	4,876,150	4,876,507	4,874,153	(2,355)	(1,997)
8. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	4,581,751	4,576,086	4,605,121	4,597,657	(7,464)	21,571
9. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,208,942	4,220,694	4,224,858	4,164	15,916
10. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,349,100	4,419,796	70,696	XXX
11. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,457,843	XXX	XXX
12. Totals											43,055	26,579

**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 2011	2 2012	3 2013	4 2014	5 2015	6 2016	7 2017	8 2018	9 2019	10 2020		
1. Prior.....	.000	657,832	1,128,497	1,330,407	1,436,604	1,548,142	1,604,276	1,661,011	1,721,194	1,770,398	XXX	XXX
2. 2011.....	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	4,872,353	XXX	XXX
3. 2012.....	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	4,466,276	XXX	XXX
4. 2013.....	XXX	XXX	2,478,015	3,426,446	3,799,767	4,000,266	4,117,288	4,162,500	4,185,334	4,196,983	XXX	XXX
5. 2014.....	XXX	XXX	XXX	2,353,968	3,294,613	3,637,872	3,841,569	3,943,403	3,990,544	4,011,045	XXX	XXX
6. 2015.....	XXX	XXX	XXX	XXX	2,723,137	3,834,468	4,235,171	4,485,151	4,604,516	4,650,589	XXX	XXX
7. 2016.....	XXX	XXX	XXX	XXX	XXX	2,937,417	4,036,401	4,427,320	4,645,135	4,745,989	XXX	XXX
8. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	2,890,718	3,797,704	4,184,165	4,351,202	XXX	XXX
9. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,518,272	3,506,434	3,820,970	XXX	XXX
10. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,491,842	3,582,125	XXX	XXX
11. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,599,492	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 2011	2 2012	3 2013	4 2014	5 2015	6 2016	7 2017	8 2018	9 2019	10 2020
1. Prior.....	1,219,376	937,516	675,522	562,449	527,096	551,282	532,818	506,451	470,379	414,459
2. 2011.....	1,281,874	462,705	244,613	119,900	88,130	69,886	50,320	40,855	34,884	30,794
3. 2012.....	XXX	1,187,165	414,916	253,400	128,340	86,569	61,393	42,173	33,101	28,009
4. 2013.....	XXX	XXX	1,055,572	382,449	216,937	127,433	70,026	47,698	36,761	29,531
5. 2014.....	XXX	XXX	XXX	1,137,037	399,113	217,942	116,299	72,362	51,250	38,117
6. 2015.....	XXX	XXX	XXX	XXX	1,350,813	464,876	251,233	135,009	82,668	54,237
7. 2016.....	XXX	XXX	XXX	XXX	XXX	1,345,962	424,964	240,015	123,430	70,907
8. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	981,668	363,828	215,816	125,434
9. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,077,884	342,302	187,727
10. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,305,328	465,972
11. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,244,727

ANNUAL STATEMENT FOR THE YEAR 2020 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	57,120,568	58,487,305		28,685,570	31,196,194	23,868,035	199,920
2. Alaska	AK	N							
3. Arizona	AZ	L	162,400,395	159,663,829		89,620,554	87,199,734	65,671,291	335,276
4. Arkansas	AR	L	40,441,067	38,487,631		27,721,086	28,219,736	10,381,957	77,343
5. California	CA	L	2,537,631,868	2,485,596,873		1,422,002,579	1,438,525,134	1,382,336,851	15,437,865
6. Colorado	CO	L	442,054,320	443,624,159	601,913	218,156,286	220,484,265	238,168,714	1,140,714
7. Connecticut	CT	L	16,719	1,131					
8. Delaware	DE	L	351,828	1,022,812		167,754	1,014,413	849,985	
9. District of Columbia	DC	L							
10. Florida	FL	L	33,334,556	27,065,037		11,788,206	23,034,146	15,073,929	64,263
11. Georgia	GA	L	182,804,574	188,071,560		183,369,990	241,422,202	175,431,534	304,227
12. Hawaii	HI	N							
13. Idaho	ID	L	33,351,612	32,123,884		15,654,756	16,946,092	10,414,983	90,949
14. Illinois	IL	L	175,074,217	176,595,461		153,607,071	163,192,856	79,763,106	326,952
15. Indiana	IN	L	34,691,559	38,733,936		21,899,711	25,779,263	16,037,124	73,929
16. Iowa	IA	L	17,308,183	18,512,614		15,491,100	25,010,221	13,590,762	30,266
17. Kansas	KS	L	73,599,731	73,321,067	4,352	24,498,420	22,247,838	15,969,980	118,089
18. Kentucky	KY	L	475,277	166,907		14,301	136,144	121,755	344
19. Louisiana	LA	L				(1,145)	(1,996)	666	
20. Maine	ME	L	973,189	988,206		476,030	460,151	184,039	1
21. Maryland	MD	L	46,870,970	63,510,688		33,554,836	53,663,150	31,990,418	241
22. Massachusetts	MA	L							
23. Michigan	MI	L	156,295,985	163,476,686		110,273,227	91,797,049	661,298,637	525,215
24. Minnesota	MN	L	119,251,979	118,685,943		59,968,256	67,872,175	54,413,186	610,715
25. Mississippi	MS	L	8,768	(6,081)		(139)	1,132	3,389	
26. Missouri	MO	L	135,906,961	141,512,374		82,005,933	86,148,572	41,493,422	249,135
27. Montana	MT	L	32,471,074	31,435,514		19,905,968	9,154,648	11,311,479	59,587
28. Nebraska	NE	L	31,580,990	32,078,539		14,475,991	14,126,110	10,657,942	47,814
29. Nevada	NV	L	187,501,441	185,188,449		91,706,822	104,811,932	90,573,097	591,743
30. New Hampshire	NH	L	14,170	15,643		7,800	(9,937)	6,433	
31. New Jersey	NJ	L	53,840,888	56,745,877		31,908,549	35,230,700	61,000,752	251,574
32. New Mexico	NM	L	71,565,885	70,124,126		38,322,194	42,552,268	26,772,216	158,407
33. New York	NY	L	562,780	667,115		47,972	69,514	396,100	6,317
34. North Carolina	NC	L	(267)	81		(408)	(2,443)	6,121	
35. North Dakota	ND	L	7,084,221	7,441,084		2,349,795	1,746,906	1,928,878	11,067
36. Ohio	OH	L	52,432,927	53,122,218		36,169,021	37,924,403	17,774,101	163,049
37. Oklahoma	OK	L	11,612,445	10,713,670		1,473,360	2,521,402	10,435,970	58,362
38. Oregon	OR	L	92,038,041	90,667,132		105,842,079	167,482,242	103,629,907	294,067
39. Pennsylvania	PA	L	33,893,801	46,684,230		35,553,343	44,190,603	82,162,933	19,895
40. Rhode Island	RI	L							
41. South Carolina	SC	L							
42. South Dakota	SD	L	16,867,829	16,420,170		17,174,618	22,569,998	11,004,391	25,245
43. Tennessee	TN	L	61,366,794	62,101,135		36,534,278	39,551,329	21,320,180	241,075
44. Texas	TX	L	81,832,783	85,528,403		49,785,676	45,791,333	65,542,219	367,614
45. Utah	UT	L	63,802,257	62,460,921		46,532,201	54,268,675	26,065,336	141,080
46. Vermont	VT	L							
47. Virginia	VA	L	20,146,205	36,741,075		8,610,882	20,049,110	19,149,935	83,932
48. Washington	WA	L	36,745,684	36,644,362		27,903,191	31,071,533	37,709,886	234,038
49. West Virginia	WV	L	48,792	270,112		103,393	324,094	221,815	
50. Wisconsin	WI	L	18,742,123	19,791,402	19,252	9,991,939	6,611,018	8,523,201	82,680
51. Wyoming	WY	L	30,222,553	28,997,581		26,212,170	26,874,220	12,342,529	52,385
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		5,154,337,740	5,163,480,860	625,517	3,099,565,218	3,331,258,133	3,455,599,186	22,475,377
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 2020 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
14001 Rosencrans Avenue, LLC	84-2794277	N/A	DE	Farmers Insurance Exchange	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 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
2501 East Valley Road, LLC	82-2666461	N/A	DE	Fire 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
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
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

ANNUAL STATEMENT FOR THE YEAR 2020 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	%
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
MC Maple Tree, LLC	85-2377860	N/A	DE	Mid-Century Insurance Company	100.00000
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

**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	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 Insurance Company	13-3551577	44245	DE	Mid-Century Insurance Company	100.00000
Toggle Services, LLC	83-3256280	N/A	DE	Toggle Insurance 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 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. - Sociad	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. - Sociad	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 für Vermögensberatung und Verm		N/A	DEU	Deutscher Herold Aktiengesellschaft	100.00000
Bonus Pensionskassen Aktiengesellschaft		N/A	AUT	Zurich Versicherungs-Aktiengesellschaft	87.50000

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

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
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
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
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
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



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

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
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 (Ceridien) Lender, LLC		N/A	DE	Zurich American Insurance Company	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 (Hagerstown) Owner, LLC		N/A	MD	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 Industrial 2, LLC		N/A	DE	Zurich American 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
DIG GmbH		N/A	DEU	Digital Insurance Group B.V.	100.00000
Digital Insurance Group B.V.		N/A	NLD	Zürich Versicherungs-Gesellschaft AG	10.00000

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

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
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 European Life Assurance Company Limited		N/A	IRL	Zurich Life Assurance plc	100.00000
Eagle Star Forests Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Eagle Star Holding Company of Ireland		N/A	IRL	Zurich Assurance Ltd	100.00000
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 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
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

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

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
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
Groewood 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
Healthlogix Pty Ltd		N/A	AUS	Insite Holdings Pty Ltd	100.00000
Healthlogix Tecnologia Eireli		N/A	BRA	Healthlogix Pty Ltd	100.00000
Healthinsite Proprietary Limited		N/A	ZAF	Zürich Versicherungs-Gesellschaft AG	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
Insite Holdings Pty Ltd		N/A	AUS	Zürich Versicherungs-Gesellschaft AG	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
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

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

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
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 Industrial 2, LLC	85-3842785	N/A	DE	Farmers New World Life 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
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

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

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
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
PFS Pension Fund Services AG		N/A	CHE	Zürich Versicherungs-Gesellschaft AG	8.32000
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
Protector 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
Qira GmbH		N/A	DEU	Digital Insurance Group B.V.	100.00000
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-Aurea-ZDHL S.C.S.		N/A	LUX	REX-ZDHL GP S.à r.l.	100.00000
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
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

ANNUAL STATEMENT FOR THE YEAR 2020 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	%
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 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	Zurich Legacy Solutions Services (UK) 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
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	Zurich Legacy Solutions Services (UK) Limited	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
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

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

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
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
Universal 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
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
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

ANNUAL STATEMENT FOR THE YEAR 2020 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/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 Opa Locka, 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	99.99992
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. - Socied	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 Argentina Cia. de Seguros S.A.		N/A	ARG	Inversiones Suizo-Argentina S.A.	55.46140
Zurich Argentina Cia. de Seguros S.A.	AA-2130022	N/A	ARG	Zurich Versicherungs-Gesellschaft AG	44.53611
Zurich Argentina Compania de Seguros de Retiro S.A.	AA-2130022	N/A	ARG	Zurich Argentina Cia. de Seguros S.A.	46.64193
Zurich Argentina Compania 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



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

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
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 Commercial Services (Europe) GmbH		N/A	DEU	Zürich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
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 Compania de Reaseguros Argentina S.A.		N/A	ARG	Zurich Versicherungs-Gesellschaft AG	5.00000
Zurich Compania de Reaseguros Argentina S.A.		N/A	ARG	Inversiones Suizo-Argentina S.A.	95.00000
Zurich Compania 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
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 (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

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

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
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 Compañía 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
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., 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 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 Limited		N/A	AUS	Zurich 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 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 Life Preparatory Japan Co. Ltd.		N/A	JPN	Zürich 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
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 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

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

### PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
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
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. - Sociad	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 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

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

Company	FEIN	NAIC	Domiciled	Ownership	%
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. - Socied	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
Zurich Whiteley Trust Limited		N/A	GBR	Zurich Whiteley Investment Trust Limited	100.00000
Zurich Workplace Solutions (Middle East) Limited		N/A	UAE	Zurich International Life 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 a Texas County mutual insurance company managed by Foremost Insurance Company Grand Rapids, Michigan.

Note 5: Foremost Lloyds of Texas is a Texas company managed by Foremost Insurance Company Grand Rapids, Michigan.

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 2020 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 .....	1,970,041		1,970,041	3,580,082
2597. Summary of remaining write-ins for Line 25 from overflow page	1,970,041		1,970,041	3,580,082

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Deferred agent/DM compensation liability .....	35,849,059	33,810,550
2505. Deferred agent/DM bonus liability .....	31,654,811	31,503,461
2506. Uncashed drafts and checks pending escheatment .....	29,965,188	28,814,445
2507. Miscellaneous .....	19,104,753	15,027,860
2508. Agent/DM bonus liability .....	15,635,660	16,554,184
2509. Pooled share of unauthorized reinsurance .....	319,353	1,120,527
2510. Pooled share of LAD program liability .....		2,899
2597. Summary of remaining write-ins for Line 25 from overflow page	132,528,824	126,833,925

Additional Write-ins for Statement of Income Line 14

	1 Current Year	2 Prior Year
1404. Premiums for business-owned life insurance .....	(464,971)	(442,239)
1497. Summary of remaining write-ins for Line 14 from overflow page	(464,971)	(442,239)

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 .....			3,799,292	3,799,292
2497. Summary of remaining write-ins for Line 24 from overflow page			3,799,292	3,799,292