

PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION



QUARTERLY STATEMENT
AS OF JUNE 30, 2021
OF THE CONDITION AND AFFAIRS OF THE
FLAGSHIP CITY INSURANCE COMPANY

NAIC Group Code 213 213 NAIC Company Code 35585 Employer's ID Number 25-1675935
Organized under the Laws of the State of PENNSYLVANIA State of Domicile or Port of Entry PENNSYLVANIA
Country of Domicile U.S. Incorporated January 22, 1992 Commenced Business November 1, 1992
Statutory Home Office 100 Erie Insurance Place Erie, PA 16530
Main Administrative Office 100 Erie Insurance Place Erie, PA 16530 814-870-2000
Mail Address 100 Erie Insurance Place Erie, PA 16530
Primary Location of Books and Records 100 Erie Insurance Place Erie, PA 16530 814-870-2000
Internet Website Address www.erieinsurance.com
Statutory Statement Contact Jorie Lee Novacek 814-870-2000 x 4248
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DIRECTORS

Brian William Bolash Gregory John Gutting Jonathan Hirt Hagen, Chairman Robert Coleman Ingram, III
Christina Marie Marsh Robert Wayne McNutt Timothy Gerard NeCastro

EXECUTIVE OFFICERS

President Timothy Gerard NeCastro Executive Vice President Gregory John Gutting
& Chief Executive Officer: Timothy Gerard NeCastro & Chief Financial Officer: Gregory John Gutting
Executive Vice President
& Chief Information Officer: Robert Coleman Ingram, III Executive Vice President: Lorianne Feltz
Executive Vice President: Douglas Edward Smith Executive Vice President: Dionne Wallace Oakley

Senior Vice President & Chief Actuary: Bradley Clay Eastwood
Senior Vice President & Controller: Julie Marie Pelkowski
Senior Vice President, Secretary & General Counsel: Brian William Bolash
Senior Vice President & Chief Investment Officer: Ronald Steven Habursky
Vice President & Corporate Treasurer: Robert Wayne McNutt

State of Pennsylvania SS
County of Erie

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations thereon contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Timothy Gerard NeCastro President & CEO
Brian William Bolash Senior Vice President, Secretary & General Counsel
Gregory John Gutting Executive Vice President & CFO

Subscribed and sworn to before me this 6th day of August, 2021.
(a) Is this an original filing? Yes (X) No ()
(b) If no: (i) State the amendment number:
(ii) Date filed:
(iii) Number of pages attached:

Michelle L. Henderson
Commonwealth of Pennsylvania - Notary Seal
MICHELLE LEE HENDERSON - Notary Public
Erie County
My Commission Expires Mar 19, 2024
Commission Number 1266545

STATEMENT AS OF JUNE 30, 2021 OF THE FLAGSHIP CITY INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 – 2)	
1. Bonds .....	12,663,719		12,663,719	13,012,143
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....			0	0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....			0	0
5. Cash (\$ .....(635,177) ), cash equivalents (\$ .....890,287 ) and short-term investments (\$ .....0 ) .....	255,110		255,110	90,708
6. Contract loans (including \$ .....0 premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....			0	0
9. Receivables for securities .....			0	303,340
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	12,918,829	0	12,918,829	13,406,191
13. Title plants less \$ .....0 charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	115,769		115,769	119,595
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	20,035		20,035	843,273
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	42,579,481		42,579,481	37,206,003
15.3 Accrued retrospective premiums (\$ .....0 ) and contracts subject to redetermination (\$ .....0 ) .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	2,137		2,137	2,771
18.2 Net deferred tax asset .....			0	0
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....			0	0
24. Health care (\$ .....0 ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	55,636,251	0	55,636,251	51,577,833
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27)	55,636,251	0	55,636,251	51,577,833
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	0	0	0	0

STATEMENT AS OF JUNE 30, 2021 OF THE FLAGSHIP CITY INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....0 )	0	0
2. Reinsurance payable on paid losses and loss adjustment expenses	0	0
3. Loss adjustment expenses	0	0
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)		
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ .....0 on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	450	412
8. Borrowed money \$ .....0 and interest thereon \$ .....0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....64,157,060 and including warranty reserves of \$ .....0 and accrued accident and health experience rating refunds including \$ .....0 for medical loss ratio rebate per the Public Health Service Act)	0	0
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	41,665,504	37,362,221
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	257,442	293,846
15. Remittances and items not allocated	41,394	22,791
16. Provision for reinsurance (including \$ .....0 certified)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	1,263	753
20. Derivatives	0	0
21. Payable for securities	0	368,011
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ .....0 and interest thereon \$ .....0		
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	41,966,053	38,048,034
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	41,966,053	38,048,034
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	2,350,000	2,350,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	2,925,000	2,925,000
35. Unassigned funds (surplus)	8,395,198	8,254,799
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$ .....0 )		
36.2 .....0 shares preferred (value included in Line 31 \$ .....0 )		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	13,670,198	13,529,799
38. Totals (Page 2, Line 28, Col. 3)	55,636,251	51,577,833
DETAILS OF WRITE-INS		
2501. ....		
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	0	0
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298)(Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ .....70,350,499 )	64,065,738	67,195,894	131,589,902
1.2 Assumed (written \$ .....0 )			0
1.3 Ceded (written \$ .....70,350,499 )	64,065,738	67,195,894	131,589,902
1.4 Net (written \$ .....0 )	0	0	0
DEDUCTIONS:			
2. Losses incurred (current accident year \$ .....0 ):			
2.1 Direct	28,170,356	28,271,858	68,167,675
2.2 Assumed			0
2.3 Ceded	28,170,356	28,271,858	68,167,675
2.4 Net	0	0	0
3. Loss adjustment expenses incurred			0
4. Other underwriting expenses incurred			0
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	0	0	0
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	0	0	0
INVESTMENT INCOME			
9. Net investment income earned	153,608	157,208	310,390
10. Net realized capital gains (losses) less capital gains tax of \$ .....4,500	5,333	11,729	41,518
11. Net investment gain (loss) (Lines 9 + 10)	158,941	168,937	351,908
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ .....0 amount charged off \$ .....0 )	0	0	0
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	0	0	0
15. Total other income (Lines 12 through 14)	0	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	158,941	168,937	351,908
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	158,941	168,937	351,908
19. Federal and foreign income taxes incurred	18,504	20,276	40,238
20. Net income (Line 18 minus Line 19)(to Line 22)	140,437	148,661	311,670
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	13,529,799	13,217,479	13,217,479
22. Net income (from Line 20)	140,437	148,661	311,670
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....0			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(38)	670	650
27. Change in nonadmitted assets			0
28. Change in provision for reinsurance			0
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	140,399	149,331	312,320
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	13,670,198	13,366,810	13,529,799
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598)(Line 5 above)	0	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 through 3703 plus 3798)(Line 37 above)	0	0	0



STATEMENT AS OF JUNE 30, 2021 OF THE FLAGSHIP CITY INSURANCE COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	(246,958)	87,976	(5,873)
2. Net investment income .....	226,862	224,595	444,515
3. Miscellaneous income .....	0	0	0
4. Total (Lines 1 to 3) .....	(20,096)	312,571	438,642
5. Benefit and loss related payments .....	0	0	0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	0	0	0
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ .....4,376 tax on capital gains (losses) .....	22,370	41,862	82,276
10. Total (Lines 5 through 9) .....	22,370	41,862	82,276
11. Net cash from operations (Line 4 minus Line 10) .....	(42,466)	270,709	356,366
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	1,861,049	1,129,423	3,022,418
12.2 Stocks .....	0	0	0
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0	0
12.7 Miscellaneous proceeds .....	303,340	0	368,011
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	2,164,389	1,129,423	3,390,429
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	1,572,220	1,367,491	3,386,656
13.2 Stocks .....	0	0	0
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	368,011	0	303,340
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	1,940,231	1,367,491	3,689,996
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	224,158	(238,068)	(299,567)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0	0
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied) .....	(17,290)	2,769	86,645
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	(17,290)	2,769	86,645
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	164,402	35,410	143,444
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	90,708	(52,736)	(52,736)
19.2 End of period (Line 18 plus Line 19.1) .....	255,110	(17,326)	90,708

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

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