BEFORE JAMES A. DODRILL, INSURANCE COMMISSIONER
OF THE STATE OF WEST VIRGINIA

In the Matter of:

SUMMITPOINT INSURANCE COMPANY (NAIC#15136)

ADMINISTRATIVE PROCEEDING NO. 20-AP-FINCON-02008

AGREED ORDER ADOPTING REPORT OF FINANCIAL EXAMINATION
AND DIRECTING ACTION

COMES NOW James A. Dodrill, Insurance Commissioner of the State of West Virginia (hereinafter the "Insurance Commissioner"), and issues this Order which adopts the REPORT OF FINANCIAL EXAMINATION as of December 31, 2018, of SUMMITPOINT INSURANCE COMPANY (hereinafter referred to as "Company") based upon the following findings, to wit:

JURISDICTION

1. The Insurance Commissioner is charged with the duty of administering and enforcing the provisions of Chapter 33 of the *West Virginia Code* of 1931, as amended.

2. The Company is organized pursuant to provisions of Chapter 33 of the *West Virginia Code*.

3. The Company is a multi-state, West Virginia domiciled, stock insurance company that exclusively writes workers' compensation insurance. The Company was incorporated on January 15, 2013, and commenced business on May 10, 2013. The Company, as a subsidiary of BrickStreet Mutual Insurance Company ("BMIC"), was added to the BrickStreet Group ("Group") to enhance the overall "BrickStreet" product platform and enable the Group to compete on a broad range of business opportunities and offer more pricing flexibility. The goal of this subsidiary is to be licensed in all states in which BMIC is licensed, and to offer non-tiered products in the states that do not allow the tiered products offered by BMIC. The Company was a 2% participant in the Group's

pool.

4. The Company, along with the other members of the Group, specializes in being a mid to large account workers' compensation carrier with expertise in coal, oil and gas, manufacturing, construction, and healthcare. The Company writes the preferred rate tier for the Group

5. On April 24, 2017, BMIC finalized an "affiliation" with Motorists Mutual Insurance Company ("Motorists Mutual"), an Ohio domiciled mutual insurance company, whereby Motorists Mutual became the controlling entity of BMIC and its subsidiaries by virtue of Motorists Mutual's ability to direct or cause the direction of management and policies of BrickStreet and its subsidiaries. Prior to its affiliation with BrickStreet and its subsidiaries, Motorists Mutual was collectively referred to as the Motorists Insurance Group.

FINDINGS OF FACT

1. An examination of the financial condition and operational affairs of the Company, for the period beginning January 1, 2018, and ending December 31, 2018, was conducted in accordance with *Code* §33-2-9(c) by the Insurance Commissioner.

2. On April 3, 2020, the examiner filed a Report of Financial Examination with the Insurance Commissioner pursuant to *Code* § 33-2-9(j)(2). A copy of the Report of Financial Examination is attached hereto as Exhibit A and incorporated herein as if set forth in full.

3. On or about May 22, 2020, a true and accurate copy of the Report of Financial Examination was sent to, and received via e-mail by, Thomas J. (TJ) Obrokta, Jr. A copy of the letter dated May 22, 2020 which accompanied the Report of Financial Examination, is attached hereto as Exhibit B.

4. Pursuant to *Code* § 33-2-9(j)(2), the Company was notified and afforded a period of thirty (30) days after receipt of the Report of Financial Examination within which to make a submission, rebuttal or objection concerning any matter contained in the Report.

5. By letter dated May 26, 2020, management of the Company indicated that they had reviewed the Report of Financial Examination and concurred with the findings of the examination. A copy of the Company's letter of May 26, 2020, is attached hereto as Exhibit C.

CONCLUSIONS OF LAW

1. *Code* § 33-2-9(j)(2) provides that no later than sixty (60) days following completion of the examination, the examiner in charge shall file with the Insurance Commissioner a verified, written Report of Financial Examination under oath and, upon receipt of the verified report, the Insurance Commissioner shall transmit the Report of Financial Examination to the Company with a notice that shall afford the Company a reasonable opportunity of not more than thirty (30) days to make a written submission or rebuttal.

2. *Code* § 33-2-9(j)(3) provides that within thirty (30) days of the end of the period allowed for the receipt of written submissions or rebuttals the Insurance Commissioner shall fully consider and review the Report of Financial Examination, together with any written submissions or rebuttals and shall enter an ORDER adopting the Report of Financial Examination as filed or with modifications or corrections, enter an ORDER rejecting the Report of Financial Examination with directions to the examiners to reopen the examination or call for an investigatory hearing.

ORDER

Based upon the agreement of the parties, it is ORDERED as follows:

1. The Report of Financial Examination of the Company, attached hereto as Exhibit A, is hereby ADOPTED and APPROVED by the Insurance Commissioner.

2. A copy of this Agreed Order Adopting Report of Financial Examination and Directing Action and the Report of Financial Examination shall be mailed to the Company via certified mail, return receipt requested upon entry by the Insurance Commissioner.

3. The Company shall file with the Insurance Commissioner, within thirty (30) days of the issuance of this Agreed Order, affidavits executed by each of its directors stating under oath

that they have received a copy of the Report of Financial Examination and a copy of this Agreed Order Adopting Report of Financial Examination and Directing Action in accordance with *Code* § 33-2-9(j)(4).

4. The Company shall take whatever actions are required to comply with the recommendations set forth in the Report of Financial Examination, if any, and shall demonstrate compliance to the satisfaction of the Insurance Commissioner, if necessary.

5. The Company waives its right(s) to any notice, administrative hearing or appeal therefrom for the actions taken by the Insurance Commissioner in making this Agreed Order Adopting Report of Financial Examination and Directing Action. The Company reserves its rights to notice, administrative hearing or appeal for any future enforcement actions taken by the Commissioner that might result from this Agreed Order, if any.

6. This matter is dismissed from the administrative docket of the Insurance Commissioner.

Entered this 3rd day of June, 2020.

James A. Dodrill
West Virginia Insurance Commissioner

THE PARTIES DO SO AGREE:

OFFICES OF THE INSURANCE COMMISSIONER
STATE OF WEST VIRGINIA

By: ______________________
Greg Elam, Associate General Counsel

Dated: 5/29/2020

SUMMITPOINT INSURANCE COMPANY

By: Thomas J. Obrokta, Jr.
[Print Name]

Signed: Thomas J. Obrokta Jr.

Its: President and Chief Executive Officer

Dated: May 28, 2020

REPORT OF EXAMINATION

OF

SUMMITPOINT INSURANCE COMPANY

CHARLESTON, WV

NAIC #15136

AS OF DECEMBER 31, 2018

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SALUTATION

April 3, 2020

Charleston, West Virginia

The Honorable James A. Dodrill
West Virginia Insurance Commissioner
900 Pennsylvania Ave.
Charleston, West Virginia 25302

Pursuant to the authority vested in the West Virginia Offices of the Insurance Commissioner ("WVOIC"), as well as rules, regulations and procedures promulgated by the National Association of Insurance Commissioners ("NAIC"), an examination has been made of the administrative affairs, books, records, and financial condition of:

SummitPoint Insurance Company
400 Quarrier Street
Charleston, WV 25301

hereinafter referred to as the "Company". The following Report of Examination is respectfully submitted.

SCOPE OF EXAMINATION

The examiners have performed a multi-state financial examination of the Company. The last examination covered the period from May 10, 2013 through December 31, 2017. The examination commenced on April 19, 2019 pursuant to W.Va. Code §33-2-9(a), as amended, and covers the one-year period from January 1, 2018 through December 31, 2018. The December 31, 2018 examination of the insurance companies comprising the Encova Mutual Insurance Group ("Encova"), formerly known as the Motorists Insurance Group ("MIG") was called by the Ohio Department of Insurance ("ODI"). In order to bring the Company to the same examination cycle, the WVOIC participated in a coordinated examination of Encova. The Pennsylvania Department of Insurance ("PDI) also participated in the coordinated examination for the Pennsylvania domiciled subsidiaries AlleghenyPoint Insurance Company and NorthStone Insurance Company.

As part of the examination of the Encova affiliated companies, Thomas Botsko ACAS, MAAA, Chief P&C Actuary from the ODI led the actuarial reserving review for all the entities within Encova under exam. The examiners considered the supporting workpapers of the ODI, who also concluded that the recorded loss and LAE reserves make a reasonable provision for all outstanding liabilities as of December 31, 2018.

Examiners relied on work of IT Specialists from ODI for review of IT general controls.

The purpose of this examination is to assess the financial condition of the Company and set forth findings of fact (together with citations of pertinent laws, regulations and rules) with regard to any material adverse findings disclosed by the examination.

The general procedures of the examination followed rules and standards as set forth in the NAIC Financial Condition Examiners Handbook ("Handbook") and West Virginia Laws, Regulations, and Directives of the WVOIC. The examination was conducted to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risk within the Company and evaluating system controls and procedures used to mitigate those risks. In addition, the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with Statements of Statutory Accounting Principles ("SSAP") and annual statement instructions were assessed.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. Accordingly, planning materiality and tolerable error thresholds were based on professional judgment after considering the nature of the business written by the Company, operating results, and the Company's financial position as of December 31, 2018.

The report is presented on an exception basis. It is designed to set forth the facts with regard to any material adverse findings disclosed during the examination. If necessary, comments and recommendations have been made in those areas in need of correction or improvement. In such cases, these matters were discussed with responsible Company officials during the course of the examination.

SUMMARY OF SIGNIFICANT FINDINGS

The Company was not in compliance with W. Va. Code §33-27-5 in that the Company did not comply with the terms of the Intercompany Service and Cost Sharing Agreement ("Agreement") that was approved by the WVOIC. Specifically, the Company did not follow the terms of the Agreement in regards to the settlement of the intercompany balances, incorrect calculation and timely settlement of the intercompany balances and late calculation of intercompany balances owed and receivable. The issues were pervasive during 2018 and during the first half of 2019.

HISTORY

The Company is a multi-state, West Virginia domiciled, stock insurance company that exclusively writes workers' compensation business, was incorporated on January 15, 2013 and commenced business on May 10, 2013. The Company, as a subsidiary of BrickStreet Mutual Insurance Company ("BMIC"), was added to the BrickStreet Group to enhance the overall "BrickStreet" product platform and enable the group to compete on a broad range of business opportunities and offer more pricing flexibility. The goal of this subsidiary is to be licensed in all states that BMIC is licensed, and to offer non-tiered products in the states that do not allow the tiered products offered by BMIC.

The Company, along with the other members of the Group, specializes in being a mid to large account workers' compensation carrier with expertise in coal, oil and gas, manufacturing, construction, and healthcare. The Company writes the preferred rate tier for the Group.

On April 24, 2017, BMIC finalized an "affiliation" with Motorists Mutual Insurance Company ("Motorists Mutual"), an Ohio domiciled mutual insurance company, whereby Motorists Mutual became the controlling entity of BMIC and its subsidiaries, by virtue of Motorists Mutual's ability to direct or cause the direction of management and policies of BrickStreet and its subsidiaries. Prior to its affiliation with BrickStreet, Motorists Mutual had entered into other affiliations. The group of companies, which now included BrickStreet and its subsidiaries, was collectively referred to as the Motorists Insurance Group.

Effective January 1, 2018, the Company, its parent and other affiliates became participants in the Reinsurance Pooling Agreement with the other members of the Motorists Insurance Group ("Motorists Pool"). For additional details, refer to "Reinsurance Pooling Agreement".

Capitalization

The Company was formed with an initial capitalization of $10,000,000 through issuance of 100,000 shares of common stock, with par value of $10 per share. During 2013, the Company issued an additional 20,000 shares of common stock with par value of $10 per share, in exchange for another capital contribution of $200,000. BMIC is the sole owner of the 120,000 shares of common stock issued and outstanding. During 2018 the Company received a $15 million capital contribution from its parent, BMIC, in order to qualify for accredited reinsurer status in the State of Ohio. The Company's gross paid in capital and contributed surplus increased from $9,000,000 at December 31, 2017 to $24,000,000 as of December 31, 2018.

Dividends

The Company did not pay any stockholder dividends during the exam period.

The Company incurred $54,323 dividends to policyholders during the examination period.

Mergers/Acquisitions

There were no mergers and acquisitions during the exam period.

Significant changes in key trends

As a result of entering into the new Intercompany Pooling Agreement effective January 1, 2018, the Company's presentation of pooled premium balances has changed.

	2017 (BrickStreet Pool Only)	2018 (Motorists Pool)
Percentage of the pool	2%	0.8%
Direct Premiums Written	$38,527,669	$42,980,715
Ceded Premiums to affiliates	$38,900,741	$48,425,380
Assumed Premiums from affiliates	$7,543,197	$12,546,302
Net Premiums Written	$7,543,037	$9,276,387

MANAGEMENT AND CONTROL

BOARD OF DIRECTORS

The corporate powers of the Company are vested in the Board of Directors consisting of not less than seven nor more than twelve members in compliance with Article III, Section 1 of the Company's Bylaws and in compliance with W. Va. Code §33-5-3. The individuals serving as members of the Board of Directors on December 31, 2018 were as follows:

Name and Address	Business Affiliation	Board Member Since
William Marston Becker Jupiter, Florida	QBE Insurance Group	2009
Robert Charles Smith Cleveland, Ohio	HPM Partners	2017

Kevin Joseph Craig Hunting, West Virginia	GP Natural Resources Partners	2015
Thomas Vincent Flaherty Charleston, West Virginia	Flaherty Sensabaugh Bonasso PLLC (Law Firm)	2006
Gregory Arthur Burton Charleston, West Virginia	Executive Chairman, BrickStreet Mutual Insurance Company and Motorists Insurance Group	2006
Michael Lee Wiseman Powell, Ohio	Retired	2017
John Jacob Bishop Marco Island, Florida	Board Member, Motorist Mutual Insurance Company and BrickStreet Mutual Insurance Company	2017
David Lynn Kaufman Worthington, Ohio	CEO, Motorists Insurance Group	2017
Dennis Brendan Sullivan Simsbury, Connecticut	The Nolan Company	2017
Stephen Glenn Roberts Charleston, West Virginia	West Virginia Chamber of Commerce	2006
William Gaston Caperton III Charleston, West Virginia	Caperton Consulting	2013
Robert Lee McCracken Manitowoc, Wisconsin	McCracken Mediations	2017

OFFICERS

The regular meeting of the Board shall be held immediately after the annual meeting of shareholders, which is on the last Monday in July of each year. The officers of the Company shall be a Chief Executive Officer, a Senior Vice-President, a Treasurer and a Secretary. Officers serving as of December 31, 2018, were as follows:

Name	Title
Gregory Arthur Burton	Executive Chairman
David Lynn Kaufman	Chief Executive Officer
Thomas Joseph Obrokta, Jr.	President
James Christopher Howat	Chief Financial Officer, and Treasurer
Marchelle Elaine Moore	Corporate Secretary

COMMITTEES

Section 9 of the Bylaws provides that the Board of Directors may designate from among its members an Executive Committee and one or more other committees, each of which shall have and may exercise all the authority of the Board of Directors, except as restricted by Section 31D-8-825 of the Code of West Virginia. Each committee must have (2) two or more members who serve at the pleasure of the Board of Directors.

At December 31, 2018, the Company was in compliance with its Bylaws concerning committees. As a result of the Motorist affiliation, the Motorists Mutual committees perform the functions for all affiliates and subsidiaries in the Motorists Insurance Group including the Company's. Following are the committee members for the Audit Committee, Executive Committee, Compensation Committee, Investment Committee and Corporate Governance Committee:

Audit Committee

John J. Bishop	Yvette McGee-Brown
Kevin J. Craig	Thomas V. Flaherty
Sandra W. Harbrecht	Robert L. McCracken (Advisory)
Stephen G. Roberts (Advisory)	Steven F. White (Chair)

Executive Committee

W. Marston Becker	Thomas V. Flaherty
Robert C. Smith	John J. Bishop (Chair)

Compensation Committee

W. Marston Becker	John J. Bishop
Yvette McGee-Brown	Kevin J. Craig
Sandra W. Harbrecht	David L. Rader (Chair)
Stephen G. Roberts (Advisory)	Dennis B. Sullivan (Advisory)

Investment Committee

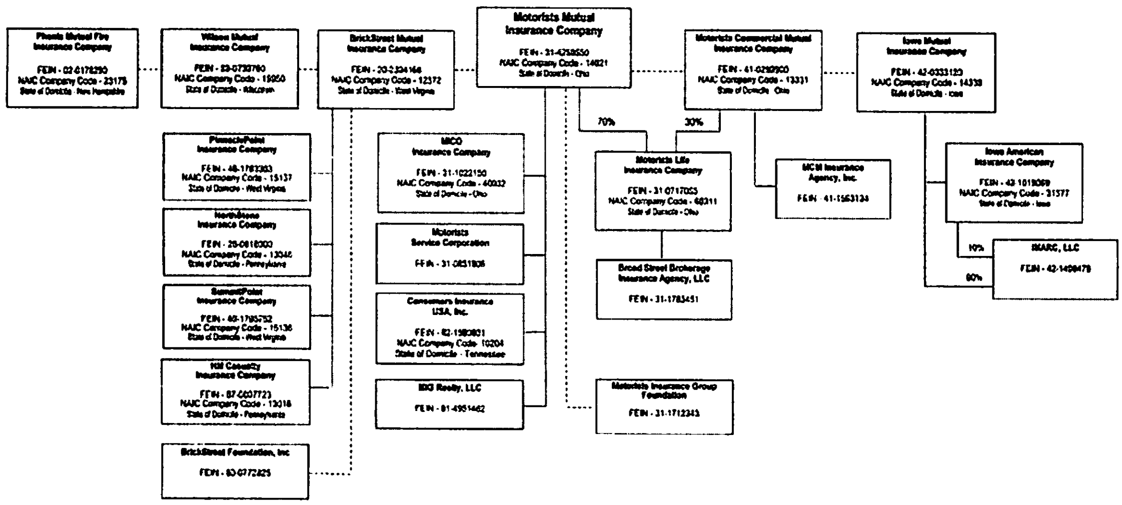
W. Marston Becker	Gregory A. Burton
W. Gaston Caperton III (Advisory)	Archie M. Griffin
David L. Kauffman	David L. Rader
Robert C. Smith (Chair)	Michael L. Wiseman (Advisory)

Corporate Governance

Thomas V. Flaherty	Archie M. Griffin (Chair)
Robert C. Smith	Steven F. White

ORGANIZATIONAL CHART

At December 31, 2018, the organization chart for the Company and its parent and affiliates is shown below:



AGREEMENTS

The Company has no employees. All operational activities are performed by BMIC's employees as a part of a management services agreement between BMIC and each subsidiary.

<u>Cost Sharing and Management Service Agreements</u>

On April 24, 2017, BMIC and its subsidiaries entered into a Cost Sharing and Management Agreement with Motorists Mutual. This new agreement provides, directly or indirectly services in the following areas, but is not limited to: reinsurance, investment services, actuarial analysis, executive management, including the right to approve the hiring and termination of BrickStreet executives, employee benefits administration, corporate and tax accounting and annual budget approval, information technology services, compliance and strategic planning, and claims management and settlement. BMIC shall reimburse Motorists Mutual for all reasonable out-of-pocket advances, costs and expenses incurred by Motorists Mutual in carrying out its obligations under the agreement.

Effective January 1, 2018, BrickStreet and its subsidiaries entered into an Intercompany Service and Cost Sharing Agreement ("Intercompany Cost Share Agreement") by and among Motorists Mutual and its affiliates and subsidiary companies ("Group"), including BrickStreet and its subsidiaries. The terms of the Intercompany Cost Share Agreement supplement the terms of the April 24, 2017 Cost Sharing and Management Agreement by providing additional details on the methodology that will be used to allocate cost and expenses among members of the Group in accordance with SSAP No. 70.

Each Group member may provide to other Group members services related to: accounting, tax and auditing, underwriting, claims, investments, and functional support services. Each Group member agrees to reimburse for direct, allocable and shared costs. During 2018, the Company paid $7,465,339 to Motorists Mutual. Refer to Summary of Significant Findings for noted non-compliance issue.

Tax Allocation Agreement

The Company has a Tax Sharing Agreement with its parent, BMIC, and subsidiaries, NorthStone, PinnaclePoint, and AlleghenyPoint to file a consolidated federal income tax return. Under the Tax Sharing Agreement, the Company and BMIC and its other subsidiaries perform a reconciliation at least annually in the form of payables/receivables to each other to settle the tax liability or recoverable. Effectively, this results in each entity's annual income tax provision being computed with adjustments, as if it filed a separate return. Intercompany tax balances are settled quarterly.

Reinsurance Pooling Agreement

Effective January 1, 2018, the Company became a party to a pooling agreement with affiliated property casualty companies ("Pool"). All of the underwriting business of each member company is ceded to Motorists Mutual Insurance Company ("Motorists Mutual"), and Motorists Mutual reinsures and assumes as its own obligations 100% of the member companies' respective books of business in force as of and subsequent to the effective date. The combined premiums, losses, and expenses are then retroceded to each Pool member based on pre-determined pooling percentages.

The companies participating in the Pool are listed below, each with their respective pooling percentage:

BrickStreet Mutual Insurance Company	48.0%
Motorists Mutual Insurance Company	32.4%
Motorists Commercial Mutual Insurance Company	10.3%
Consumers Insurance USA, Inc.	2.1%
Iowa Mutual Insurance Company	1.7%
Wilson Mutual Insurance Company	1.7%
Phenix Mutual Insurance Company	1.6%
PinnaclePoint Insurance Company	0.8%
SummitPoint Insurance Company	0.8%
Iowa American Insurance Company	0.6%
AlleghenyPoint Insurance Company	0.0%
MICO Insurance Company	0.0%
NorthStone Insurance Company	0.0%
	100%

The change in pooling participants and shares required a realignment of balance sheet related underwriting balances. A one-time commission of 29% of the change in unearned premiums was included in the settlement. The Company's parent, BMIC, paid a total of $221,372,801 to Motorists Mutual in the first quarter of 2018, out of which the Company's direct portion, attributed to its own underwriting, was $8,049,910, and remaining balances were due from the Company's parents and affiliates.

TERRITORY AND PLAN OF OPERATION

The Company writes the preferred rate tier for its parent, BMIC. As of December 31, 2018, the Company was domiciled in West Virginia and licensed in the District of Columbia and eighteen other states: Alabama, Delaware, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Missouri, New Hampshire, New Jersey, North Carolina, Pennsylvania, South Carolina, Tennessee and Virginia. In 2017, over 70% of direct premiums were written in the states of Pennsylvania and Virginia.

REINSURANCE

Assumed

As described in Section AGREEMENTS above, the Company participated in a Reinsurance Pooling Agreement. During 2018, $12.5 million in premiums was assumed from Motorists Mutual under the terms of this agreement.

The Company is required to participate in mandatory pools, and assumed $2,460,000 in premiums from National Worker's Compensation Reinsurance Pool, and $32,000 from Indiana Compensation Rating Bureau during 2018.

Ceded

As described in Section AGREEMENTS above, the Company participated in a Reinsurance Pooling Agreement. During 2018, $48.4 million in premiums was ceded to Motorists Mutual under the terms of this agreement.

On January 1, 2018, the Company entered into Catastrophe Excess of Loss with subscribing reinsurers. For the annual treaty, the excess of loss treaty provided coverage for 100% of losses in excess of the Company's retention of $5 million up to an ultimate net loss of $100 million. The Company ceded $317,015 in premiums to reinsurers under this treaty during 2018.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the WVOIC and present the financial condition of the Company for the period ending December 31, 2018. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

STATEMENT OF ASSETS
DECEMBER 31, 2018

	Assets	Non-Admitted	Admitted Assets
Bonds	$44,323,249		$44,323,249
Cash and Equivalents	6,968,750		6,968,750
Subtotals	$51,291,998		$51,291,998
Investment Income Due and Accrued	340,836		340,836
Uncollected Premium	954,744		954,744
Deferred Premium	19,816,219	93,714	19,722,505
Amounts Recoverable from Reinsurers	1,318,791		1,318,791
Funds Held with Reinsurers	2,383,862		2,383,862
Current Federal Income Tax	206,252		206,252
Net Deferred Tax Asset	424,353	3,120	421,233
Receivables from PSA	(5,433,724)		(5,433,724)
Aggregate write-ins for other than invested assets	1,400,052	179,650	1,220,402
Total Assets	**$72,703,382**	**276,484**	**$72,426,898**

STATEMENT OF LIABILITIES, CAPITAL AND SURPLUS
DECEMBER 31, 2018

Losses	$12,364,951
Reinsurance Payable on Paid Losses and LAE	473,616
Loss Adjustment Expense	2,248,175
Commissions Payable	339,150
Other Expenses	614,494
Taxes, Licenses and Fees	105,034
Unearned Premium	3,852,124
Advance Premium	256,316
Dividends declared and unpaid: Policyholders	36,951
Ceded reinsurance premiums payable	3,207,387
Funds held under reinsurance treaties	19,709,237
Remittances and items not allocated	116,163
Payable to parent, subsidiaries and affiliates	(339,956)
Aggregate write-ins for Liabilities	1,970,467
Total Liabilities	**$44,954,109**
Common capital stock	1,200,000
Gross paid in and contributed surplus	24,000,000
Unassigned Funds (Surplus)	2,272,789
Surplus as regards to Policyholders	27,472,789
TOTAL	**$72,426,898**

STATEMENT OF INCOME
DECEMBER 31, 2018

Premiums Earned	$8,694,178
Losses Incurred	4,723,292
Loss Adjustment Expenses	1,209,835
Other Underwriting Expenses	2,971,661
Total Underwriting Deductions	8,904,788
Net Underwriting Gain	(210,610)
Net Investment Income	1,212,780
Net Realized Capital Gains	(91,971)
Net Investment Gain	$1,120,809
Net Gain (Loss) from Agents' Premium	(10,351)
Finance and service charges	29,181
Total Other Income	18,830
Net Income Before Dividends and Before Taxes	929,029
Dividends to policyholders	54,323
Net Income Before Taxes, after dividends	874,706
Federal and Foreign Income Tax	(201,258)
Net Income	**$1,075,964**

RECONCILIATION OF SURPLUS
DECEMBER 31, 2018

Surplus as of Prior Examination – December 31, 2017	$11,548,057
Net Income	1,075,964
Change in net unrealized capital gains	46
Change in net deferred income tax	(243,587)
Change in non-admitted assets	92,312
Surplus Adjustments: Paid In	15,000,000
Change in surplus as regards to policyholders	15,924,735
Surplus at December 31, 2018	**$27,472,792**

SUMMARY OF EXAMINATION CHANGES

There were no adjustments to the financial statements as a result of the examination.

SUBSEQUENT EVENTS

In July 2019 the Company initiated and completed a rebranding effort whereas the holding company system group name was changed from the Motorists Insurance Group to the Encova Mutual Insurance Group and the affiliated companies began marketing insurance products under the brand name Encova Insurance.

In September 2019, David L. Kaufman, Chief Executive Officer, announced his decision to retire effective December 31, 2019. Encova's Board of Directors elected Thomas J. Obrokta Jr., President and Chief Operating Officer, to be Mr. Kaufman's successor and serve as the Company's President and Chief Executive Officer.

In April 2020, BrickStreet commenced the process to redomesticate its two Pennsylvania-domiciled affiliates, AlleghenyPoint and NorthStone. On April 1, 2020, the WVOIC received an UCAA Expansion Application from AlleghenyPoint Insurance Company requesting licensure in the State of West Virginia. Effective April 10, 2020, AlleghenyPoint expansion application was approved by the Commissioner. On April 3, 2020, the WVOIC received the redomestication filing for NorthStone Insurance Company.

Beginning in December 2019 in China and progressing to the United States in March 2020, the coronavirus (SARS-CoV-2), also known as COVID-19, reached pandemic status on March 11, 2020 per the World Health Organization. In efforts to slow the spread of COVID-19, the Federal Government along with various state governments and local municipalities have strongly encouraged and/or mandated work, school and travel restrictions along with mass "non-essential" business shutdowns. These actions have brought the US economy to at or near a grinding halt. As a result, the entire US economy, including the US stock market, has experienced significant deterioration. At the exam report date, the extent of short and long-term detrimental impact upon insurers, particularly workers' compensation insurers, as well as the US and global economy as a whole, remains unknown.

SUMMARY OF EXAMINATION RECOMMENDATIONS

We recommend that the Company comply with the terms of its Intercompany Service and Cost Sharing Agreement, and calculate and settle the intercompany balances accurately and in a timely manner.

ACKNOWLEDGEMENT AND SIGNATURE

This is to certify that the undersigned is a duly qualified Examiner appointed by the West Virginia Offices of the Insurance Commissioner. In addition to the undersigned, Mario Ascic, CFE, consulting examiner of Lewis & Ellis, Inc. participated in the examination.

The examination was performed in accordance with those procedures authorized by the NAIC Financial Condition Examiner's Handbook and other procedures appropriate for this examination. The attached report of examination is a true and complete report of financial condition of SummitPoint Insurance Company as of December 31, 2018 as determined by this examination.

Respectfully Submitted,

Katerina Bolbas, CFE, CIA, MCM
Examiner-in-Charge
Lewis & Ellis, Inc.
Representing the WV Offices of the Insurance Commissioner

Jamie Taylor, CFE, PIR
Chief Financial Examiner
Company Analysis and Examination Division
Financial Conditions
WV Offices of the Insurance Commissioner

STATE OF WEST VIRGINIA

Offices *of the* Insurance Commissioner

James A. Dodrill
Insurance Commissioner

May 22, 2020

Mr. Thomas J. (TJ) Obrokta, Jr.
President and Chief Operating Officer
Motorists Insurance Group
471 E. Broad Street
Columbus, OH 43215

RE: Reports of Examination as of December 31, 2018
BrickStreet Mutual Insurance Company – NAIC #12372
PinnaclePoint Insurance Company – NAIC #15137
SummitPoint Insurance Company – NAIC #15136

Dear Mr. Obrokta:

Please find enclosed a copy of the ***Reports of Examination*** of BrickStreet Mutual Insurance Company, PinnaclePoint Insurance Company and SummitPoint Insurance Company (collectively "BrickStreet Companies"). This examination was performed in accordance with the provisions of Chapter 33, Article 2, Section 9 of the *West Virginia Code* of 1931, as amended. The ***Reports of Examination*** reflect the financial affairs and condition of the BrickStreet Companies as of December 31, 2018.

You are hereby notified that you have thirty (30) days from receipt of this letter to make written submission or rebuttals with respect to any matter contained in the ***Reports of Examination***. If an exception is taken, it must be filed with this agency during the statutory time period. If no exception is taken, please respond accordingly by the end of the thirty (30) day comment period.

Very truly yours,

James A. Dodrill
Insurance Commissioner

JAD/jot

Enclosure: Copy of Reports of Financial Examination

EXHIBIT
tabbies
B

Company Analysis and Examinations
PO Box 50540
Charleston, WV 25305-0540

"We are an Equal Opportunity Employer"

Telephone (304) 558-2100
Facsimile (304) 558-1365
www.wvinsurance.gov

encova
INSURANCE

May 26, 2020

James A. Dodrill, Commissioner
Offices of the Insurance Commissioner
Company Analysis and Examinations
PO Box 50540
Charleston, WV 25305-0540

RE: Acceptance of Reports of Examination as of December 31, 2018 for BrickStreet Mutual Insurance Company NAIC #12372, PinnaclePoint Insurance Company NAIC #15137 and SummitPoint Insurance Company NAIC #15136

Dear Commissioner Dodrill:

We are in receipt of and thank you for your Reports of Examination for the Encova Mutual Insurance Group affiliate BrickStreet Mutual Insurance Company ("BrickStreet") and its wholey-owned subsidiaries PinnaclePoint Insurance Company ("PinnaclePoint") and SummitPoint Insurance Company ("SummitPoint"). BrickStreet and these named subsidiaries accept the reports without exception or rebuttal.

We appreciated your willingness and flexibility in scheduling these examinations covering a one-year time period so as to enable us to have all future financial condition examinations of the companies comprising the Encova Mutual Insurance Group occur concurrently. We are encouraged by the fact that the one significant finding noted was more substantially in compliance during the second half of 2019 which validates our continuing efforts to comply with Statutory Accounting Principles and Annual Statement Instructions as applicable to the State of West Virginia, the Laws of West Virginia, and the Regulations and Directives of your office. We acknowledge the professionalism of your staff and thier patience with us during a time when in addition to your examinations we were undergoing financial condition examinations of affiliated companies by Ohio and Pennsylvania and West Virginia market conduct examinations, continuing our integration of the BrickStreet Companies into the rebranded Encova Mutual Insurance Group, and contending with the effects of the COVID-19 pandemic.

Finally, in response to the recommendation contained in the reports, actions taken at the end of 2019 to ensure compliance with W. Va. Code §33-27-5 as it relates to the terms of our Intercompany Service and Cost Sharing Agreement included updating of policies and procedures in order to enhance processes to ensure compliance. Our Internal Audit Department will conduct a review of intercompany transactions as part of its Model Audit Rule validation testing.

EXHIBIT
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Very truly yours,

Thomas J. Obrokta, Jr., Esq.
President and Chief Executive Officer

cc: Jamie Taylor, CFE, PIR, Chief Financial Examiner
Dave A. Palmer, CFE (Lewis and Ellis, Inc.)
Katerina Bolbas, CFE, CIA, MCM, Examiner-in-Charge (Lewis and Ellis, Inc.)