

Report of the Examination of  
Artisan and Truckers Casualty Company  
Cleveland, Ohio  
As of December 31, 2022

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April 26, 2024

Honorable Nathan D. Houdek  
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 2018 as of December 31, 2017. The current examination covered the intervening period ending December 31, 2022, and included a review of such subsequent 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.

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 concerning the alternative or additional examination steps performed during 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 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, Progressive Agency Holdings, Inc. On January 1, 2005, ownership of the company was transferred from Progressive Agency 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 2022, the company wrote direct premium in the following states:

Wisconsin	\$477,255,690	36.9%
Oregon	323,415,934	25.0
Illinois	298,047,335	23.0
Colorado	170,258,415	13.1
Wyoming	<u>26,032,597</u>	<u>2.0</u>
Total	<u>\$ 1,295,009,972</u>	<u>100.0%</u>

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, commercial lines, and property insurance in Wisconsin, personal lines in Oregon, and commercial lines insurance in several other 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, written in Wisconsin and Oregon. 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 company's property business includes renters and manufactured home insurance. The following table is a summary of the net insurance premiums written by the company in 2022. The growth of the company is discussed in the "Financial Data" section of this report.

<b>Line of Business</b>	<b>Direct Premium</b>	<b>Reinsurance Assumed</b>	<b>Reinsurance Ceded</b>	<b>Net Premium</b>
Homeowners multiple peril	\$ 6,157,854	\$	\$ 5,548,247	\$ 609,607
Commercial multiple peril (non-liability portion)	824,548		743,998	80,550
Commercial multiple peril (liability portion)	3,508,365		3,161,133	347,231
Inland marine	48,415,916		43,574,325	4,841,591
Other liability – occurrence	11,514,961		10,366,916	1,148,045
Other liability – claims made	72,981		72,981	0
Private passenger auto no-fault (personal injury)	26,350,956		23,715,861	2,635,096
Other private passenger auto liability	321,323,519		289,191,163	32,132,355
Commercial auto no-fault (personal injury)	2,457,406		2,211,665	245,741
Other commercial auto liability	436,597,233		393,073,217	43,524,016
Private passenger auto physical damage	254,013,102		228,611,790	25,401,313
Commercial auto physical damage	<u>183,773,131</u>	<u>—</u>	<u>165,395,818</u>	<u>18,377,313</u>
<b>Total All Lines</b>	<b><u>\$1,295,009,972</u></b>	<b><u>\$0</u></b>	<b><u>\$1,165,667,116</u></b>	<b><u>\$129,342,857</u></b>

### 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:

<b>Name and Residence</b>	<b>Principal Occupation</b>	<b>Term Expires</b>
Patricia Onody Bemer Highland Heights, Ohio	Senior HR Business Leader The Progressive Group of Insurance Companies	2024
Patrick Lawrence O'Malley Kirtland, Ohio	Business Leader – Commercial Lines Regional Marketing The Progressive Group of Insurance Companies	2024
Cory Whitehead Fischer Russell, Ohio	Business Leader – Agency Distribution The Progressive Group of Insurance Companies	2024
Jochen Gerwin Schunter Highland Heights, Ohio	Business Leader – Commercial Lines Product Development The Progressive Group of Insurance Companies	2024
Michael John Miller Rocky River, Ohio	Business Leader – Commercial Lines Regional Marketing The Progressive Group of Insurance Companies	2024

#### Officers of the Company

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

<b>Name</b>	<b>Office</b>
Patrick Lawrence O'Malley	President
Cory Whitehead Fischer	Treasurer
Patricia Mitchell Corwin	Secretary
Margaret Ann Rose	Assistant Secretary
Patricia Onody Bemer	Vice President
Matthew David Kamer	Vice President
Kevin Peter Maher	Vice President

## **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**

Michael John Miller, Chair  
Patrick Lawrence O'Malley  
Patricia Onody Bemer  
Jochen Gerwin Schunter

### **Investment Committee**

Jochen Gerwin Schunter, Chair  
Michael John Miller  
Patrick Lawrence O'Malley  
Patricia Onody Bemer

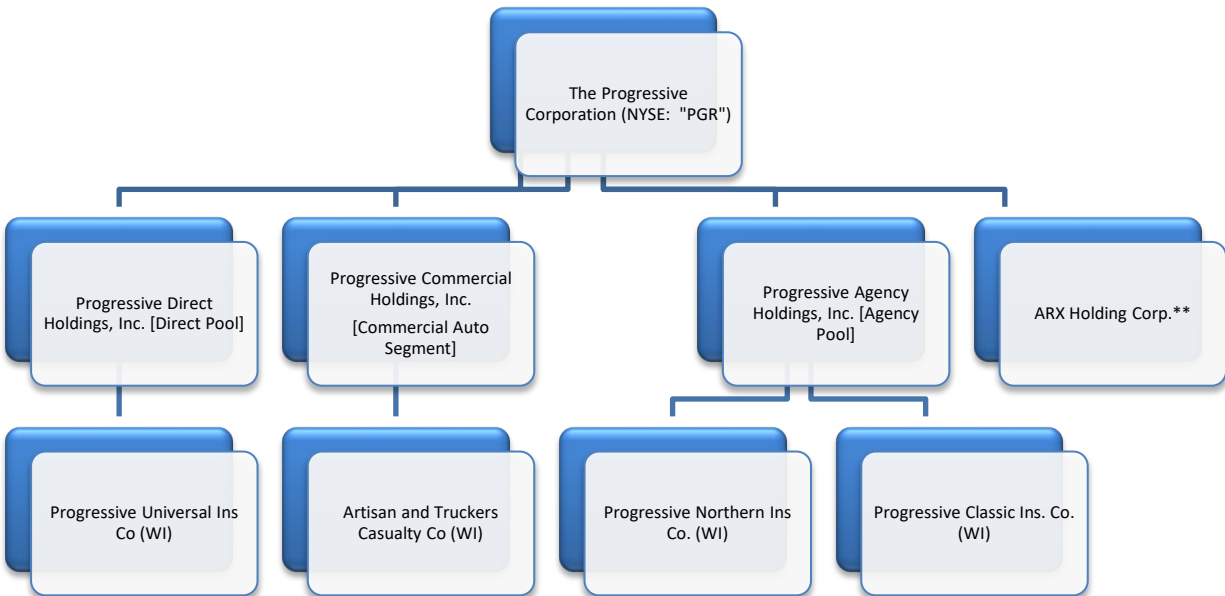


#### IV. AFFILIATED COMPANIES

Artisan and Truckers Casualty Company 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 Progressive Agency Holdings, Inc.). Below is an abbreviated organizational chart that 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, 2022



### **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, 2022, the audited financial statements of TPC reported assets of \$ 75,465 million, liabilities of \$ 59,574 million, and shareholders' equity of \$ 15,891 million. Operations for 2022 produced a net income of \$ 721.5 million.

### **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, 2022, the audited financial statements of UFCC reported assets of \$8,692,188,162, liabilities of \$6,880,634,580, and capital and surplus of \$ 1,811,553,582. Operations for 2022 produced a net income of \$420,841,556.

### **Agreements with Affiliates**

1. Type: Consolidated Tax Allocation Agreement

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

Effective: Amended and Restated as of June 1, 2021

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 30 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 in 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, Amended and Restated as of March 1, 2023  
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: The 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 reinsurance portfolio and strategy at the time of the examination are described below. A list of the companies that have a significant amount of reinsurance in force at the time of the examination follows. The contracts contained proper insolvency provisions.

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:	The agreement shall be in continuous force and effect until terminated. Either party can terminate the agreement by giving 90 days' prior written notice.

### Nonaffiliated Ceding Contracts

1. Type:	Umbrella Excess of Loss
Reinsurer:	Employers Mutual Casualty Company 15%
	Waypoint Underwriting Management LLC On Behalf of Accident Fund Insurance Company Of America 15%
	Waypoint Underwriting Management LLC On Behalf of Insurance Company of the West 15%
	Swiss Re 55%

Scope:	Reinsurance of the excess liability under the Personal Umbrella Liability for coverages required for non-resident drivers under the motor vehicle financial responsibility law or the motor vehicle compulsory insurance law following the provisions of the Company's Policies when they include or are deemed to include so-called "Out of State Insurance" provisions
Retention:	\$1,000,000
Coverage:	Each Loss Occurrence, Each Insured \$ 4,000,000 in excess of \$1,000,000 Maximum Liability - \$ 16,000,000
Premium:	Premium Rate 5.75% Deposit Premium \$ 1,289,155 Minimum Premium (80%) \$ 1,031,324
Effective date:	January 1, 2022, through January 1, 2023
Termination:	The Company may terminate the share of the Reinsurer at any time, either during the term or after the expiration of this Contract, by giving written notice to the Reinsurer in the event the Reinsurer experiences one or more Special Termination Event(s). The effective date of termination shall be the date selected by the Company, which may be a date that is retroactively applied up to a maximum of 90 days prior to the earliest of either the date of public announcement or the date of discovery, as applicable, of the Reinsurer experiencing one or more Special Termination Event(s), subject to the condition that such selected date must be the last day of a calendar month.

The company has Allocation Agreement (Umbrella XOL) with several affiliates and Waypoint Underwriting Management LLC for and on behalf of Insurance Company of the West, with respect to the Umbrella Excess of Loss Reinsurance Contract, for the period January 1, 2021, to January 1, 2022, and any renewals thereof. The Umbrella XOL Contract applies for any liability exceeding \$16,000,000 for all losses occurring during any term of the Umbrella XOL Contract. Each party to the contract is responsible for a portion of that excess liability.

## **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, 2022, annual statement. Adjustments made as a result of the examination are noted at the end of this section in the area captioned "Reconciliation of Surplus per Examination." Also included in this section are schedules that reflect the growth of the company and the compulsory and security surplus calculation.

**Artisan and Truckers Casualty Company**  
**Assets**  
**As of December 31, 2022**

	<b>Assets</b>	<b>Nonadmitted Assets</b>	<b>Net Admitted Assets</b>
Bonds	\$384,804,400	\$	\$384,804,400
Investment income due and accrued	2,178,140		2,178,140
Premiums and considerations:			
Uncollected premiums and agents' balances in course of collection	37,190,887	4,226,678	32,964,209
Deferred premiums, agents' balances, and installments booked but deferred and not yet due	283,672,788		283,672,788
Accrued retrospective premiums and contracts subject to redetermination			
Reinsurance:			
Amounts recoverable from reinsurers	176,518,712		176,518,712
Net deferred tax asset	4,386,624	13,011	4,373,613
Receivable from parent, subsidiaries, and affiliates	4,350,034		4,350,034
Write-ins for other than invested assets:			
State Tax Credits	100		100
Prepaid Expenses	60,776	60,776	
Miscellaneous Other Assets	<u>2,250</u>	<u>2,250</u>	<u>          </u>
Total Assets	<u>\$893,164,711</u>	<u>\$4,302,715</u>	<u>\$888,861,996</u>



**Artisan and Truckers Casualty Company**  
**Liabilities, Surplus, and Other Funds**  
**As of December 31, 2022**

Losses		\$ 55,160,483
Loss adjustment expenses		7,380,839
Commissions payable, contingent commissions, and other similar charges		2,019,316
Other expenses (excluding taxes, licenses, and fees)		368,066
Taxes, licenses, and fees (excluding federal and foreign income taxes)		956,797
Current federal and foreign income taxes		1,223,717
Unearned premiums		53,478,486
Advance Premium		10,304,849
Ceded reinsurance premiums payable (net of ceding commissions)		506,882,396
Drafts outstanding		44,619,525
Write-ins for liabilities:		
State Plan Liability		32,459,661
Escheatable property		197,558
Other Liabilities		30,093
Overflow Page		<u>981</u>
Total Liabilities		<u>\$715,082,767</u>
Common capital stock	\$ 2,000,000	
Gross paid in and contributed surplus	83,466,197	
Unassigned funds (surplus)	<u>88,313,032</u>	
Surplus as Regards Policyholders		<u>173,779,229</u>
Total Liabilities and Surplus		<u>\$888,861,996</u>

**Artisan and Truckers Casualty Company  
Summary of Operations  
For the Year 2022**

**Underwriting Income**

Premiums earned		\$125,817,690
Deductions:		
Losses incurred	74,763,819	
Loss adjustment expenses incurred	9,253,193	
Other underwriting expenses incurred	<u>25,054,006</u>	
Total underwriting deductions		<u>109,071,018</u>
Net underwriting gain (loss)		16,746,672

**Investment Income**

Net investment income earned	6,078,144	
Net realized capital gains (losses)	<u>(242,706)</u>	
Net investment gain (loss)		5,835,438

**Other Income**

Net gain (loss) from agents' or premium balances charged off	(797,405)	
Finance and service charges not included in premiums	9,924,938	
Write-ins for miscellaneous income:		
Interest income (expense) on intercompany balances	2,004,755	
Gains on Transferable Tax Credits	143,682	
Miscellaneous Other Income	(1,034)	
Interest Expense on Premium Refunds	(5,212)	
Finance and Service Charge Revenue Ceded	<u>(8,932,444)</u>	
Total other income		<u>2,337,280</u>
Net income (loss) after dividends to policyholders but before federal and foreign income taxes		24,919,390
Federal and foreign income taxes incurred		<u>5,581,470</u>
Net Income (Loss)		<u>\$ 19,337,920</u>

**Artisan and Truckers Casualty Company**  
**Cash Flow**  
**For the Year 2022**

Premiums collected net of reinsurance		\$139,492,018
Net investment income		5,773,806
Miscellaneous income		<u>2,377,676</u>
Total		147,643,500
Benefit- and loss-related payments	97,278,596	
Commissions, expenses paid, and aggregate write-ins for deductions	35,535,062	
Federal and foreign income taxes paid (recovered)	<u>5,321,226</u>	
Total deductions		<u>138,134,884</u>
Net cash from operations		9,508,616
Proceeds from investments sold, matured, or repaid:		
Bonds	<u>82,639,018</u>	
Total investment proceeds	82,639,018	
Cost of investments acquired (long- term only):		
Bonds	<u>114,110,571</u>	
Total investments acquired	<u>114,110,571</u>	
Net cash from investments		(31,471,553)
Cash from financing and miscellaneous sources:		
Other cash provided (applied)	<u>21,962,937</u>	
Net cash from financing and miscellaneous sources		<u>21,962,937</u>
<b>Reconciliation:</b>		
Net Change in Cash, Cash Equivalents, and Short-Term Investments		0
Cash, cash equivalents, and short-term investments:		
Beginning of year		<u>0</u>
End of Year		<u>\$ 0</u>

**Artisan and Truckers Casualty Company  
Compulsory and Security Surplus Calculation  
December 31, 2022**

Assets	\$888,861,996
Less liabilities	<u>715,082,767</u>
Adjusted surplus	173,779,229
Compulsory surplus (subject to a minimum of \$2 million)	<u>161,876,247</u>
Compulsory Surplus Excess (Deficit)	<u>\$ 11,902,982</u>
Adjusted surplus (from above)	\$173,779,229
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%)	<u>221,770,458</u>
Security Surplus Excess (Deficit)	<u>\$ (47,991,229)</u>

\* 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 5-Year Period Ending December 31, 2022**

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

	2022	2021	2020	2019	2018
Surplus, beginning of year	\$156,156,326	\$105,617,581	\$91,137,449	\$77,039,761	\$65,603,963
Net income	19,337,920	13,646,272	15,612,033	12,278,124	10,480,865
Change in net unrealized capital gains/losses	(825,495)				
Change in net deferred income tax	354,484	871,836	705,216	311,559	328,510
Change in non-admitted assets	(1,244,006)	1,020,637	(1,837,167)	(491,945)	(373,577)
Surplus adjustments: Paid in		35,000,000		2,000,000	1,000,000
Surplus, End of Year	<u>\$173,779,229</u>	<u>\$156,156,326</u>	<u>\$105,617,581</u>	<u>\$91,137,499</u>	<u>\$77,039,761</u>

**Growth of Artisan and Truckers Casualty Company**

Year	Admitted Assets	Liabilities	Surplus as Regards Policyholders	Net Income
2022	\$888,861,996	\$715,082,767	\$173,779,229	\$19,337,920
2021	804,483,185	648,326,859	156,156,326	13,646,272
2020	548,458,701	442,841,120	105,617,581	15,612,033
2019	474,389,921	383,252,422	91,137,499	12,278,124
2018	408,154,862	331,115,101	77,039,761	10,480,865
2017	346,214,794	280,610,831	65,603,963	5,242,720

Year	Gross Premium Written	Net Premium Written	Premium Earned	Loss and LAE Ratio	Expense Ratio	Combined Ratio
2022	\$1,295,009,972	\$129,342,857	\$125,817,690	66.8%	17.6%	84.4%
2021	1,183,197,821	118,209,507	102,462,720	66.2	18.2	84.4
2020	784,683,127	78,387,814	72,936,137	58.4	21.9	80.3
2019	701,422,920	70,030,985	66,580,163	64.8	18.9	83.7
2018	612,911,187	61,183,660	56,728,525	62.5	17.7	80.2
2017	519,330,414	51,849,505	49,606,523	70.4	17.5	87.9

During the period under examination, Artisan and Truckers Insurance Company reported a 156.7% increase in assets, a 154.8 % increase in liabilities, and a 165% increase in surplus. The company remained profitable and financially stable despite the natural catastrophes, the COVID-19 pandemic, and the increasing cost of insurance losses. The company reported steady net income since 2017, which doubled as of the end of 2022 at \$19,337,920. The loss and LAE ratio remained in a stable range and was at its lowest in 2020 at 58.4% to offset the highest expense ratio of 21.9% in that year, resulting in a combined ratio of 80.3%, which was at the lowest in its range within the examined period. In 2022, the combined ratio was 84.4% compared to the industry average of 102.5%, according to the NAIC U.S. Property & Casualty Industry Report published on the NAIC website.

**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, 2022, is accepted.

## **VII. SUMMARY OF EXAMINATION RESULTS**

### **Compliance with Prior Examination Report Recommendations**

There were no specific comments or suggestions in the previous examination report.

### **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 Progressive Agency 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 no 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, 2022, is accepted.

**IX. ACKNOWLEDGMENT**

The courtesy and cooperation extended by the officers and employees of the company during the course of the examination 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:

<b>Name</b>	<b>Title</b>
Takoda Boyd	Insurance Financial Examiner
Nick Hartwig, AFE	Quality Control Specialist
Jerry DeArmond, CFE	Reserve Specialist

Respectfully submitted,

*SLA. Careaga*

Ana Careaga  
Examiner-in-Charge