# Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500-SF.**

OMB Nos. 1210-0110
1210-0089

**2011**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

**A** This return/report is for: [X] a single-employer plan [ ] a multiple-employer plan (not multiemployer) [ ] a one-participant plan

**B** This return/report is: [ ] the first return/report [ ] the final return/report
[ ] an amended return/report [ ] a short plan year return/report (less than 12 months)

**C** Check box if filing under: [X] Form 5558 [ ] automatic extension [ ] DFVC program
[ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
GROUP PENSION PLAN FOR EMPLOYEES OF MANUFACTURERS AND MERCHANTS MUTUAL INSURANCE COMPANY OF NEW HAMPSHIRE

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/1965

**2a** Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)
MOTORISTS MUTUAL INSURANCE COMPANY

471 E. BROAD STREET
COLUMBUS, OH 43215-3861

**2b** Employer Identification Number (EIN) 31-4259550

**2c** Sponsor's telephone number 614-225-1865

**2d** Business code (see instructions) 524140

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")
MOTORISTS MUTUAL INSURANCE COMPANY 471 E. BROAD STREET
COLUMBUS, OH 43215-3861

**3b** Administrator's EIN 31-4259550

**3c** Administrator's telephone number 614-225-1865

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report.
**a** Sponsor's name PHENIX MUTUAL FIRE INSURANCE CO

**4b** EIN 02-0178290

**4c** PN 001

| | | |
|---|---|---|
| **5a** Total number of participants at the beginning of the plan year | **5a** | 47 |
| **b** Total number of participants at the end of the plan year | **5b** | 46 |
| **c** Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item) | **5c** | |

**6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) [X] Yes [ ] No

**b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) [X] Yes [ ] No

**If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**

## Part III Financial Information

| **7** Plan Assets and Liabilities | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total plan assets | 7a | 3320754 | 3932079 |
| **b** Total plan liabilities | 7b | | |
| **c** Net plan assets (subtract line 7b from line 7a) | 7c | 3320754 | 3932079 |

| **8** Income, Expenses, and Transfers for this Plan Year | | (a) Amount | (b) Total |
|---|---|---|---|
| **a** Contributions received or receivable from: **(1)** Employers | 8a(1) | 500000 | |
| **(2)** Participants | 8a(2) | | |
| **(3)** Others (including rollovers) | 8a(3) | | |
| **b** Other income (loss) | 8b | 308624 | |
| **c** Total income (add lines 8a(1), 8a(2), 8a(3), and 8b) | 8c | | 808624 |
| **d** Benefits paid (including direct rollovers and insurance premiums to provide benefits) | 8d | 187809 | |
| **e** Certain deemed and/or corrective distributions (see instructions) | 8e | | |
| **f** Administrative service providers (salaries, fees, commissions) | 8f | 9490 | |
| **g** Other expenses | 8g | | |
| **h** Total expenses (add lines 8d, 8e, 8f, and 8g) | 8h | | 197299 |
| **i** Net income (loss) (subtract line 8h from line 8c) | 8i | | 611325 |
| **j** Transfers to (from) the plan (see instructions) | 8j | | |

## Part IV Plan Characteristics

**9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

## Part V Compliance Questions

| **10** During the plan year: | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program) | **10a** | | X | |
| **b** Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.) | **10b** | | X | |
| **c** Was the plan covered by a fidelity bond? | **10c** | X | | 500000 |
| **d** Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | **10d** | | X | |
| **e** Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.) | **10e** | X | | 9490 |
| **f** Has the plan failed to provide any benefit when due under the plan? | **10f** | | X | |
| **g** Did the plan have any participant loans? (If "Yes," enter amount as of year end.) | **10g** | | X | |
| **h** If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | **10h** | | | |
| **i** If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3 | **10i** | | | |

## Part VI Pension Funding Compliance

**11** Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500)) ☒ Yes ☐ No

**12** Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? ☐ Yes ☒ No

(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)

**a** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month _____ Day _____ Year _____

**If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.**

| | | |
|---|---|---|
| **b** Enter the minimum required contribution for this plan year | **12b** | |
| **c** Enter the amount contributed by the employer to the plan for this plan year | **12c** | |
| **d** Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) | **12d** | |

**e** Will the minimum funding amount reported on line 12d be met by the funding deadline? ☐ Yes ☐ No ☐ N/A

## Part VII Plan Terminations and Transfers of Assets

**13a** Has a resolution to terminate the plan been adopted in any plan year? ☐ Yes ☒ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year **13a**

**b** Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? ☐ Yes ☒ No

**c** If during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **13c(1)** Name of plan(s): | **13c(2)** EIN(s) | **13c(3)** PN(s) |
|---|---|---|
| | | |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/15/2012 | MARK L. PEACOCK |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2011**

**This Form is Open to Public Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan
GROUP PENSION PLAN FOR EMPLOYEES OF MANUFACTURERS AND MERCHANTS MUTUAL INSURANCE COMPANY OF NEW HAMPSHIRE

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
MOTORISTS MUTUAL INSURANCE COMPANY

**D** Employer Identification Number (EIN)
31-4259550

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2011

**2** Assets:

| | | | |
|---|---|---|---|
| **a** | Market value | **2a** | 3320754 |
| **b** | Actuarial value | **2b** | 3320754 |

**3** Funding target/participant count breakdown:

| | | | **(1)** Number of participants | **(2)** Funding Target |
|---|---|---|---|---|
| **a** | For retired participants and beneficiaries receiving payment | **3a** | 16 | 1777111 |
| **b** | For terminated vested participants | **3b** | 8 | 78265 |
| **c** | For active participants: | | | |
| | **(1)** Non-vested benefits | **3c(1)** | | 0 |
| | **(2)** Vested benefits | **3c(2)** | | 1739569 |
| | **(3)** Total active | **3c(3)** | 23 | 1739569 |
| **d** | Total | **3d** | 47 | 3594945 |

**4** If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

| | | | |
|---|---|---|---|
| **a** | Funding target disregarding prescribed at-risk assumptions | **4a** | |
| **b** | Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor | **4b** | |
| **5** | Effective interest rate | **5** | 6.29 % |
| **6** | Target normal cost | **6** | 10000 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE**

| | |
|---|---|
| | 10/11/2012 |
| Signature of actuary | Date |
| LORI A. DEVORE | 11-05257 |
| Type or print name of actuary | Most recent enrollment number |
| AON CONSULTING, INC. | 614-436-8100 |
| Firm name | Telephone number (including area code) |
| 445 HUTCHINSON AVENUE, SUITE 900<br>COLUMBUS, OH 43235-8619 | |
| Address of the firm | |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of year carryover and prefunding balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) | 101475 | 88906 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 0 | |
| 9 | Amount remaining (line 7 minus line 8) | 101475 | 88906 |
| 10 | Interest on line 9 using prior year's actual return of 7.55% | 7661 | 6712 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Present value of excess contributions (line 38 from prior year) | | 24331 |
| | b Interest on (a) using prior year's effective rate of 6.68 % except as otherwise provided (see instructions) | | 1625 |
| | c Total available at beginning of current plan year to add to prefunding balance | | 25956 |
| | d Portion of (c) to be added to prefunding balance | | 25956 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 109136 | 121574 |

## Part III Funding percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 85.95 % |
| 15 | Adjusted funding target attainment percentage | 15 | 85.95 % |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 87.97 % |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage | 17 | % |

## Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| 12/07/2011 | 250000 | | | | |
| 09/12/2012 | 250000 | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ► 18(b) | 500000 | 18(c) 0 |

| | | | |
|---|---|---|---|
| 19 | Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: | | |
| | a Contributions allocated toward unpaid minimum required contributions from prior years. | 19a | 0 |
| | b Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| | c Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 461582 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| 0 | 0 | 0 | 0 |

## Part V Assumptions used to determine funding target and target normal cost

**21** Discount rate:

**a** Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | |
|---|---|---|---|
| 3.78% | 6.31% | 6.57 % | ☐ N/A, full yield curve used |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | **21b** | 4 |
| **22** Weighted average retirement age | **22** | 65 |

**23** Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous items

| | | |
|---|---|---|
| **24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. | | ☐ Yes ☒ No |
| **25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. | | ☐ Yes ☒ No |
| **26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. | | ☒ Yes ☐ No |
| **27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment | **27** | |

## Part VII Reconciliation of unpaid minimum required contributions for prior years

| | | |
|---|---|---|
| **28** Unpaid minimum required contributions for all prior years | **28** | 0 |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) | **29** | 0 |
| **30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) | **30** | 0 |

## Part VIII Minimum required contribution for current year

**31** Target normal cost and excess assets (see instructions):

| | | |
|---|---|---|
| **a** Target normal cost (line 6) | **31a** | 10000 |
| **b** Excess assets, if applicable, but not greater than 31a | **31b** | 0 |

**32** Amortization installments:

| | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 504901 | 90207 |
| **b** Waiver amortization installment | 0 | 0 |

| | | |
|---|---|---|
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount | **33** | |
| **34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) | **34** | 100207 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 100207 | 0 | 100207 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | **36** | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 461582 |

**38** Present value of excess contributions for current year (see instructions)

| | | |
|---|---|---|
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 461582 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | **38b** | 100207 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | **39** | 0 |
| **40** Unpaid minimum required contributions for all years | **40** | 0 |

## Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

**41** If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years

**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

| | | |
|---|---|---|
| **42** Amount of acceleration adjustment | **42** | |
| **43** Excess installment acceleration amount to be carried over to future plan years | **43** | |

# Schedule SB Attachment (Form 5500)—2011 Plan Year
# Group Pension Plan for Employees of Manufacturers and Merchants Mutual Insurance Company of New Hampshire
# EIN: 02-0178290  PN: 001

## Schedule SB, line 22—Description of Weighted Average Retirement Age

All active participants are assumed to retire at age 65.

# Schedule SB Attachment (Form 5500)—2011 Plan Year
# Group Pension Plan for Employees of Manufacturers and Merchants Mutual Insurance Company of New Hampshire
# EIN: 02-0178290 PN: 001

## Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

**Cost Method**

Funding: Traditional Unit Credit.

**Asset Method**

Funding: Market value of assets plus receivable contributions.

**Dates of Calculations**

Funding: The Valuation Date is January 1, 2011.

**Employees Included in the Calculations**

All active employees who have met the Plan's eligibility requirements as of the valuation date are included in the calculations. Former employees or their survivors who are receiving or entitled to receive an immediate or deferred benefit under the provisions of the Plan are also included.

**Source of Data**

Participant salaries are limited to the IRC Section 401(a)(17) limit that was in effect as of the beginning of the plan year. Projected benefits are limited to the IRC Section 415(b) limit that was in effect as of the beginning of the plan year.

Data is as of the valuation date and is supplied to us by the Employer.

We rely on the Employer to inform us of any former participants who have been rehired and lost prior service because of the length of their break in service. These employees may have participation requirements different from other new employees.

Financial information was supplied to us by MONY Life Insurance Company.

Although we believe these to be accurate and complete, the data and financial information have not been audited by us.

# Schedule SB Attachment (Form 5500)—2011 Plan Year
# Group Pension Plan for Employees of Manufacturers and Merchants Mutual Insurance Company of New Hampshire
# EIN: 02-0178290 PN: 001

**Interest and Other Rate Assumptions**

Below is a summary of interest and inflation rates used for the January 1, 2011 valuation.

| Interest Rates | | Assumption |
|---|---|---|
| (1) | Funding Target | Segment Rates, 4th month preceding the valuation date |
| | (a) First Segment Rate | 3.78% |
| | (b) Second Segment Rate | 6.31% |
| | (c) Third Segment Rate | 6.57% |
| (2) | Expected Return on Plan Assets | 7.00% |

| Other Rates | | Assumption |
|---|---|---|
| (1) | Social Security Wage Bases | N/A% |
| (1) | CPI for Social Security | N/A% |
| (2) | Future Salaries | |
| | (a) Funding | 4.00% |
| (3) | Increase Rate for the Maximum Benefit | 0.00% |
| (4) | Cost-of-Living Adjustment | N/A |

**Decrement Assumptions**

Below is a summary of decrements used in this valuation.

| Mortality Decrements | | Description |
|---|---|---|
| (1) | Funding | IRS 2011 Combined Mortality Table for Small Plans |

| —Retirement— | |
|---|---|
| **Decrement Age** | **Rates** |
| 65 | 1.000000 |

| —Termination— | |
|---|---|
| **Decrement Age** | **Unisex Rates** |
| 25 | 0.0796 |
| 40 | 0.0312 |
| 65 | 0.0000 |

The weighted average retirement age is 65. Sample Retirement and Termination rates are illustrated in the tables above.

**Expenses**

The current year's expenses are assumed to be $10,000.

**Form of Benefit Payment**

100% of participants are assumed to elect the Normal Form.

**Other Considerations**

The results listed for the 2010 plan year were provided by PricewaterhouseCoopers, LLC.

Disability benefits are not considered to have material effect on cost and have not been specifically valued.

For the purpose of valuing death benefits, 80% of the employees are assumed to be married. Wives are assumed to be 4 years younger than their husbands.

# Schedule SB Attachment (Form 5500)—2011 Plan Year
# Group Pension Plan for Employees of Manufacturers and Merchants Mutual Insurance Company of New Hampshire
# EIN: 02-0178290 PN: 001

## Schedule SB, Part V—Summary of Plan Provisions

The following summary describes principal plan provisions assumed in calculating the cost of your pension plan:

**General Information**

| | |
|---|---|
| Original Effective Date: | January 1, 1975 |
| Effective Date of Last Amendment: | January 1, 2001 |
| Plan Year: | January 1st to December 31st |
| Employer Fiscal Year | January 1st to December 31st |
| Employer ID Number: | 02-0178290 |
| Plan Administrator's ID Number: | 02-0178290 |
| Plan Number: | 001 |
| Plan Administrator: | Phenix Mutual Fire Insurance Company |

**Eligibility**

All employees of the Employer are eligible to participate in the Plan as of the January 1 next following the completion of 1000 hours, six months of employment, and the attainment of age 21. Those employed prior to January 1, 1989 had prior eligibility requirements.

**Service**

Service shall equal total years of service with the Employer. A year of service is credited for each plan year in which an employee works 1,000 hours.

A break in service occurs at the start of any plan year in which the employee works 500 hours or less for the Employer in such year. Service will not be interrupted by any leave of absence that has been granted by the Employer.

Creditable service shall be credited if an employee works more than 1,000 hours in a plan year. If fewer than 1,000 hours are worked, the employee receives no credited service except as described in the next paragraph.

A partial year of service shall be granted if an employee works fewer than 1,000 hours in a plan year in which the employee is first employed, re-employed, or terminates from employment with the Employer. A partial year of service is calculated on the basis of tenths of a year by taking the actual number of hours the employee worked during the year rounded up to the next 100 hours and divided by 1,000 hours.

**Normal Retirement Date**

Normal Retirement Date is the first day of the month coincident with or next following the attainment of age 65.

**Normal Retirement Benefit**

For participants who terminated employment prior to January 1, 1994, the amount of the monthly benefit to be paid for life with 5 years certain shall be:

(1) 15% of Final Average Compensation which is not in excess of $550

plus

(2) 40% of Final Average Compensation which is in excess of $550.

times

(3) Years of Credited Service, up to a maximum of 20, divided by 20.

For Participants who were active on January 1, 1994 or who have since become an active participant, the amount of the monthly benefit to be paid for life with 5 years certain shall be:

(1) 40% of Final Average Compensation

times

(2) Years of Credited Service, up to a maximum of 25, divided by 25.

In no event will the monthly Normal Retirement Benefit be less than $60 for either of the above formulas.

**Delayed Retirement**

A participant may continue in the employment of the Employer after his Normal Retirement Date. In such event, he will receive at actual retirement or death, the greater of a benefit based upon salary and service through his actual date of retirement and the actuarial equivalent of his Normal Retirement Benefit.

**Annual Compensation**

Compensation is a participant's actual wages for the Plan Year including overtime, commissions, and bonuses, up to the IRS compensation limit.

**Final Average Compensation**

The average of a participant's monthly compensation during the highest five consecutive, complete Plan Years of service.

**Accrued Benefit**

The Accrued Benefit at any time prior to a participant's Normal Retirement Date shall be the benefit described in Normal Retirement Benefit, multiplied by a fraction with the numerator being Year of Credited Service at termination and the denominator being Years of Credited Service if the participant had continued to work until his Normal Retirement Date.

**Early Retirement Benefit**

Upon the completion of 5 years of vesting service and the attainment of age 55, a participant may elect to retire. He may receive a monthly benefit for life with 5 years certain beginning at his Normal Retirement Date equal to the benefit accrued at early retirement date. Payments may begin before the Normal Retirement Date, with the benefit being reduced by one-fifteenth for each of the first 5 years and one-thirtieth for each of the next 5 years by which the payment precedes the Normal Retirement Date.

**Death Benefit**

In the event of a vested active participant's death, a spouse's benefit will be payable assuming the participant had terminated on the day prior to death and elected a joint and one-half contingent annuitant survivor benefit commencing at the earliest possible retirement date.

For a vested terminated participant, death benefits are calculated as for active participants, but based on the participant's Accrued Benefit at his termination date.

**Severance Benefit**

Upon the termination of employment after 5 or more years of vesting service, a participant shall have a vested interest in his Accrued Benefit. The percentage vested shall be:

| Years of Service | Vested Percent |
|---|---|
| Fewer than 5 | 0% |
| 5 or more | 100% |

**Optional Methods of Settlement**

All Optional Methods of Settlement are actuarially equivalent to the normal form of annuity, a life annuity with 5 years certain. If a married participant does not elect the normal form of annuity or does not elect one of the Optional Methods of Settlement described below, then the participant's retirement benefit shall automatically be paid under option (1) below with the participant's spouse as the beneficiary. The options are:

(1) A reduced benefit to be paid during the participant's lifetime with one-half the reduced benefit to be continued to his beneficiary for the beneficiary's lifetime after his death.

(2) An increased benefit to be paid for life.

(3) A reduced benefit to be paid for the participant's lifetime with guaranteed payments for 120 months. Should the participant die before the 120th monthly payment, then payments will continue to the beneficiary until a total of 120 monthly benefit payments have been made. However, should the participant die after the 120th monthly payment, then no further payments will be payable.

(4) An increased benefit to be paid for life.

**Amendment or Termination of Plan**

The Employer reserves the right to amend or terminate the Plan at any time. Generally, the Pension Benefit Guaranty Corporation reserves the right to terminate the Plan if the Employer fails to meet the minimum funding standards, or is unable to pay benefits when due.

If the Plan is terminated, the plan assets will be distributed among the plan participants based upon a priority allocation procedure and the Employer shall be liable for any unfunded vested benefits to the extent required by law.

**Additional Information**

The above description is a summary only; for additional details, reference should be made to the formal Plan document.

Schedule SB Attachment (Form 5500)—2011 Plan Year
Group Pension Plan for Employees of Manufacturers and Merchants Mutual Insurance Company of New Hampshire
EIN: 02-0178290 PN: 001

Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2011.

**Schedule SB, Line 26—Schedule of Active Participant Data**
**As of January 1, 2011**

**Phenix Mutual Fire Insurance Company**
**Pension Plan for Employees of Manufacturers and Merchants Mutual Insurance Company of New Har**
**Active Employees**

**EIN: 02-0162640 PN: 001**

Number of Participants and Average Compensation

| Attained Age | Years of Credited Service | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | <1 | 1-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40+ |
| <25 | | | | | | | | | | |
| 25-29 | | | 1 | | | | | | | |
| 30-34 | | | 1 | | | | | | | |
| 35-39 | | 1 | | | | | | | | |
| 40-44 | | | 1 | | | | | | | |
| 45-49 | | | 1 | | | 3 | 1 | | | |
| 50-54 | | | 4 | | | 1 | 1 | | | |
| 55-59 | | | 1 | 1 | 1 | | 1 | | 1 | |
| 60-64 | | | | | | 1 | 2 | | | |
| 65-69 | | | | | | | | | | |
| 70+ | | | | | | | | | | |

N-23

Schedule SB Attachment (Form 5500)—2011 Plan Year
Group Pension Plan for Employees of Manufacturers and Merchants Mutual Insurance Company of New Hampshire
EIN: 02-0178290 PN: 001

Schedule SB, line 32—Schedule of Amortization Bases

| Type Of Base | Present Value of Installments | Valuation Date Established | Remaining Years in Amortization Period | Amortization Amount |
|---|---|---|---|---|
| Shortfall | $337,158 | January 1, 2010 | 6 | $62,608 |
| Shortfall | $167,743 | January 1, 2011 | 7 | $27,599 |

Schedule SB Attachment (Form 5500)—2011 Plan Year
Group Pension Plan for Employees of Manufacturers and Merchants Mutual Insurance Company of New Hampshire
EIN: 02-0178290 PN: 001

Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2011.

**Schedule SB, Line 26—Schedule of Active Participant Data**
**As of January 1, 2011**

**Phenix Mutual Fire Insurance Company**
**Pension Plan for Employees of Manufacturers and Merchants Mutual Insurance Company of New Har**
**Active Employees**

**EIN: 02-0162640 PN: 001**

Number of Participants and Average Compensation

| Attained Age | Years of Credited Service | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | <1 | 1-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40+ |
| <25 | | | | | | | | | | |
| 25-29 | | | 1 | | | | | | | |
| 30-34 | | | 1 | | | | | | | |
| 35-39 | | 1 | | | | | | | | |
| 40-44 | | | 1 | | | | | | | |
| 45-49 | | | 1 | | | 3 | 1 | | | |
| 50-54 | | | 4 | | | 1 | 1 | | | |
| 55-59 | | | 1 | 1 | 1 | | 1 | | 1 | |
| 60-64 | | | | | | 1 | 2 | | | |
| 65-69 | | | | | | | | | | |
| 70+ | | | | | | | | | | |

N-23

Schedule SB Attachment (Form 5500)—2011 Plan Year
Group Pension Plan for Employees of Manufacturers and Merchants Mutual Insurance Company of New Hampshire
EIN: 02-0178290 PN: 001

Schedule SB, line 32—Schedule of Amortization Bases

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# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2011**

**This Form is Open to Public Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan

Group Pension Plan for Ees of Manuf & Merchants Mut Ins Co of NH

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Motorists Mutual Insurance Company

**D** Employer Identification Number (EIN)

31-4259550

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

## Part I Basic Information

| | | | | |
|---|---|---|---|---|
| 1 | Enter the valuation date: Month 1 Day 1 Year 2011 | | | |
| 2 | Assets: | | | |
| a | Market value | 2a | | 3,320,754 |
| b | Actuarial value | 2b | | 3,320,754 |
| 3 | Funding target/participant count breakdown: | | (1) Number of participants | (2) Funding Target |
| a | For retired participants and beneficiaries receiving payment | 3a | 16 | 1,777,111 |
| b | For terminated vested participants | 3b | 8 | 78,265 |
| c | For active participants: | | | |
| (1) | Non-vested benefits | 3c(1) | | 0 |
| (2) | Vested benefits | 3c(2) | | 1,739,569 |
| (3) | Total active | 3c(3) | 23 | 1,739,569 |
| d | Total | 3d | 47 | 3,594,945 |
| 4 | If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ] | | | |
| a | Funding target disregarding prescribed at-risk assumptions | 4a | | |
| b | Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor | 4b | | |
| 5 | Effective interest rate | 5 | | 6.29 % |
| 6 | Target normal cost | 6 | | 10,000 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE**

LAD

Signature of actuary

10/11/2012

Date

Lori A. DeVore

Type or print name of actuary

11-05257

Most recent enrollment number

Aon Consulting, Inc.

Firm name

(614) 436-8100

Telephone number (including area code)

445 Hutchinson Avenue, Suite 900

Columbus OH 43235-8619

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of year carryover and prefunding balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) | 101,475 | 88,906 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 0 | |
| 9 | Amount remaining (line 7 minus line 8) | 101,475 | 88,906 |
| 10 | Interest on line 9 using prior year's actual return of 7.55 % | 7,661 | 6,712 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Present value of excess contributions (line 38 from prior year) | | 24,331 |
| | b Interest on (a) using prior year's effective rate of 6.68 % except as otherwise provided (see instructions) | | 1,625 |
| | c Total available at beginning of current plan year to add to prefunding balance | | 25,956 |
| | d Portion of (c) to be added to prefunding balance | | 25,956 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 0 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 109,136 | 121,574 |

## Part III Funding percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 85.95 % |
| 15 | Adjusted funding target attainment percentage | 15 | 85.95 % |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 87.97 % |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. | 17 | % |

## Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| 12/07/2011 | 250,000 | | | | |
| 09/12/2012 | 250,000 | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals • 18(b) | 500,000 | 18(c) 0 |

| | | | |
|---|---|---|---|
| 19 | Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: | | |
| | a Contributions allocated toward unpaid minimum required contributions from prior years. | 19a | 0 |
| | b Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| | c Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 461,582 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| 0 | 0 | 0 | 0 |

## Part V Assumptions used to determine funding target and target normal cost

**21** Discount rate:

**a** Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | ☐ N/A, full yield curve used |
|---|---|---|---|
| 3.78 % | 6.31 % | 6.57 % | |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | 21b | 4 |
| **22** Weighted average retirement age | 22 | 65 |

**23** Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous items

| | | |
|---|---|---|
| **24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment | | ☐ Yes ☒ No |
| **25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. | | ☐ Yes ☒ No |
| **26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. | | ☒ Yes ☐ No |
| **27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment | 27 | |

## Part VII Reconciliation of unpaid minimum required contributions for prior years

| | | |
|---|---|---|
| **28** Unpaid minimum required contributions for all prior years | 28 | 0 |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) | 29 | 0 |
| **30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) | 30 | 0 |

## Part VIII Minimum required contribution for current year

| | | |
|---|---|---|
| **31** Target normal cost and excess assets (see instructions): | | |
| **a** Target normal cost (line 6) | 31a | 10,000 |
| **b** Excess assets, if applicable, but not greater than 31a | 31b | 0 |

| **32** Amortization installments: | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 504,901 | 90,207 |
| **b** Waiver amortization installment | 0 | 0 |

| | | |
|---|---|---|
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount | 33 | |
| **34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) | 34 | 100,207 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 100,207 | 0 | 100,207 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | 36 | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | 37 | 461,582 |
| **38** Present value of excess contributions for current year (see instructions) | | |
| **a** Total (excess, if any, of line 37 over line 36) | 38a | 461,582 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | 38b | 100,207 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | 39 | 0 |
| **40** Unpaid minimum required contributions for all years | 40 | 0 |

## Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

**41** If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years

**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

| | | |
|---|---|---|
| **42** Amount of acceleration adjustment | 42 | |
| **43** Excess installment acceleration amount to be carried over to future plan years | 43 | |