

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE MICHIGAN COMMERCIAL INSURANCE MUTUAL

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)	48,301,084		48,301,084	48,809,070
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks	165,655		165,655	189,120
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)			0	0
4.2 Properties held for the production of income (less \$0 encumbrances)	2,782,894		2,782,894	2,943,259
4.3 Properties held for sale (less \$0 encumbrances)			0	0
5. Cash (\$585,214 , Schedule E - Part 1), cash equivalents (\$869,399 , Schedule E - Part 2) and short-term investments (\$, Schedule DA)	1,454,613		1,454,613	2,071,524
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	7,459,302	248,057	7,211,245	7,231,269
9. Receivable for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	60,163,548	248,057	59,915,491	61,244,242
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	311,488		311,488	342,093
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,439,930	407,873	1,032,057	1,033,986
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$558,947 earned but unbilled premiums)	6,549,805	55,895	6,493,910	6,751,081
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	116,409		116,409	105,699
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	1,523,304	463,150	1,060,154	1,245,899
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	55,760		55,760	18,936
21. Furniture and equipment, including health care delivery assets (\$)	10,789	10,789	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	8,075
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	491,949	135,005	356,944	297,805
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	70,662,982	1,320,769	69,342,213	71,047,816
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	70,662,982	1,320,769	69,342,213	71,047,816
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Prepaid expenses	135,005	135,005	0	0
2502. CSV Life Insurance	292,866	0	292,866	259,549
2503. Claims Deductible Receivable	63,906	0	63,906	38,256
2598. Summary of remaining write-ins for Line 25 from overflow page	172	0	172	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	491,949	135,005	356,944	297,805

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LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	33,668,918	35,078,622
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	5,938,458	6,146,463
4. Commissions payable, contingent commissions and other similar charges	1,070,452	1,310,789
5. Other expenses (excluding taxes, licenses and fees)	323,389	266,812
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	448,145	807,369
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 \$726,000 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	6,806,278	7,613,479
10. Advance premium	48,361	54,539
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	13,628	12,547
12. Ceded reinsurance premiums payable (net of ceding commissions)	(167,101)	8,392
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	0	0
14. Amounts withheld or retained by company for account of others	12,641	23,499
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$0 certified) (Schedule F, Part 3, Column 78)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives	0	0
21. Payable for securities		366,857
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	1,252,978	352,462
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	49,416,147	52,041,830
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	49,416,147	52,041,830
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	19,926,064	19,005,991
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)	19,926,064	19,005,991
38. TOTALS (Page 2, Line 28, Col. 3)	69,342,211	71,047,821
DETAILS OF WRITE-INS		
2501. Policyholder cash on account	128,861	74,818
2502. Deductible Deposits	50,000	75,000
2503. Policyholder Deposits	1,074,117	202,644
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,252,978	352,462
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE MICHIGAN COMMERCIAL INSURANCE MUTUAL
STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	27,512,602	29,126,350
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	16,382,121	15,261,345
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	4,340,205	4,677,842
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	7,692,970	8,691,424
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	28,415,296	28,630,611
7. Net income of protected cells.....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7).....	(902,694)	495,739
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,449,118	1,555,619
10. Net realized capital gains or (losses) less capital gains tax of \$0 (Exhibit of Capital Gains (Losses)).....	4,815	(26,177)
11. Net investment gain (loss) (Lines 9 + 10).....	1,453,933	1,529,442
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$22,074 amount charged off \$71,487).....	(49,413)	(264,033)
13. Finance and service charges not included in premiums.....	12,260	18,946
14. Aggregate write-ins for miscellaneous income.....	594,740	(507)
15. Total other income (Lines 12 through 14).....	557,587	(245,594)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,108,826	1,779,587
17. Dividends to policyholders.....	112,641	276,132
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).....	996,185	1,503,455
19. Federal and foreign income taxes incurred.....		
20. Net income (Line 18 minus Line 19)(to Line 22).....	996,185	1,503,455
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	19,005,992	16,388,695
22. Net income (from Line 20).....	996,185	1,503,455
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$0.....	100,391	279,916
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	(146,047)	(248,552)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	(30,457)	1,082,478
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	0
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....	0	0
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).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	920,072	2,617,297
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	19,926,064	19,005,992
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above).....	0	0
1401. PPP Loan Forgiveness.....	586,800	0
1402. (Loss) gain on sale of equipment.....	0	(4,950)
1403. Miscellaneous Income.....	7,940	4,443
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....	594,740	(507)
3701. Prior Year Adjustment.....		0
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above).....	0	0

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CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	27,635,070	28,113,600
2. Net investment income	1,857,104	1,956,142
3. Miscellaneous income	557,587	(245,595)
4. Total (Lines 1 through 3)	30,049,761	29,824,147
5. Benefit and loss related payments	17,655,650	17,750,401
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	12,784,164	14,269,355
8. Dividends paid to policyholders	111,560	319,212
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	1	0
10. Total (Lines 5 through 9)	30,551,375	32,338,968
11. Net cash from operations (Line 4 minus Line 10)	(501,614)	(2,514,821)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	11,658,422	10,432,463
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	366,857
12.8 Total investment proceeds (Lines 12.1 to 12.7)	11,658,422	10,799,320
13. Cost of investments acquired (long-term only):		
13.1 Bonds	11,362,635	9,099,626
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	366,857	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	11,729,492	9,099,626
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(71,070)	1,699,694
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	(44,228)	(78,908)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(44,228)	(78,908)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(616,912)	(894,035)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	2,071,525	2,965,560
19.2 End of period (Line 18 plus Line 19.1)	1,454,613	2,071,525

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

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