

QUARTERLY STATEMENT

OF THE

TEXAS BUILDERS INSURANCE COMPANY

of _____ **DALLAS** _____

in the state of _____ **TEXAS** _____

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

September 30, 2019

PROPERTY AND CASUALTY

2019



27170201920100103

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2019
OF THE CONDITION AND AFFAIRS OF THE

Texas Builders Insurance Company

NAIC Group Code 3478, 3478 NAIC Company Code 27170 Employer's ID Number 74-2439728

Organized under the Laws of Texas, State of Domicile or Port of Entry TX

Country of Domicile US, Incorporated/Organized May 9, 1987, Commenced Business June 9, 1987

Statutory Home Office 5420 Lyndon B. Johnson Freeway Suite 1100, Dallas, TX US 75240-2345

Main Administrative Office 5420 Lyndon B. Johnson Freeway Suite 1100, Dallas, TX US 75240-2345 817-348-1600

Mail Address 5420 Lyndon B. Johnson Freeway Suite 1100, Dallas, TX US 75240-2345

Primary Location of Books and Records 5420 Lyndon B. Johnson Freeway Suite 1100, Dallas, TX US 75240-2345 817-348-1600

Internet Website Address www.hallmarkgrp.com

Statutory Statement Contact Felica M. Smith, 817-348-1887

fsmith@hallmarkgrp.com, 817-348-1820

OFFICERS

Table with 2 columns: Name, Title. Rows include Naveen Anand (President), Jeffrey Ray Passmore (Chief Financial Officer, Treasurer & Secretary), Christopher James Kenney (Vice President).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. All fields are blank.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Rows include Naveen Anand, Christopher James Kenney, Kenneth Russell Krissingner, Jeffrey Ray Passmore, Mark Edward Schwarz, Charles Edward Stauber, Tarek Nghi Timol.

State of Texas

County of Dallas

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 therein 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.

(Signature) Naveen Anand, (Signature) Jeffrey R. Passmore, (Signature) Christopher J. Kenney
(Printed Name) 1., (Printed Name) 2., (Printed Name) 3.
President, Chief Financial Officer, Treasurer & Secretary, Vice President
(Title) (Title) (Title)

Subscribed and sworn to before me this 8th day of November, 2019

a. Is this an original filing? [X] Yes [] No
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

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	8,587,967		8,587,967	9,312,733
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	107,341	107,341		
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 1,589,488), cash equivalents (\$ 855,761), and short-term investments (\$ 520,000)	2,965,249		2,965,249	2,216,453
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities	1,089		1,089	525
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	11,661,646	107,341	11,554,305	11,529,711
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	55,225		55,225	97,452
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	217,976		217,976	178,253
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	245,600		245,600	245,600
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	21,653		21,653	23,747
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	12,202,100	107,341	12,094,759	12,074,763
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	12,202,100	107,341	12,094,759	12,074,763

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)				

NONE

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 0)	980,178	1,138,121
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	88,814	93,238
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	25,294	16,348
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))	150,517	131,016
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 0 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)		
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	108,570	108,571
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	50,395	47,893
20. Derivatives		
21. Payable for securities		
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		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	1,403,768	1,535,187
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	1,403,768	1,535,187
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	2,500,000	2,500,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	2,995,851	2,995,851
35. Unassigned funds (surplus)	5,195,140	5,043,726
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)	10,690,991	10,539,577
38. Totals (Page 2, Line 28, Col. 3)	12,094,759	12,074,764

DETAILS OF WRITE-IN LINES		
2501.	NONE	
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.	NONE	
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.	NONE	
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 0)			
1.2 Assumed (written \$ 0)			
1.3 Ceded (written \$ 0)		34,429	34,429
1.4 Net (written \$ 0)		(34,429)	(34,429)
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 0):			
2.1 Direct	(104,431)	(26,832)	(39,420)
2.2 Assumed			
2.3 Ceded	(56,597)	(17,774)	
2.4 Net	(47,834)	(9,058)	(39,420)
3. Loss adjustment expenses incurred	42	(31,245)	(23,772)
4. Other underwriting expenses incurred	25,949	30,659	36,577
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	(21,843)	(9,644)	(26,615)
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	21,843	(24,785)	(7,814)
INVESTMENT INCOME			
9. Net investment income earned	144,880	139,489	195,311
10. Net realized capital gains (losses) less capital gains tax of \$ (138)	(519)	(8,366)	(69)
11. Net investment gain (loss) (Lines 9 + 10)	144,361	131,123	195,242
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)			
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	166,204	106,338	187,428
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)	166,204	106,338	187,428
19. Federal and foreign income taxes incurred	19,639	32,716	45,317
20. Net income (Line 18 minus Line 19) (to Line 22)	146,565	73,622	142,111
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	10,539,577	10,410,419	10,410,419
22. Net income (from Line 20)	146,565	73,622	142,111
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 1,458	6,943	(12,192)	(19,955)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(9,273)	14,091	5,957
27. Change in nonadmitted assets	7,179	(5,973)	1,045
28. Change in provision for reinsurance			
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			
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			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	151,414	69,548	129,158
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	10,690,991	10,479,967	10,539,577

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page	NONE		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	NONE		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	NONE		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance		(8,259)	(8,259)
2. Net investment income	286,058	226,612	262,671
3. Miscellaneous income			
4. Total (Lines 1 to 3)	286,058	218,353	254,412
5. Benefit and loss related payments	149,834	(10,538)	131,762
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	18,965	30,773	38,783
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		1,743	1,743
10. Total (Lines 5 through 9)	168,799	21,978	172,288
11. Net cash from operations (Line 4 minus Line 10)	117,259	196,375	82,124
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	3,568,636	1,182,672	1,231,747
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	(564)	837,951	(144)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	3,568,072	2,020,623	1,231,603
13. Cost of investments acquired (long-term only):			
13.1 Bonds	2,936,536	4,053,005	4,422,537
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,936,536	4,053,005	4,422,537
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	631,536	(2,032,382)	(3,190,934)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)			
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)			
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	748,795	(1,836,007)	(3,108,810)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	2,216,454	5,325,264	5,325,264
19.2 End of period (Line 18 plus Line 19.1)	2,965,249	3,489,257	2,216,454

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

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

PROPERTY

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NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements have been prepared in conformity with statutory accounting practices prescribed or permitted by the Texas Department of Insurance (the Department). Such practices vary from U. S. generally accepted accounting principles (GAAP). The Company has no permitted practices. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* has been adopted as a component of prescribed practices by the State of Texas (NAIC SAP). For the Company, there are no significant differences between Texas prescribed practices and the NAIC's *Accounting Practices and Procedures Manual*. Such practices differ from state to state, may differ from company to company within a state and may change in the future.

<u>NET INCOME</u>	<u>SSAP#</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>2019</u>	<u>2018</u>
(1) Texas Builders Insurance Company	XXX	XXX	XXX	146,566	142,111
(2) State Prescribed Practices: NONE					
(3) State Permitted Practices: NONE					
(4) NAIC SAP	XXX	XXX	XXX	146,566	142,111
 <u>SURPLUS</u>					
(1) Texas Builders Insurance Company	XXX	XXX	XXX	10,690,992	10,539,577
(2) State Prescribed Practices: NONE					
(3) State Permitted Practices: NONE					
(4) NAIC SAP	XXX	XXX	XXX	10,690,992	10,539,577

B. Use of Estimates

No changes.

C. Accounting policies

No changes.

2. Accounting Changes and Correction of Errors

Not applicable.

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable.

5. Investments

D

a.	The aggregate Amount of unrealized Losses:	(1)
	Less than 12 Months	34
	12 Month or Longer	3,752
b.	The aggregate related Fair Value of Securities with Unrealized Losses:	(2)
	Less than 12 Months	4,609
	12 Month or Longer	19,241

R. Prepayment Penalty and Acceleration Fees

	<u>General Account</u>
(1) Number of CUSIPs	-
(2) Aggregate Amount of Investment Income	-

NOTES TO FINANCIAL STATEMENTS

6. Joint Venture, Partnerships, and Limited Liability Companies

Not applicable.

7. Investment Income

No Changes.

8. Derivative Instruments

Not applicable.

9. Income Taxes

The Company files a consolidated Federal income tax return with HFS (EIN 87-0447375) and its affiliates with the exception of Hallmark County Mutual Insurance Company. Pursuant to a written tax sharing agreement, the Company's provision for income taxes, if any, equals or approximates tax expense or benefit computed on a separate return basis. SSAP 101, *Income Taxes*, a replacement of SSAP 10 and SSAP 10R, was adopted on January 1, 2012. SSAP No. 101 includes a valuation allowance criterion whereby only gross deferred tax assets that are more likely than not to generate a tax benefit are potentially admissible. Under SSAP 101, deferred income tax assets are limited to 1) the amount of federal income taxes paid in prior years that can be recovered through loss carry-backs for existing temporary differences that reverse during a timeframe corresponding with the Internal Revenue Service tax loss carry-back provisions, not to exceed three years, plus 2) the lesser of the remaining gross deferred income tax assets expected to be realized within three years of the balance sheet date or 15% of capital and surplus excluding any net deferred income tax assets, electronic data processing equipment and operating software and any net positive goodwill, plus 3) the amount of remaining gross deferred income tax assets that can be offset against existing gross deferred income tax liabilities after considering the character (i.e., ordinary versus capital) of the deferred tax assets and liabilities. The remaining deferred income tax assets are non-admitted.

Deferred income taxes do not include amounts for state taxes. Under GAAP, state taxes are included in the computation of deferred income taxes.

A. The net deferred tax asset/(liability) at September 30, 2019 and the change from the prior year are comprised of the following components:

	9/30/2019			12/31/2018		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Gross Deferred Tax Assets.....	\$ 25,217	3,575	28,792	31,777	5,033	36,810
b. Statutory Valuation Allowance Adjustment.....	\$ -	-	-	-	-	-
c. Adjusted Gross Deferred Tax Assets (1a - 1b).....	\$ 25,217	3,575	28,792	31,777	5,033	36,810
d. Deferred Tax Assets Nonadmitted.....	\$ -	-	-	7,179	-	7,179
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d).....	\$ 25,217	3,575	28,792	24,598	5,033	29,631
f. Deferred Tax Liabilities.....	\$ 7,140	-	7,140	5,884	-	5,884
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f).....	\$ 18,077	3,575	21,652	18,714	5,033	23,747

	Ordinary	Capital	Total
a. Gross Deferred Tax Assets.....	\$ (6,560)	(1,458)	(8,018)
b. Statutory Valuation Allowance Adjustment.....	\$ -	-	-
c. Adjusted Gross Deferred Tax Assets (1a - 1b).....	\$ (6,560)	(1,458)	(8,018)
d. Deferred Tax Assets Nonadmitted.....	\$ (7,179)	-	(7,179)
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d).....	\$ 619	(1,458)	(839)
f. Deferred Tax Liabilities.....	\$ 1,256	-	1,256
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f).....	\$ (637)	(1,458)	(2,095)

The Company does not have a valuation allowance against its deferred assets as the Company does not believe it is more likely than not that some portion or all the gross deferred tax assets will not be realized.

The amount of admitted adjusted gross deferred tax assets admitted pursuant to the deferred tax admission calculation.

NOTES TO FINANCIAL STATEMENTS

	9/30/2019			12/31/2018		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
2. Admission Calculation Components SSAP No. 101						
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 22,512	-	22,512	23,747	-	23,747
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of Through Loss Carrybacks.	\$ -	-	-	-	-	-
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ -	-	-	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	1,600,490	X X X	X X X	1,578,025
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 2,706	3,575	6,281	851	5,033	5,884
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 25,218	3,575	28,793	24,598	5,033	29,631

	<u>Ordinary</u>	<u>Change Capital</u>	<u>Total</u>
2. (cont'd) Admission Calculation Components SSAP No. 101			
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ (1,235)	-	(1,235)
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of Through Loss Carrybacks.	\$ -	-	-
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ -	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	22,465
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 1,855	(1,458)	397
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 620	(1,458)	(838)

3. The risk-based capital level to determine the applicable realization period and percentage from the Realization Threshold Limitation Table for RBC Reporting Entities is:

	<u>2019</u>	<u>2018</u>
a. Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.	8962.1%	8833.1%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above	\$ 10,669,338	10,515,830

4. The impact of tax planning strategies on the admissibility of deferred tax assets:

	9/30/2019		12/31/2018		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
1 Admitted Gross DTA	25,217	3,575	31,777	5,033	(6,560)	(1,458)
2 Percentage of DTA						
3 Net Admitted DTA	25,217	3,575	24,598	5,033	619	(1,458)

As reported on the statutory balance sheet for the most recently filed statement with the domiciliary state commissioner adjusted in accordance with SSAP No. 10R Paragraph 10.b.ii.

B. Does the Company's Tax-planning strategies include the use of reinsurance? No

C. Current income taxes incurred consist of the following major components:

	<u>9/30/2019</u>	<u>12/31/2019</u>	<u>Change</u>
1 Current Income Tax			
a. Federal.....	\$ 23,762	42,743	(18,981)
b. Foreign.....	\$ -	-	-
c. Subtotal.....	\$ 23,762	42,743	(18,981)
d. Federal Income Tax on net capital gains.....	\$ (138)	(10,815)	10,677
e. Utilization of capital loss carry-forwards.....	\$ -	-	-
f. Other.....	\$ (3,985)	13,389	(17,374)
g. Federal and foreign income taxes incurred.....	\$ 19,639	45,317	(25,678)

NOTES TO FINANCIAL STATEMENTS

		09/30/19	12/31/18	Change
2	Deferred Tax Assets:			
a.	Ordinary			
1	Discounting of unpaid losses.....	\$ 25,218	31,778	(6,560)
2	Unearned premium reserve.....	\$ -	-	-
3	Policyholder reserves.....	\$ -	-	-
4	Investments.....	\$ -	-	-
5	Deferred acquisition costs.....	\$ -	-	-
6	Policyholder dividends accrual.....	\$ -	-	-
	Fixed assets.....	\$ -	-	-
8	Compensation and benefits accrual.....	\$ -	-	-
9	Pension accrual.....	\$ -	-	-
10	Receivables - nonadmitted.....	\$ -	-	-
11	Net operating loss carry-forward.....	\$ -	-	-
12	Tax credit carry-forward.....	\$ -	-	-
13	Other (including items <5% of total ordinary tax assets).....	\$ -	-	-
	Subtotal.....	<u>\$ 25,218</u>	<u>31,778</u>	<u>(6,560)</u>
b.	Statutory valuation allowance adjustment.....	\$ -	-	-
c.	Nonadmitted.....	\$ -	7,179	(7,179)
d.	Admitted ordinary deferred tax assets (2a99 - 2b - 2c).....	<u>\$ 25,218</u>	<u>24,599</u>	<u>619</u>
e.	Capital:			
(1)	Investments.....	\$ 3,575	5,033	(1,458)
(2)	Net capital loss carry-forward.....	\$ -	-	-
(3)	Real estate.....	\$ -	-	-
(4)	Other (including items <5% of total capital tax assets).....	\$ -	-	-
(99)	Subtotal.....	<u>\$ 3,575</u>	<u>5,033</u>	<u>(1,458)</u>
f.	Statutory valuation allowance adjustment.....	\$ -	-	-
g.	Nonadmitted.....	\$ -	-	-
h.	Admitted capital deferred tax assets (2e99 - 2f - 2g).....	\$ 3,575	5,033	(1,458)
i.	Admitted deferred tax assets (2d + 2h).....	<u>\$ 28,793</u>	<u>29,632</u>	<u>(839)</u>
	Deferred Tax Liabilities:			
a.	Ordinary			
(1)	Investments.....	\$ 7,140	5,884	1,256
(2)	Fixed assets.....	\$ -	-	-
(3)	Deferred and uncollected premium.....	\$ -	-	-
(4)	Policyholder reserves.....	\$ -	-	-
(5)	Other (including items <5% of total ordinary tax liabilities).....	\$ -	-	-
(99)	Subtotal.....	<u>\$ 7,140</u>	<u>5,884</u>	<u>1,256</u>
b.	Capital:			
(1)	Investments.....	\$ -	-	-
(2)	Real Estate.....	\$ -	-	-
(3)	Other (including items <5% of total capital tax liabilities).....	\$ -	-	-
(99)	Subtotal.....	\$ -	-	-
c.	Deferred tax liabilities (3a99 + 3b99).....	\$ 7,140	5,884	1,256
	Net deferred tax assets/liabilities (2i - 3c).....	<u>\$ 21,653</u>	<u>23,748</u>	<u>(2,095)</u>

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. No changes.
- B. No changes.
- C. No changes.
- D. No changes.
- E. No changes.
- F. No changes
- G. No changes

11. Debt

Not applicable.

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Compensated Absences and Other Post Retirement Benefit Plans

Not applicable.

NOTES TO FINANCIAL STATEMENTS

13. Capital Surplus, Dividend Restrictions and Quasi Reorganizations

- A. Outstanding Shares: No changes.
- C. Dividend Rate of Preferred Stock: Not applicable.
- D. Dividend Restrictions: No changes.
- E. Dates and Amounts of Dividends Paid: No changes.
- F. Portion of the Company's Profits that may be paid as Ordinary Dividends to Stockholders: No changes.
- G. Restrictions Placed on the Unassigned Funds, Including for Whom the Surplus is Being Held: Not applicable.
- G. Mutual Surplus Advances: Not applicable.
- H. Company Stock Held for Special Purposes: Not applicable.
- I. Changes in Special Surplus Funds: Not applicable.

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

Net unrealized gains or (losses)	\$ 6,943
Net deferred income tax	\$(9,273)
Non-admitted Assets Values	\$ 7,179

- K. Surplus Notes: Not applicable.
- L. Impact of Restatement Due to Quasi Reorganizations: Not applicable.
- M. Effective Date of Quasi Reorganizations: Not applicable.

14. Contingencies

- A. Contingent Commitments: No changes.
- B. Guaranty Fund and Other Assessments: No changes.
- C. Gain Contingencies: Not applicable.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits: Not applicable.
- E. All Other Contingencies: No changes.

15. Leases

Not applicable.

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk

Not applicable.

17. Sales, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

Not applicable.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Underinsured Portion of Partially Insured Plan

Not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No changes

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurement

Fair Value Measurements

1. Fair Value Measurements at Reporting Date

a. Assets at fair Value

Discription	(Level 1)	(Level 2)	(Level 3)	Total
Cash Equivalent: MMFund	\$ 855,761	\$ -	\$ -	\$ 855,761
Bonds: Industrial & Misc	\$ -	\$ 150,612	\$ -	\$ 150,612
Total Assets at Fair Value	\$ 855,761	\$ 150,612	\$ -	\$ 1,006,373

b. Liabilities at fair value

Not Applicable

2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

There were no transfer into or from Level 3 during the third quarter of 2019.

3 C. The table below reflects the fair value and admitted values of all admitted assets that are financial instruments of the company and are categorized into the three-level fair value hierarchy at September, 30 2019.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 9,004,919	\$ 8,587,967		\$ 9,004,919	-	
Cash, Cash Equivalents and Short Term Investment	\$ 2,965,249	\$ 2,965,249	\$ 2,965,249		-	
Total	\$ 11,970,168	\$ 11,553,216	\$ 2,965,249	\$ 9,004,919	-	

21. Other Items

Not Applicable

22. Events Subsequent

No changes.

23. Reinsurance

A. No changes.

B. No changes.

C. No changes.

D. No changes.

E. No changes.

F. No changes.

F. No changes.

24. Retrospective Rated Contracts and Contracts Subject to Redetermination

No changes.

25. Changes in Incurred Loss and Adjustment Expenses

Reserves as of December 31, 2018 were \$1.2 million. As of September 30, 2019, \$0.1 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$1.1 million as a result of re-estimation of unpaid claims and claim adjustment expenses principally. Therefore, there has been a \$48 thousand favorable prior-year development since December 31, 2018 to September 30, 2019. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

Not applicable.

NOTES TO FINANCIAL STATEMENTS

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

Not applicable.

31. High Deductibles

Not applicable.

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

Not applicable.

33. Asbestos/Environmental Reserves

Not applicable.

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []

If yes, complete Schedule Y, Parts 1, and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [X] No []

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group 0000819913

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] N/A []
 If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2018

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/04/2015

6.4 By what department or departments?
 Texas Department of Insurance

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

GENERAL INTERROGATORIES

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

7.2 If yes, give full information

.....

.....

.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

.....

.....

.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....
.....

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules, and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code. Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

.....

.....

.....

9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

.....

.....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

.....

.....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

GENERAL INTERROGATORIES

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ _____

13. Amount of real estate and mortgages held in short-term investments: \$ _____

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No []

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ 107,341	\$ 107,341
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 107,341	\$ 107,341
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
 If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.3 Total payable for securities lending reported on the liability page	\$ _____

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Chase	1111 Polaris Parkway Suite, 3J OH-0634, Columbus OH, 43240
.....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....

GENERAL INTERROGATORIES

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [] No [X]

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 Investment management - Identify all investment advisors, investment managers, broker/dealers. Including individuals that have the authority to make investments decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["..that have access to the investment accounts";"..handle securities"]

1 Name of Firm or Individual	2 Affiliation
Mark Schwarz	I
Wes Olfers	I
James Dvorak	I

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [] No [X]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No [X]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []

18.2 If no, list exceptions:

.....

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [] No [X]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes [] No [X]

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] N/A [X]
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
 If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....
.....
.....
TOTAL		

5. Operating Percentages:
 5.1. A&H loss percent _____ %
 5.2. A&H cost containment percent _____ %
 5.3. A&H expense percent excluding cost containment expenses _____ %

6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ _____

6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____

7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [] No [X]

7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity Yes [] No [X]

NONE **Schedule F**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - Allocated by States and Territories

States, Etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama	AL	N					
2. Alaska	AK	N					
3. Arizona	AZ	N					
4. Arkansas	AR	N					
5. California	CA	N					
6. Colorado	CO	N					
7. Connecticut	CT	N					
8. Delaware	DE	N					
9. District of Columbia	DC	N					
10. Florida	FL	N					
11. Georgia	GA	N					
12. Hawaii	HI	N					
13. Idaho	ID	N					
14. Illinois	IL	N					
15. Indiana	IN	N					
16. Iowa	IA	N					
17. Kansas	KS	N					
18. Kentucky	KY	N					
19. Louisiana	LA	N					
20. Maine	ME	N					
21. Maryland	MD	N					
22. Massachusetts	MA	N					
23. Michigan	MI	N					
24. Minnesota	MN	N					
25. Mississippi	MS	N					
26. Missouri	MO	N					
27. Montana	MT	N					
28. Nebraska	NE	N					
29. Nevada	NV	N					
30. New Hampshire	NH	N					
31. New Jersey	NJ	N					
32. New Mexico	NM	N					
33. New York	NY	N					
34. North Carolina	NC	N					
35. North Dakota	ND	N					
36. Ohio	OH	N					
37. Oklahoma	OK	N					
38. Oregon	OR	N					
39. Pennsylvania	PA	N					
40. Rhode Island	RI	N					
41. South Carolina	SC	N					
42. South Dakota	SD	N					
43. Tennessee	TN	N					
44. Texas	TX	L		223,976	276,497	2,097,159	2,638,589
45. Utah	UT	N					
46. Vermont	VT	N					
47. Virginia	VA	N					
48. Washington	WA	N					
49. West Virginia	WV	N					
50. Wisconsin	WI	N					
51. Wyoming	WY	N					
52. American Samoa	AS	N					
53. Guam	GU	N					
54. Puerto Rico	PR	N					
55. U.S. Virgin Islands	VI	N					
56. Northern Mariana Islands	MP	N					
57. Canada	CAN	N					
58. Aggregate Other Alien	OT	X X X					
59. Totals	X X X			223,976	276,497	2,097,159	2,638,589

DETAILS OF WRITE-INS							
58001.		X X X					
58002.		X X X					
58003.		X X X					
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X					
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X					

NONE

- (a) Active Status Counts
- L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG 1
 - E - Eligible - Reporting entities eligible or approved to write surplus lines in the state _____
 - D - Domestic Surplus Lines Insurer (DSL) - Reporting entities authorized to write surplus lines in the state of domicile _____
 - R - Registered - Non-domiciled RRGs _____
 - Q - Qualified - Qualified or accredited reinsurer _____
 - N - None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLI) 56

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Newcastle Partners, L.P., Mark E. Schwarz, General Partner 27.9%	Texas	
... Hallmark Financial Services, Inc.	Nevada	87-0447375
... .. ACO Holdings, Inc. (Inactive Co)	Texas	45-8544756
... .. American Hallmark G.A., Inc.	Texas	75-2341879
... .. Hallmark Claim Services, Inc.	Texas	75-1693596
... .. Hallmark Finance Corporation	Texas	75-2339280
... .. Aerospace Holdings, LLC	Texas	20-0785668
... .. Aerospace Claims Management Group	Texas	75-2853986
... .. Aerospace Flight (Inactive Co)	Texas	75-2925120
... .. Aerospace Insurance Managers, Inc.	Texas	52-2099239
... .. Aerospace Special Risk, Inc.	Texas	20-0786154
... .. Mannequin PCC Ltd. Cell A-22*	Guernsey	N/A
... .. Heath XS, LLC	New Jersey	02-0557327
... .. Hardscrabble Data Solutions, LLC	New Jersey	01-0756829
... .. CITON Agency, Inc. 49%	Florida	26-2010050
... .. American Hallmark Ins. Co. of TX. (43494)*	Texas	75-1817901
... .. Hallmark Specialty Ins. Co. (26808)*	Oklahoma	74-2378996
... .. CYR Insurance Management Company	Texas	75-1661749
... .. Hallmark County Mutual Insurance Company (29408)*	Texas	74-0814987
... .. TBIC Holding Corporation.	Texas	41-2130851
... .. Texas Builders Insurance Company (27170)*	Texas	74-2439728
... .. TBIC Risk Management, Inc.	Texas	37-1417618
... .. Effective Claims Management, Inc.	Texas	75-2825542
... .. American Hallmark Insurance Services, Inc.	Texas	75-2652618
... .. Hallmark Specialty Underwriters, Inc.	Texas	74-2228153
... .. TGA Special Risk	Texas	74-2774138
... .. Pan American Acceptance Corporation	Texas	74-1683629
... .. Hallmark Insurance Company (34037)*	Arizona	47-0718164
... .. Hallmark National Insurance Company (19530)*	Arizona	31-1334827

Notes:

* Denotes affiliated insurer. Unless otherwise stated, subsidiaries listed above are 100% owned by respective parent

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
		00000	87-0447375		819913	NASDAQ	Hallmark Financial Services, Inc.	TX	UDP	Newcastle Partners, L.P., Mark E. Schwarz, General	Ownership	27.900	Newcastle Partners, L.P.	N	
		00000	45-8544756				ACO Holdings, Inc. (Inactive Co)	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	75-2341879				American Hallmark G.A., Inc.	TX	UDP	ACO Holdings, Inc. (Inactive Co)	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	75-1693596				Hallmark Claim Services, Inc.	TX	UDP	ACO Holdings, Inc. (Inactive Co)	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	75-2339280				Hallmark Finance Corporation	TX	UDP	ACO Holdings, Inc. (Inactive Co)	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	20-0785668				Aerospace Holdings, LLC	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	75-2853986				Aerospace Claims Management Group	TX	UDP	Aerospace Holdings, LLC	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	75-2925120				Aerospace Flight (Inactive Co)	TX	UDP	Aerospace Holdings, LLC	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	52-2099239				Aerospace Insurance Managers, Inc.	TX	UDP	Aerospace Holdings, LLC	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	20-0786154				Aerospace Special Risk, Inc.	TX	UDP	Aerospace Holdings, LLC	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	N/A				Mannequin PCC Ltd. Cell A-22*	GG	UDP	Aerospace Holdings, LLC	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	02-0557327				Heath XS, LLC	NJ	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	01-0756829				Hardscrabble Data Solutions, LLC	NJ	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	26-2010050				CITON Agency, Inc	FL	UDP	Hallmark Financial Services, Inc.	Ownership	49.000	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	43494	75-1817901				American Hallmark Ins. Co. of TX	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	26808	74-2378996				Hallmark Specialty Ins. Co	OK	UDP	American Hallmark Ins. Co. of TX	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	75-1661749				CYR Insurance Management Company	TX	UDP	American Hallmark Ins. Co. of TX	Ownership	100.000	Newcastle Partners, L.P.	Y	
3478	Hallmark Financial Services Group	29408	74-0814987				Hallmark County Mutual Insurance Company	TX	OTH	Mutual Ownership	Other	100.000	Newcastle Partners, L.P.	N	
		00000	41-2130851				TBIC Holding Corporation	TX	UDP	American Hallmark Ins. Co. of TX	Ownership	100.000	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	27170	74-2439728				Texas Builders Insurance Company	TX	UDP	TBIC Holding Corporation	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	37-1417618				TBIC Risk Management, Inc.	TX	UDP	Texas Builders Insurance Company	Ownership	100.000	Newcastle Partners, L.P.	Y	
		00000	75-2825542				Effective Claims Management, Inc.	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	75-2652618				American Hallmark Insurance Services, Inc	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	74-2228153				TGA Insurance Managers Inc.	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	74-2774138				TGA Special Risk	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000	74-1683629				Pan American Acceptance Corporation	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	34037	47-0718164				Hallmark Insurance Company	AZ	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	19530	31-1334827				Hallmark National Insurance Company	AZ	UDP	Hallmark Insurance Company	Ownership	100.000	Newcastle Partners, L.P.	N	

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

Asterik	Explanation
	NONE

PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation		(104,431)		
17.1 Other liability-occurrence				
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS		(104,431)		

DETAILS OF WRITE-INS			
3401.	NONE		
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

PART 2 – DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence			
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS			

DETAILS OF WRITE-INS			
3401.	NONE		
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2019 Loss and LAE Payments on Claims Reported as of Prior Year-End	2019 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2019 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2016 + prior	914	318	1,232	115		115	773	(7)	303	1,069	(26)	(22)	(48)
2. 2017													
3. Subtotals 2017 + prior	914	318	1,232	115		115	773	(7)	303	1,069	(26)	(22)	(48)
4. 2018													
5. Subtotals 2018 + prior	914	318	1,232	115		115	773	(7)	303	1,069	(26)	(22)	(48)
6. 2019	X X X	X X X	X X X	X X X			X X X				X X X	X X X	X X X
7. Totals	914	318	1,232	115		115	773	(7)	303	1,069	(26)	(22)	(48)

8. Prior Year-End Surplus As Regards Policyholders

10,478

Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
1. <u>-2.845</u>	2. <u>-6.918</u>	3. <u>-3.896</u>
		Col. 13, Line 7 Line 8
		4. <u>-0.458</u>

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

- Question 1: Company does not write this type of Business.
.....
.....
.....
- Question 2: Company does not write this type of Business.
.....
.....
.....
- Question 3: Company does not write this type of Business.
.....
.....
.....
- Question 4: Company does not write this type of Business.
.....
.....
.....

Bar Code:



27170201949000030



27170201945500030



27170201936500030



27170201950500030

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	9,420,074	6,356,706
2. Cost of bonds and stocks acquired	2,936,535	4,422,537
3. Accrual of discount	10,581	11,712
4. Unrealized valuation increase (decrease)	6,943	(19,955)
5. Total gain (loss) on disposals	(656)	(10,884)
6. Deduct consideration for bonds and stocks disposed of	3,567,979	1,229,893
7. Deduct amortization of premium	110,190	119,180
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees		9,031
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	8,695,308	9,420,074
12. Deduct total nonadmitted amounts	107,341	107,341
13. Statement value at end of current period (Line 11 minus Line 12)	8,587,967	9,312,733

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

502

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	8,929,004	548,233	915,395	(30,589)	8,415,093	8,929,004	8,531,253	6,763,345
2. NAIC 2 (a)	684,058	51,368	306,250	(3,073)	983,237	684,058	426,103	2,396,275
3. NAIC 3 (a)	128,012			(1,250)	129,069	128,012	126,762	126,350
4. NAIC 4 (a)	25,382		586	(947)	25,933	25,382	23,849	26,764
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	9,766,456	599,601	1,222,231	(35,859)	9,553,332	9,766,456	9,107,967	9,312,734
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	9,766,456	599,601	1,222,231	(35,859)	9,553,332	9,766,456	9,107,967	9,312,734

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$ 520,000; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	520,000	X X X	524,928	6,750	5,483

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		300,000
2. Cost of short-term investments acquired	725,419	
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	200,491	300,000
7. Deduct amortization of premium	4,928	
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	520,000	
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	520,000	

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

SCHEDULE E PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	258,166	386,787
2. Cost of cash equivalents acquired	4,119,649	4,186,911
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	3,521,511	4,315,532
7. Deduct amortization of premium	543	
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	855,761	258,166
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	855,761	258,166

NONE Schedule A - Part 2 and 3

NONE Schedule B - Part 2 and 3

NONE Schedule BA - Part 2 and 3

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol/ Market Indicator (a)
052396-RW-0	AUSTIN TEX		05/09/2019	NATIONAL FINL SVCS CORP.		(71,204)			1FE
194738-4M-9	COLLIN CNTY TEX		09/05/2019	NATIONAL FINL SVCS CORP.		61,040	60,000.00	144	1FE
421110-D4-6	HAYS TEX CONS INDPT SCH DIST		08/30/2019	NATIONAL FINL SVCS CORP.		76,969	75,000.00	178	1FE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	66,805	135,000.00	322	X X X
475696-BM-1	JEFFERSONVILLE IND REDEV DIST TAX INCREM		08/27/2019	NATIONAL FINL SVCS CORP.		41,131	40,000.00	239	Z
624757-AM-2	MUELLER LOC GOVT CORP TEX CONTRACT REV		07/25/2019	NATIONAL FINL SVCS CORP.		50,878	50,000.00	856	1FE
796242-LK-9	SAN ANTONIO TEX ARPT SYS REV		09/04/2019	NATIONAL FINL SVCS CORP.		56,106	55,000.00	452	1FE
92827T-AV-6	VISALIA CALIF CMNTY REDEV AGY TAX ALLOCA		08/28/2019	NATIONAL FINL SVCS CORP.		51,368	50,000.00	359	2FE
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	199,483	195,000.00	1,906	X X X
8399997	Subtotal - Bonds - Part 3				X X X	266,288	330,000	2,228	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total - Bonds				X X X	266,288	330,000.00	2,228	X X X
9999999	Totals				X X X	266,288	X X X	2,228	X X X

E04

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractua Maturity Date	22 NAIC Designation and Administrative Symbol/Mark Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
36241K-AP-3	GN 781814 - RMBS		09/01/2019	Paydown		527	526.75	533	529		(2)		(2)		527				18	10/15/2034	1
0599999	Subtotal - Bonds - U.S. Governments					X X X	527	526.75	533	529		(2)		(2)	527				18	X X X	X X X
24879T-DM-3	DENTON CNTY TEX FRESH WTR SUPPLY		09/01/2019	Maturity @ 100.00		70,000	70,000.00	71,527	70,000						70,000				2,940	09/01/2019	1FE
34682A-FK-2	FORT BEND CNTY TEX MUN UTIL DIST NO		09/01/2019	Maturity @ 100.00		55,000	55,000.00	56,477	55,000						55,000				2,200	09/01/2019	2FE
397586-MB-1	GREGORY PORTLAND TEX INDPT SCH DI		08/01/2019	Adjustment		60,000			60,000						60,000					08/15/2026	1FE
752278-KW-0	RANDALL CNTY TEX		07/29/2019	Call @ 100.00		615,000	615,000.00	625,646			(10,646)		(10,646)		615,000				13,069	08/01/2023	1FE
979690-QD-9	WOODLANDS TEX RD UTIL DIST NO 1		07/16/2019	Call @ 100.00		100,000	100,000.00	101,566	100,000						100,000				2,640	10/01/2020	1FE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions					X X X	900,000	840,000.00	855,216	285,000		(10,646)		(10,646)	900,000				20,849	X X X	X X X
3128K2-C7-2	FH A41894 - RMBS		09/01/2019	Paydown		108	108.20	104	105		3		3		108				4	01/01/2036	1
3128L0-RC-8	FH A68583 - RMBS		09/01/2019	Paydown		15	14.96	15	15						15				1	11/01/2037	1
3128L0-V6-6	FH A68737 - RMBS		09/01/2019	Paydown		184	184.02	188	187		(3)		(3)		184				7	11/01/2037	1
3128M4-ET-6	FH G02546 - RMBS		09/01/2019	Paydown		20	19.84	20	20						20				1	11/01/2036	1
3128M4-SS-3	FH G02929 - RMBS		09/01/2019	Paydown		33	32.71	33	33						33				1	04/01/2037	1
3128MB-V6-1	FH G13137 - RMBS		09/01/2019	Paydown		137	136.93	132	135		2		2		137				4	05/01/2023	1
3128MM-KX-0	FH G18309 - RMBS		09/01/2019	Paydown		243	243.27	250	246		(3)		(3)		243				7	05/01/2024	1
31395A-5A-9	FHR 2809C EH - CMO/RMBS		09/01/2019	Paydown		720	719.70	681	708		11		11		720				23	06/15/2024	1
31398K-A5-9	FHR 3589E PA - CMO/RMBS		09/01/2019	Paydown		36	35.61	37	36						36				1	09/15/2039	1
31371K-NL-1	FN 254295 - RMBS		09/01/2019	Paydown		332	331.54	332	331						332				12	04/01/2022	1
31371L-CD-9	FN 254868 - RMBS		09/01/2019	Paydown		249	248.50	252	251		(3)		(3)		249				8	09/01/2033	1
31371M-EP-8	FN 255842 - RMBS		09/01/2019	Paydown		117	116.57	116	116		1		1		117				4	09/01/2035	1
31371N-CY-9	FN 256687 - RMBS		09/01/2019	Paydown		31	31.17	31	31						31				1	04/01/2037	1
31402D-MP-2	FN 725866 - RMBS		09/01/2019	Paydown		185	185.32	180	181		4		4		185				6	09/01/2034	1
31402R-DG-1	FN 735503 - RMBS		09/01/2019	Paydown		190	189.66	189	189		1		1		190				8	04/01/2035	1
31403J-SA-5	FN 750313 - RMBS		09/01/2019	Paydown		81	80.54	79	79		1		1		81				7	11/01/2033	1
31405R-G8-3	FN 796823 - RMBS		09/01/2019	Paydown		153	152.65	155	154		(2)		(2)		153				6	09/01/2034	1
31409G-N6-9	FN 870813 - RMBS		09/01/2019	Paydown		143	142.91	141	141		2		2		143				4	10/01/2036	1
31409X-NT-2	FN 881602 - RMBS		09/01/2019	Paydown		824	824.00	843	837		(13)		(13)		824				30	02/01/2036	1
31410S-NL-7	FN 895995 - RMBS		09/01/2019	Paydown		12	12.42	13	13						12				1	07/01/2036	1
31413J-UL-6	FN 947087 - RMBS		09/01/2019	Paydown		201	200.52	202	202		(1)		(1)		201				6	10/01/2037	1
31414S-Y6-4	FN 975133 - RMBS		09/01/2019	Paydown		736	736.73	747	742		(5)		(5)		737				5	05/01/2038	1
31416R-HJ-5	FN AA7432 - RMBS		09/01/2019	Paydown		625	626.25	625	625		1		1		626				19	06/01/2039	1
31419B-YG-4	FN AE1610 - RMBS		09/01/2019	Paydown		244	244.21	251	249		(5)		(5)		244				7	10/01/2040	1

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractua Maturity Date	22 NAIC Designation and Administrative Symbol/Mark Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment Non-Guaranteed Obligati				X X X	5,619	5,618.23	5,616	5,626		(9)		(9)		5,621				173	X X X	X X X	
1248MG-AP-9	CBASS 07CB1 A6 - RMBS		09/01/2019	Paydown		502	502.47	195	193		309		309		502				6	01/25/2037	1FM	
12667F-RY-3	CWALT 0422CB 1A1 - CMO/RMBS		09/01/2019	Paydown		260	263.27	262	262		1		1		263				11	10/25/2034	1FM	
23242M-AD-3	CWL 06S3 A4 - RMBS		09/01/2019	Paydown		1,830	1,722.23	1,134	1,479		243		243		1,722		108	108	83	01/25/2029	1FM	
362334-AN-4	GSR 061F 216 - CMO/RMBS		09/01/2019	Paydown		1,031	1,135.39	1,122	939	187	10		197		1,135		(104)	(104)	47	02/25/2036	4FM	
85208N-AA-8	SPRNTS 161 A1 - ABS		09/20/2019	Paydown		31,250	31,250.00	31,531	30,859	539	(149)		390		31,250				774	03/20/2023	2FE	
92553P-AD-4	VIACOM INC (NEW)		09/15/2019	Maturity @ 100.00		220,000	220,000.00	238,058	224,723		(4,723)		(4,723)		220,000				12,375	09/15/2019	2FE	
94986F-AF-4	WFMBS 0712 A6 - CMO/RMBS		09/01/2019	Paydown		815	814.98	770	802		14		14		815				55	09/25/2037	1FM	
949834-AA-3	WFMBS 0714 1A1 - CMO/RMBS		09/01/2019	Paydown		374	397.41	394	387	11	(1)		10		397		(24)	(24)	16	10/25/2037	4FM	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	256,062	256,085.75	273,466	259,644	737	(4,296)		(3,559)		256,084		(20)	(20)	13,367	X X X	X X X	
8199999	Subtotal - Bonds - SVO Identified Funds				X X X															X X X	X X X	
8299999	Subtotal - Bonds - Bank Loans				X X X															X X X	X X X	
8399997	Subtotal - Bonds - Part 4				X X X	1,162,208	1,102,231	1,134,831	550,799	737	(14,953)		(14,216)		1,162,232		(20)	(20)	34,407	X X X	X X X	
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total - Bonds				X X X	1,162,208	1,102,230.73	1,134,831	550,799	737	(14,953)		(14,216)		1,162,232		(20)	(20)	34,407	X X X	X X X	
9999999	Totals					1,162,208	X X X	1,134,831	550,799	737	(14,953)		(14,216)		1,162,232		(20)	(20)	34,407	X X X	X X X	

E05.1

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

- NONE Schedule DB - Part A - Section 1**
- NONE Schedule DB - Part B - Section 1**
- NONE Schedule DB - Part D - Section 1**
- NONE Schedule DB - Part D - Section 2**
- NONE Schedule DL - Part 1**
- NONE Schedule DL - Part 2**

