

SUPERIOR FINANCIAL STRENGTH

In 2020, Encova Insurance, along with the rest of the world, faced unprecedented challenges. Through the hard work of our associates, partnership with our agents and support of our policyholders, our financial results proved that our superior financial strength allows us to be there when bad things happen to good people, while also continuing to thrive and grow.

In August 2021, AM Best upgraded Encova to an A- (excellent) rating with a positive outlook. In reaching its decision to upgrade, AM Best categorized our balance sheet as “strongest” and otherwise relied on “the overall strength of [Encova’s] balance sheet, reflecting management’s commitment to surplus preservation and growth.” We appreciate the support of our policyholders and agents and remain dedicated to providing our high level of service.

STATEMENT OF OPERATIONS

(in thousands)

Encova Insurance

	2020	2019
ASSETS		
Bonds	\$2,869,941	\$2,798,321
Stocks	\$611,472	\$620,384
Cash and short-term securities	\$215,256	\$124,866
Premium receivable	\$409,892	\$378,826
Partnerships and joint ventures	\$149,902	\$143,381
Current and net deferred tax assets	\$85,596	\$98,527
Real estate	\$64,529	\$64,632
Other assets	\$157,382	\$107,735
Total assets	\$4,563,970	\$4,336,672
LIABILITIES AND SURPLUS		
Losses and loss expenses	\$1,931,515	\$1,853,936
Unearned premiums	\$503,196	\$503,060
Retiree benefit obligation	\$47,769	\$44,837
Other unpaid expenses	\$172,378	\$129,928
Unpaid policyholder dividends	\$(15)	\$1,750
Other liabilities	\$141,502	\$151,260
Total liabilities	\$2,796,345	\$2,684,771
Policyholder security	\$1,767,625	\$1,651,901
Total liabilities and security	\$4,563,970	\$4,336,672
SUMMARY OF OPERATIONS		
Net earned premium	\$1,073,352	\$1,076,229
Underwriting profit/(loss)	\$4,156	\$(24,774)
Combined ratio	99.7%	101.8%
Net investment gain/(loss)	\$85,028	\$107,665
Net income	\$79,607	\$98,949

Encova Life (formerly Motorists Life)

	2020	2019
ASSETS		
Bonds	\$524,811	\$510,795
Stocks	-	-
Cash and short-term securities	\$23,809	\$28,804
Other invested assets	\$27,868	\$9,000
Contract loans	\$16,958	\$16,952
Premiums receivable	\$17,740	\$16,916
Interest and dividends due and accrued	\$5,032	\$4,791
Other assets	\$7,873	\$8,249
Total assets	\$624,091	\$595,507
LIABILITIES AND SURPLUS		
Policy reserves	\$504,360	\$500,732
Statutory reserves	\$4,894	\$4,215
Claims payable	\$4,671	\$3,724
Other liabilities	\$33,705	\$13,495
Total liabilities	\$547,630	\$522,166
Capital and security	\$76,461	\$73,341
Total liabilities and security	\$624,091	\$595,507
SUMMARY OF OPERATIONS		
Premiums and contract considerations	\$44,210	\$45,577
Total income	\$69,627	\$72,260
Benefits and expenses	\$65,080	\$68,675
Net income from operations	\$4,547	\$3,585
Net profit/loss	\$76,461	\$7,742
Change in capital and security	\$3,120	\$4,890