Report

of the

Examination of

Artisan and Truckers Casualty Company

Cleveland, Ohio

As of December 31, 2017

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State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tony Evers, *Governor*
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March 25, 2019

Honorable Mark V. Afable
Commissioner of Insurance
State of Wisconsin
125 South Webster Street
Madison, Wisconsin 53703

Commissioner:

In accordance with your instructions, a compliance examination has been made of the affairs and financial condition of:

ARTISAN AND TRUCKERS CASUALTY COMPANY
Cleveland, Ohio

and this report is respectfully submitted.

I. INTRODUCTION

The previous examination of Artisan and Truckers Casualty Company (Artisan or the company) was conducted in 2013 as of December 31, 2012. The current examination covered the intervening period ending December 31, 2017, and included a review of such 2018 and 2019 transactions as deemed necessary to complete the examination.

The examination of the company was conducted concurrently with the examination of The Progressive Group. The Ohio Department of Insurance acted in the capacity as the lead state for the coordinated examinations. Work performed by the Ohio Department of Insurance was reviewed and relied on where deemed appropriate.

The examination was conducted using a risk-focused approach in accordance with the National Association of Insurance Commissioners (NAIC) Financial Condition Examiners Handbook. This approach sets forth guidance for planning and performing the examination of an insurance company to evaluate the financial condition, assess corporate governance, identify current and prospective risks (including those that might materially affect the financial condition, either currently or prospectively), and evaluate system controls and procedures used to mitigate those risks.

All accounts and activities of the company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with statutory accounting principles, annual statement instructions, and Wisconsin laws and regulations. The examination does not attest to the fair presentation of the financial statements included herein. If during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately at the end of the “Financial Data” section in the area captioned "Reconciliation of Surplus per Examination."

Emphasis was placed on those areas of the company's operations accorded a high priority by the examiner-in-charge when planning the examination. Special attention was given to the action taken by the company to satisfy the recommendations and comments made in the previous examination report.

The company is annually audited by an independent public accounting firm as prescribed by s. Ins 50.05, Wis. Adm. Code. An integral part of this compliance examination was the review of the independent accountant's work papers. Based on the results of the review of these work papers, alternative or additional examination steps deemed necessary for the completion of this examination were performed. The examination work papers contain documentation with respect to the alternative or additional examination steps performed during the course of the examination.

Actuarial Review by the Ohio Insurance Department

The company is a participant in a quota share reinsurance agreement with United Financial Casualty Company (UFCC), whereby the company cedes 90% of its premiums, loss, loss adjustment and underwriting expenses to UFCC.

An actuary on the staff of the Ohio Department of Insurance reviewed the adequacy of the company’s loss reserves and loss adjustment expense reserves. The results of his work were reported to the examiner-in-charge.

II. HISTORY AND PLAN OF OPERATION

The company was incorporated on August 12, 1994, under the laws of the state of Florida as Preferred Consumers Insurance Company. The company was a wholly owned subsidiary of PC Investment Company, which was owned by Progressive Casualty Insurance Company, which in turn was a wholly owned subsidiary of The Progressive Corporation (TPC).

On December 24, 1996, the company's name was changed to Progressive Consumers Insurance Company. On March 21, 1997, all of the company's issued and outstanding common stock was sold by PC Investment Company to TPC. On January 1, 2004, ownership of the company was transferred from TPC to a downstream holding company, Drive Insurance Holdings, Inc. On January 1, 2005, ownership of the company was transferred from Drive Insurance Holdings, Inc., to a different holding company under TPC, Progressive Commercial Holdings, Inc. The company redomesticated on May 19, 2006, from Florida to Wisconsin, and changed its name to the one presently used on June 15, 2006.

In 2017, the company wrote direct premium in the following states:

Wisconsin	$318,868,060	61.5 %
Illinois	85,768,867	16.5
Colorado	63,540,835	12.2
Oregon	38,639,130	7.4
Wyoming	9,394,550	1.8
All others	3,118,973	0.6
Total	$519,330,415	100.0%

The company is licensed in the states of Colorado, Florida, Illinois, Iowa, Maryland, Missouri, Nebraska, Ohio, Oregon, Wisconsin, and Wyoming.

The company does not have any employees or facilities. Management and administrative services are provided to the company by affiliates, pursuant to services agreements described in the "Affiliated Companies" section of this report.

The company writes personal lines insurance in Wisconsin, and renewal only in Florida. In addition, the company writes commercial lines insurance in several states. The company's personal lines business consists primarily of personal automobile business. Other personal lines business includes motorcycle, boat, personal umbrella, snowmobile, travel trailer, and motor home insurance, all written exclusively in Wisconsin. The company's commercial lines business consists primarily of liability, physical damage, and other auto-related insurance for automobiles and trucks owned and/or operated predominantly by small businesses, with the majority of customers insuring two or fewer vehicles. The company's business is generated by independent insurance agencies that represent the company. In addition, the company writes business directly through the Internet, mobile devices, and over the phone.

The following table is a summary of the net insurance premiums written by the company in 2017. The growth of the company is discussed in the "Financial Data" section of this report.

Line of Business	Direct Premium	Reinsurance Assumed	Reinsurance Ceded	Net Premium
Homeowners multiple peril	$ 704,094	$0	$ 633,684	$ 70,409
Inland marine	14,064,391		12,657,952	1,406,439
Other liability – occurrence	4,153,996		3,784,464	369,531
Private passenger auto liability	175,770,574		158,193,516	17,577,057
Commercial auto liability	158,006,552		142,243,564	15,762,988
Auto physical damage	166,630,808		149,967,728	16,663,081
Total All Lines	$519,330,414	$0	$467,480,909	$51,849,505

III. MANAGEMENT AND CONTROL

Board of Directors

The board of directors consists of five members. All directors are elected annually to serve a one-year term. Officers are elected at the board's annual meeting. Members of the company's board of directors may also be members of other boards of directors in the holding company group. The board members currently receive no additional compensation for serving on the board.

Currently, the board of directors consists of the following persons:

Name and Residence	**Principal Occupation**	**Term Expires**
Jeanette Louise Hisek Twinsburg, Ohio	Director Regional Marketing The Progressive Corporation	2019
William Raymond Kampf Moreland Hills, Ohio	Commercial Lines Marketing GM The Progressive Corporation	2019
Karen Barone Bailo Gates Mills, Ohio	Business Leader – Agency Distribution The Progressive Corporation	2019
Patricia Onody Bemer Highland Heights, Ohio	Sr. HR Business Leader The Progressive Corporation	2019
Michael John Miller Rocky River, Ohio	Product Manager The Progressive Corporation	2019

Officers of the Company

The officers serving at the time of this examination are as follows

Name	**Office**	**2017 Compensation***
Jeanette Louise Hisek	President	$11,143
Michael William Bissler	Treasurer	15,272
Patricia Mitchell Corwin	Secretary	3,664
Patricia Onody Berner	Vice President	11,587
Sandra Lee Rihvalsky	Vice President	3,585
Margaret Ann Rose	Assistant Secretary	1,466

* Total 2017 compensation for all officers is allocated among affiliates based on the company's net written premium.

Committees of the Board

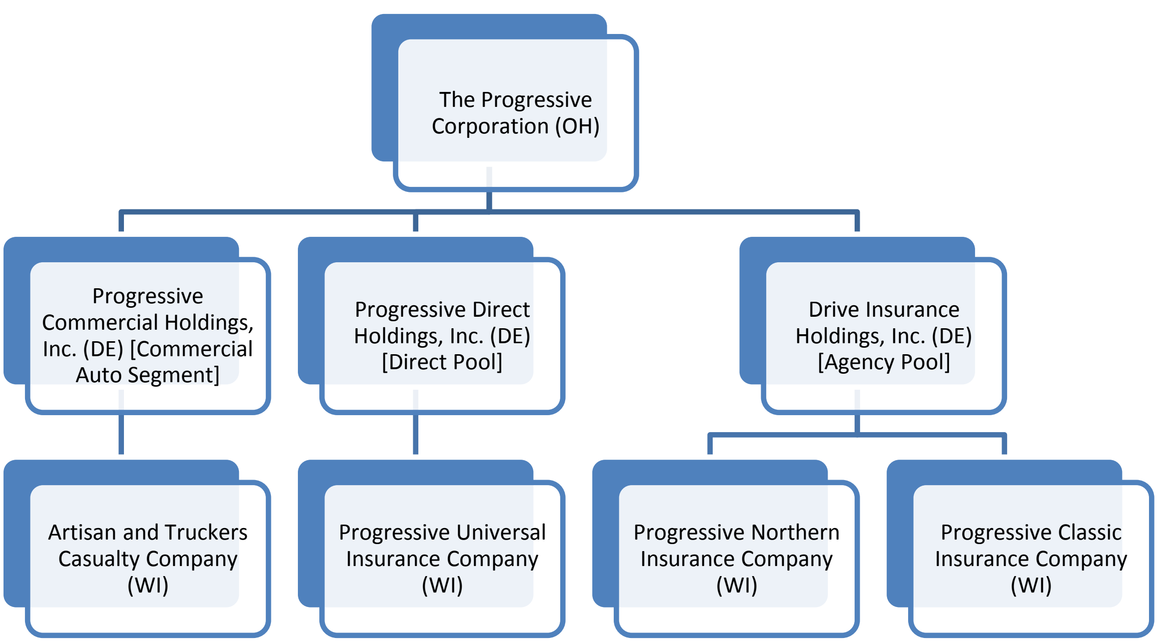
The company's bylaws allow for the formation of certain committees by the board of directors. The committees at the time of the examination are listed below:

Executive Committee	**Investment Committee**
Michael J. Miller, Chair	William R. Kampf, Chair
Jeanette L. Hisek	Michael J. Miller
Patricia O. Bemer	Jeanette L. Hisek
William R. Kampf - Alternate	Patricia O. Bemer, Alternate

IV. AFFILIATED COMPANIES

Artisan is a member of an insurance holding company system under TPC, the ultimate parent company of The Progressive Group. The Progressive Group is organized into segments under separate holding companies, including a Commercial Lines segment (under Progressive Commercial Holdings, Inc.) and a Personal Lines segment. The Personal Lines segment is subdivided into two channels: a Direct Channel, which includes business written directly through the Internet, mobile devices, or over the phone (organized under Progressive Direct Holdings, Inc.), and an Agency Channel, which includes business written by a network of over 35,000 independent agencies located throughout the U.S. (organized under Drive Insurance Holdings, Inc.). Below is an abbreviated organizational chart which depicts the organization of the group's key business segments, as well as the position of the other Wisconsin-domiciled insurers within the group. A brief description of the significant affiliates follows the organizational chart.

Organizational Chart (Abbreviated)
As of December 31, 2017



The Progressive Corporation (TPC)

The Progressive Corporation is an Ohio-domiciled insurance holding company that was formed in 1965. TPC became publicly traded after an initial public offering in 1971, and its common stock is listed on the New York Stock Exchange (ticker symbol PGR). As of December 31, 2017, the audited financial statements of TPC reported assets of $38.7 billion, liabilities of $28.9 billion, stockholder equity of $9.3 billion and redeemable non-controlling interest of $0.5 billion. Operations for 2017 produced net income of $1.6 billion on total revenue of $26.8 billion.

Progressive Commercial Holdings, Inc. (Commercial Holdings)

Progressive Commercial Holdings, Inc., is a Delaware-domiciled insurance holding company that was formed in 2004. Commercial Holdings has virtually no expenses, and revenue is solely from dividends from its subsidiaries and any gain/loss on the investments in subsidiaries.

United Financial Casualty Company (UFCC)

United Financial Casualty Company, a property casualty insurer domiciled in Ohio, provides administrative services through affiliated agreements (discussed below). As of December 31, 2017, the audited financial statements of UFCC reported assets of $3.3 billion, liabilities of $2.6 billion, and policyholders' surplus of $722 million. Operations for 2017 produced net income of $119 million on premium earned of $2.1 billion.

Agreements with Affiliates

1. Type: Consolidated Tax Allocation Agreement

   Parties: Artisan along with other members of the Progressive holding company system

   Effective: August 1, 2005

   Terms: The agreement establishes that an estimated consolidated tax liability will be computed quarterly for The Progressive Corporation, with each member company's recoverable or payable equal to the amount that the member company would have reported on a nonconsolidated basis. Settlements are to be made within 90 days of each quarter in which The Progressive Corporation is required to make a federal income tax estimated payment.

2. Type: Cash Management Agreement

Parties: Artisan, Progressive Casualty Insurance Company (Casualty) and other Progressive affiliates

Effective: January 1, 1998

Terms: All cash receipts or disbursements attributable to Artisan and the other affiliates named in the agreement are deposited in or withdrawn from a centralized account (Cashier Account) that is managed by Casualty. Pursuant to the terms of the agreement, Artisan has a balance in this account that reflects its claim against or obligation to the Cashier Account. Casualty provides Artisan with monthly statements that show the month-end balances. Account balances are considered loans and interest is payable to or receivable from the company's account depending on the balance. The provisions of an Interest Agreement to which Artisan is a party govern the rate of interest. Each participant to the agreement receives a quarter-end balance that represents a net amount against any other intercompany transaction. Settlements are to be in cash or readily marketable securities valued at market value.

3. Type: Interest Agreement

Parties: Artisan, Progressive Casualty Insurance Company and other Progressive affiliates

Effective: The company became a party to this agreement on October 15, 1980, retroactive to January 1, 1980. The original effective date of the agreement was January 1, 1977.

Terms: This agreement establishes the variable interest rate that governs each entity's participation in Casualty's Cashier Account as noted in the Cash Management Agreement in #2 above. Interest is to be computed at the prevailing 90-day U.S. Treasury bill rate on the last day of each month rounded to the nearest quarter of a percent.

4. Type: Investment Services Agreement

Parties: Artisan along with other participating affiliates and Progressive Capital Management Corp. (Progressive Capital). Progressive Capital was formerly known as PPLP Corporation, then Progressive Partners, Inc., until it changed its name to that currently used on June 8, 1998.

Effective: July 16, 1992, as subsequently amended

Terms: Progressive Capital provides investment management services to members of the Progressive holding company system named in the agreement. The agreement requires each of the participating companies to reimburse Progressive Capital for an equitable portion of the costs and expenses it incurs in providing its services. Progressive Capital does not charge any additional management fees to the participating companies.

5. Type: Joint Servicing (Cost Allocation) Agreement

Parties: Artisan and United Financial Casualty Company

Effective: January 1, 2005

Terms: Artisan provides UFCC with underwriting and loss adjustment services for specific business produced, and UFCC provides Artisan with similar services for other specific business provided. In exchange for these services, the companies charge management fees based on each company's use of the other's services.

6. Type: General Agency Agreement

   Parties: Artisan and Progressive Advantage Agency, Inc. (Agency) and other Progressive affiliates

   Effective: October 1, 2007

   Terms: Agency will act as participating companies' respective general agent in the states of California, Kentucky, Louisiana, Washington, and other such states as the parties may agree upon.

7. Type: Producers Agreement

   Parties: Artisan and Progressive Auto Pro Insurance Agency and other Progressive affiliates

   Effective: December 1, 1998

   Terms: Progressive Auto Pro Insurance Agency will act as an insurance agency for the participating companies with respect to Florida business.

V. REINSURANCE

The company's only significant reinsurance contract is a quota share reinsurance agreement with UFCC, whereby the company cedes 90% of its premiums, loss, loss adjustment, and underwriting expenses to UFCC. The contract contains proper insolvency provisions.

Affiliated Ceding Contracts

1.	Type:	Quota Share
	Reinsurer:	United Financial Casualty Company
	Scope:	Personal and commercial automobile lines insurance (including motorcycle, motor home, travel trailer, boat, and camper) issued by the company
	Retention:	10% of all paid losses, less salvage and subrogation, and loss adjustment expenses
	Coverage:	90% of all paid losses, less salvage and subrogation, and loss adjustment expenses
	Premium:	90% of net written premium
	Commissions:	90% of net operating expenses
	Effective date:	January 1, 2005
	Termination:	Agreement shall be in continuous force and effect until terminated. Either party can terminate agreement by giving 90 days' prior written notice.

VI. FINANCIAL DATA

The following financial statements reflect the financial condition of the company as reported to the Commissioner of Insurance in the December 31, 2017, annual statement. Also included in this section are schedules that reflect the growth of the company, NAIC Insurance Regulatory Information System (IRIS) ratio results for the period under examination, and the compulsory and security surplus calculation.

Artisan and Truckers Casualty Company
Assets
As of December 31, 2017

	Assets	Nonadmitted Assets	Net Admitted Assets
Bonds	$141,721,868	$	$141,721,868
Cash, cash equivalents, and short-term investments	770,173		770,173
Investment income due and accrued	691,561		691,561
Premiums and considerations:			
Uncollected premiums and agents' balances in course of collection	15,517,016	1,355,267	14,161,749
Deferred premiums, agents' balances, and installments booked but deferred and not yet due	106,547,471		106,547,471
Reinsurance:			
Amounts recoverable from reinsurers	79,121,574		79,121,574
Net deferred tax asset	1,595,584	6,472	1,589,112
Receivable from parent, subsidiaries, and affiliates	1,611,286		1,611,286
Write-ins for other than invested assets:			
Prepaid Expenses	9,446	9,446	
Miscellaneous Other Assets	5,472	5,472	
Total Assets	$347,591,451	$1,376,657	$346,214,794

Artisan and Truckers Casualty Company
Liabilities, Surplus, and Other Funds
As of December 31, 2017

Losses		$ 26,246,129
Loss adjustment expenses		4,076,154
Commissions payable, contingent commissions, and other similar charges		1,913,713
Other expenses (excluding taxes, licenses, and fees)		147,736
Taxes, licenses, and fees (excluding federal and foreign income taxes)		775,931
Current federal and foreign income taxes		621,112
Unearned premiums		20,848,896
Advance premium		4,273,892
Ceded reinsurance premiums payable (net of ceding commissions)		200,642,519
Drafts outstanding		17,509,243
Write-ins for liabilities:		
State Plan Liability		3,535,805
Other Liabilities		17,744
Escheatable Property		1,957
Total Liabilities		280,610,831
Common capital stock	$ 2,000,000	
Gross paid in and contributed surplus	45,466,197	
Unassigned funds (surplus)	18,137,766	
Surplus as Regards Policyholders		65,603,963
Total Liabilities and Surplus		$346,214,794

Artisan and Truckers Casualty Company
Summary of Operations
For the Year 2017

Underwriting Income		
Premiums earned		$49,606,523
Deductions:		
Losses incurred	$30,383,516	
Loss adjustment expenses incurred	4,533,040	
Other underwriting expenses incurred	9,694,705	
Total underwriting deductions		44,611,261
Net underwriting gain (loss)		4,995,262
Investment Income		
Net investment income earned	2,464,848	
Net realized capital gains (losses)	(15,659)	
Net investment gain (loss)		2,449,189
Other Income		
Net gain (loss) from agents' or premium balances charged off	(236,428)	
Finance and service charges not included in premiums	5,875,966	
Write-ins for miscellaneous income:		
Interest Income on Intercompany Balances	273,127	
Miscellaneous Other Income	29,526	
Interest Expense on Premium Refunds	(22,645)	
Summary of remaining write-ins for Line 14 from overflow page	(5,288,370)	
Total other income		631,176
Net income (loss) after dividends to policyholders but before federal and foreign income taxes		8,075,627
Federal and foreign income taxes incurred		2,832,907
Net Income		$ 5,242,720

Artisan and Truckers Casualty Company
Cash Flow
For the Year 2017

Premiums collected net of reinsurance			$55,903,701
Net investment income			3,103,694
Miscellaneous income			637,302
Total			59,644,697
Benefit- and loss-related payments		$32,200,851	
Commissions, expenses paid, and aggregate write-ins for deductions		13,821,465	
Federal and foreign income taxes paid (recovered)		2,512,348	
Total deductions			48,534,664
Net cash from operations			11,110,033
Proceeds from investments sold, matured, or repaid:			
Bonds	$53,033,963		
Net gains (losses) on cash, cash equivalents, and short-term investments	(1,857)		
Total investment proceeds		53,032,106	
Cost of investments acquired (long-term only):			
Bonds		79,821,209	
Net cash from investments			(26,789,103)
Cash from financing and miscellaneous sources:			
Dividends to stockholders		1,500,000	
Other cash provided (applied)		(2,336,546)	
Net cash from financing and miscellaneous sources			(3,836,546)
Reconciliation:			
Net Change in Cash, Cash Equivalents, and Short-Term Investments			(19,515,616)
Cash, cash equivalents, and short-term investments:			
Beginning of year			20,285,789
End of Year			$ 770,173

Artisan and Truckers Casualty Company
Compulsory and Security Surplus Calculation
December 31, 2017

Assets		$346,214,794
Less liabilities		280,610,831
Adjusted surplus		65,603,963
Annual premium:		
Lines other than accident and health	$519,330,414	
Factor	12.5%	
Compulsory surplus (subject to a minimum of $2 million)		64,916,301
Compulsory Surplus Excess (Deficit)		$ 687,662
Adjusted surplus (from above)		$ 65,603,963
Security surplus (140% of compulsory surplus, factor reduced 1% for each $33 million in premium written in excess of $10 million, with a minimum factor of 110%)		81,145,376
Security Surplus Excess (Deficit)		$ (15,541,413)

* Pursuant to an order placed on the company, compulsory surplus is the greater of:

(a) $3,000,000; or
(b) 12.5% of direct premium written plus nonaffiliated assumed premium during the previous 12 months; or
(c) 33 1/3 % of net premium written during the previous 12 months.

Compulsory surplus is the amount of surplus that an insurer is required to have in order not to be financially hazardous under s. 645.41 (4), Wis. Stat. An insurer must comply with investment restrictions and permitted classes of investments in meeting required reserves and compulsory and security surplus. Security surplus is not required beyond its use as a standard in investment regulation.

Artisan and Truckers Casualty Company
Analysis of Surplus
For the Five-Year Period Ending December 31, 2017

The following schedule details items affecting surplus during the period under examination as reported by the company in its filed annual statements:

	2017	2016	2015	2014	2013
Surplus, beginning of year	$62,661,410	$58,549,485	$57,078,026	$51,345,942	$47,338,605
Net income	5,242,720	6,003,325	4,776,664	3,341,032	1,307,807
Change in net deferred income tax	(903,637)	205,765	80,164	44,215	60,478
Change in nonadmitted assets	103,470	(97,165)	14,631	46,837	39,052
Surplus adjustments:					
Paid in				2,300,000	2,600,000
Dividends to stockholders	(1,500,000)	(2,000,000)	(3,400,000)		
Surplus, End of Year	$65,603,963	$62,661,410	$58,549,485	$57,078,026	$51,345,942

Artisan and Truckers Casualty Company
Insurance Regulatory Information System
For the Five-Year Period Ending December 31, 2017

The company's NAIC Insurance Regulatory Information System (IRIS) results for the period under examination are summarized below. Unusual IRIS results are denoted with asterisks and discussed below the table.

	Ratio	2017	2016	2015	2014	2013
#1	Gross Premium to Surplus	792%	770%	762%	770%	780%
#2	Net Premium to Surplus	79	77	76	77	78
#3	Change in Net Premiums Written	8	8	1	10	9
#4	Surplus Aid to Surplus	0	0	0	0	0
#5	Two-Year Overall Operating Ratio	82	85	87	92	96
#6	Investment Yield	1.8*	1.5*	1.6*	1.3*	1.3*
#7	Gross Change in Surplus	5	7	3	11	8
#8	Change in Adjusted Surplus	5	7	3	7	3
#9	Liabilities to Liquid Assets	122*	122*	118*	126*	122*
#10	Agents' Balances to Surplus	22	22	21	21	21
#11	One-Year Reserve Development to Surplus	1	-3	-2	1	2
#12	Two-Year Reserve Development to Surplus	-3	-3	0	3	5
#13	Estimated Current Reserve Deficiency to Surplus	0	-4	-4	2	-2

Ratio No. 6 is a measure of the company's investment yield. The company had exceptional results for Ratio No. 6 for all five years of the exam cycle due to the continued low-interest-rate environment for the bond market, along with the company's conservative investment policy.

Ratio No. 9 is a measure of the insurer's ability to meet the financial demands (it also provides a rough indication of the possible implications for policyholders if liquidation becomes necessary). The company had exceptional results for all five years of the exam period. This ratio reflects the fact that the company participates in a 90/10 quota share reinsurance agreement with UFCC (significant reinsurance recoverables from UFCC are not counted as liquid assets in this calculation).

Growth of Artisan and Truckers

Year	Admitted Assets	Liabilities	Surplus as Regards Policyholders	Net Income
2017	$346,214,794	$280,610,831	$65,603,963	$5,242,720
2016	324,222,591	261,561,181	62,661,410	6,003,325
2015	300,529,756	241,980,271	58,549,485	4,776,664
2014	292,516,281	235,438,255	57,078,026	3,341,032
2013	263,156,003	211,810,061	51,345,942	1,307,808
2012	250,957,273	203,618,668	47,338,605	256,314

Year	Gross Premium Written	Net Premium Written	Premium Earned	Loss and LAE Ratio	Expense Ratio	Combined Ratio
2017	$519,330,414	$51,849,505	$49,606,523	70.4%	17.5%	87.9%
2016	482,213,910	48,151,573	46,499,006	70.2	17.3	87.5
2015	445,991,705	44,528,293	44,151,310	71.7	17.8	89.5
2014	439,779,228	43,905,877	42,483,345	73.5	17.8	91.3
2013	400,674,073	40,011,920	39,135,617	80.3	18.1	98.4
2012	368,902,459	36,843,189	34,457,126	79.8	18.5	98.3

The company has grown significantly since the prior examination. Of the direct premium written during 2017, 61.4% was in the state of Wisconsin. The direct premium written in the state of Wisconsin progressed as follows:

Year	Direct Premium Written in WI
2012	$228.0 million
2013	249.5 million
2014	264.8 million
2015	272.4 million
2016	293.1 million
2017	318.9 million

Reconciliation of Surplus per Examination

No adjustments were made to surplus as a result of the examination. The amount of surplus reported by the company as of December 31, 2017, is accepted.

VII. SUMMARY OF EXAMINATION RESULTS

Compliance with Prior Examination Report Recommendations

There was one specific comment and recommendation in the previous examination report, as follows:

1. Compulsory Surplus Stipulation and Order—It is recommended that the company assess its capital needs proactively, and obtain capital contributions quarterly as needed, in order to maintain compliance with the compulsory surplus order on the company.

   Action—Compliance.

Summary of Current Examination Results

The current examination resulted in no adverse comments or recommendations.

VIII. CONCLUSION

The company was incorporated on August 12, 1994, under the laws of the state of Florida as Preferred Consumers Insurance Company. On January 1, 2005, ownership of the company was transferred from Drive Insurance Holdings, Inc., to Progressive Commercial Holdings, Inc. The company redomesticated on May 19, 2006, from Florida to Wisconsin, and changed its name to the one presently used on June 15, 2006.

The company does not have any employees or facilities. Management, operations, and claims services are provided under a joint management services agreement with UFCC. The company cedes a 90% quota share of its business to UFCC. In exchange for these services, the companies charge management fees based on each company's use of the other's services. Tax allocations are established in accordance with a written federal income tax allocation agreement.

The previous examination of Artisan and Truckers Casualty Company resulted in one recommendation and no adjustments to surplus. The current examination resulted in no recommendations and no adjustments to surplus. The amount of surplus reported by the company as of December 31, 2017, is accepted.

IX. SUMMARY OF COMMENTS AND RECOMMENDATIONS

The current examination resulted in no adverse comments or recommendations.

X. ACKNOWLEDGMENT

The courtesy and cooperation extended during the course of the examination by the officers and employees of the company are acknowledged.

In addition to the undersigned, the following representatives of the Office of the Commissioner of Insurance, State of Wisconsin, participated in the examination:

Name	**Title**
David A. Jensen, CFE	IT Specialist

Respectfully submitted,

John E. Pollock
Examiner-in-Charge