

**QUARTERLY STATEMENT**

**OF THE**

**HALLMARK INSURANCE COMPANY**

of **SCOTTSDALE**

in the state of **ARIZONA**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**FOR THE QUARTER ENDED**

**June 30, 2019**

**PROPERTY AND CASUALTY**

**2019**



34037201920100102

# QUARTERLY STATEMENT

AS OF JUNE 30, 2019  
OF THE CONDITION AND AFFAIRS OF THE  
**Hallmark Insurance Company**

NAIC Group Code 3478, 3478 NAIC Company Code 34037 Employer's ID Number 47-0718164  
 (Current Period) (Prior Period)

Organized under the Laws of Arizona State of Domicile or Port of Entry AZ  
 Country of Domicile US

Incorporated/Organized June 20, 1988 Commenced Business August 23, 1988  
 Statutory Home Office 8601 North Scottsdale Road Suite 300, Scottsdale, AZ US 85253  
 (Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 5420 Lyndon B. Johnson Freeway Suite 1100  
 (Street and Number)  
Dallas, TX US 75240-2345 817-348-1600  
 (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 5420 Lyndon B. Johnson Freeway Suite 1100, Dallas, TX US 75240-2345  
 (Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 5420 Lyndon B. Johnson Freeway Suite 1100 Dallas, TX US 75240-2345 817-348-1600  
 (Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.hallmarkgrp.com

Statutory Statement Contact Felica M. Smith 817-348-1887  
 (Name) (Area Code) (Telephone Number) (Extension)  
fsmith@hallmarkgrp.com 817-348-1820  
 (E-Mail Address) (Fax Number)

## OFFICERS

Name	Title
1. <u>Naveen Anand</u>	<u>President</u>
2. <u>Jeffrey Ray Passmore</u>	<u>Chief Financial Officer, Treasurer &amp; Secretary</u>
3. <u>Christopher James Kenney</u>	<u>Vice President</u>

## VICE-PRESIDENTS

Name	Title	Name	Title

## DIRECTORS OR TRUSTEES

<u>Naveen Anand</u>	<u>Christopher James Kenney</u>	<u>Kenneth Russell Krissing</u>	<u>Jeffrey Ray Passmore</u>
<u>Mark Edward Schwarz</u>	<u>Charles Edward Stauber</u>	<u>Tarek Nghi Timol</u>	

State of Texas

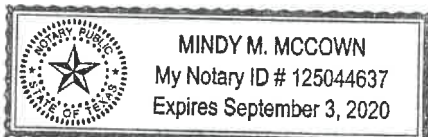
County of Dallas ss

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

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

a. Is this an original filing?  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	194,314,898		194,314,898	200,915,770
2. Stocks:				
2.1 Preferred stocks	2,407,400		2,407,400	3,247,980
2.2 Common stocks	50,632,307		50,632,307	46,769,616
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 (\$ 5,061,149), cash equivalents (\$ 3,396,990), and short-term investments (\$ 3,880,822)	12,338,960		12,338,960	4,787,559
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities	885,732		885,732	1,513,400
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	260,579,297		260,579,297	257,234,325
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,419,863		1,419,863	1,469,502
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	31,435,059		31,435,059	19,013,836
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	166,195		166,195	510,509
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	14,335,256		14,335,256	10,517,411
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
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	2,627,155		2,627,155	2,805,354
19. Guaranty funds receivable or on deposit	6,040		6,040	7,513
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)	310,568,865		310,568,865	291,558,450
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	310,568,865		310,568,865	291,558,450

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)				

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 30,411,124)	85,113,740	87,174,271
2. Reinsurance payable on paid losses and loss adjustment expenses	22,915,418	26,089,148
3. Loss adjustment expenses	11,293,789	10,201,659
4. Commissions payable, contingent commissions and other similar charges	10,142	133,121
5. Other expenses (excluding taxes, licenses and fees)	23,422	14,559
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	168,044	82,285
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	3,181,015	2,438,523
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 \$ 23,150,483 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)	64,238,906	52,809,517
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	15,892,917	9,890,950
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)		52,000
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	79,980	65,315
20. Derivatives		
21. Payable for securities	981,270	
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)	203,898,643	188,951,348
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	203,898,643	188,951,348
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	3,500,000	3,500,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	41,137,233	41,137,233
35. Unassigned funds (surplus)	62,032,989	57,969,869
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)	106,670,222	102,607,102
38. Totals (Page 2, Line 28, Col. 3)	310,568,865	291,558,450

DETAILS OF WRITE-IN LINES		
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)		
2901. ....		
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. ....		
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
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 26,394,187)	26,271,809	29,074,695	56,946,614
1.2 Assumed (written \$ 77,611,251)	66,201,854	59,004,614	117,145,698
1.3 Ceded (written \$ 26,806,871)	26,704,485	29,545,027	57,893,393
1.4 Net (written \$ 77,198,567)	65,769,178	58,534,282	116,198,919
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 38,904,814):			
2.1 Direct	21,701,420	18,370,795	39,955,616
2.2 Assumed	36,860,046	36,173,043	84,148,344
2.3 Ceded	21,637,342	18,498,924	40,181,622
2.4 Net	36,924,124	36,044,914	83,922,338
3. Loss adjustment expenses incurred	8,102,226	4,132,346	(2,845,604)
4. Other underwriting expenses incurred	20,021,858	15,106,976	29,747,450
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	65,048,208	55,284,236	110,824,184
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	720,970	3,250,046	5,374,735
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	4,530,425	3,479,280	7,165,603
10. Net realized capital gains (losses) less capital gains tax of \$ 12,329	1,749,228	221,281	167,636
11. Net investment gain (loss) (Lines 9 + 10)	6,279,653	3,700,561	7,333,239
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ (139,636))	(139,636)	(110,118)	(247,037)
13. Finance and service charges not included in premiums	11,844	51,901	63,168
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)	(127,792)	(58,217)	(183,869)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	6,872,831	6,892,390	12,524,105
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)	6,872,831	6,892,390	12,524,105
19. Federal and foreign income taxes incurred	1,338,821	1,036,400	2,028,393
20. Net income (Line 18 minus Line 19) (to Line 22)	5,534,010	5,855,990	10,495,712
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	102,607,102	96,016,969	96,016,969
22. Net income (from Line 20)	5,534,010	5,855,990	10,495,712
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	4,155,309	(79,983)	(2,459,588)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(555,732)	(26,904)	513,559
27. Change in nonadmitted assets	377,533		(377,533)
28. Change in provision for reinsurance	52,000	144,983	92,983
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	(5,500,000)	(1,675,000)	(1,675,000)
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)	4,063,120	4,219,086	6,590,133
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	106,670,222	100,236,055	102,607,102

<b>DETAILS OF WRITE-IN LINES</b>			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
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			
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			
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
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	71,123,626	67,537,821	118,877,397
2. Net investment income	4,871,946	4,253,318	8,474,423
3. Miscellaneous income	(127,792)	(58,216)	(183,869)
4. Total (Lines 1 to 3)	75,867,780	71,732,923	127,167,951
5. Benefit and loss related payments	45,359,815	45,317,409	84,694,409
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	27,676,724	21,243,130	43,239,231
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	584,000		(604,720)
10. Total (Lines 5 through 9)	73,620,539	66,560,539	127,328,920
11. Net cash from operations (Line 4 minus Line 10)	2,247,241	5,172,384	(160,969)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	48,038,853	35,054,724	67,194,270
12.2 Stocks		3,993,752	3,668,587
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	1,608,937	(394,156)	(3,551,232)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	49,647,790	38,654,320	67,311,625
13. Cost of investments acquired (long-term only):			
13.1 Bonds	38,859,769	26,876,139	60,371,539
13.2 Stocks		8,951,799	15,876,038
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)	38,859,769	35,827,938	76,247,577
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)	10,788,021	2,826,382	(8,935,952)
<b>Cash from Financing and Miscellaneous Sources</b>			
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	5,500,000	1,675,000	1,675,000
16.6 Other cash provided (applied)	16,138	(23,277)	17,312
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(5,483,862)	(1,698,277)	(1,657,688)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	7,551,400	6,300,489	(10,754,609)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	4,787,559	15,542,168	15,542,168
19.2 End of period (Line 18 plus Line 19.1)	12,338,959	21,842,657	4,787,559

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

20.0001			
20.0002			
20.0003			

---

## NOTES TO FINANCIAL STATEMENTS

---

Note	PROPERTY Description	Page
1	Summary of Significant Accounting Policies .....	6.1
2	Accounting Changes and Corrections of Errors.....	6.1
3	Business Combinations and Goodwill .....	6.1
4	Discontinued Operations .....	6.1
5	Investments .....	6.1
6	Joint Ventures, Partnerships and Limited Liability Companies.....	6.1
7	Investment Income .....	6.2
8	Derivative Instruments .....	6.2
9	Income Taxes.....	6.2
10	Information Concerning Parent, Subsidiaries and Affiliates .....	6.4
11	Debt .....	6.5
12	Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.....	6.5
13	Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations .....	6.5
14	Contingencies .....	6.5
15	Leases .....	6.6
16	Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk .....	6.6
17	Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities .....	6.6
18	Gain or Loss to the Reporting Entity From Uninsured Plans and the Uninsured Portion of Partially Insured Plans .....	6.6
19	Direct Premium Written/Produced by Managing General Agents/Third Party Administrators .....	6.6
20	Fair Value Measurement .....	6.6
21	Other Items .....	6.7
22	Events Subsequent .....	6.7
23	Reinsurance .....	6.7
24	Retrospectively Rated Contracts & Contracts Subject to Redetermination .....	6.7
25	Changes in Incurred Losses and Loss Adjustment Expenses .....	6.7
26	Intercompany Pooling Arrangements .....	6.7
27	Structured Settlements .....	6.8
28	Health Care Receivables .....	6.8
29	Participating Policies .....	6.8
30	Premium Deficiency Reserves .....	6.8
31	High Deductibles .....	6.8
32	Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses.....	6.8
33	Asbestos/Environmental Reserves.....	6.8
34	Subscriber Savings Accounts.....	6.8
35	Multiple Peril Crop Insurance .....	6.8
36	Financial Guaranty Insurance .....	6.8

## 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 Arizona Department of Insurance (the AZDOD). 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 Arizona (NAIC SAP). For the Company, there are no significant differences between Arizona 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) Hallmark Insurance Company state basis	XXX	XXX	XXX	\$ 5,534,010	\$ 10,495,712
(2) State Prescribed Practices: NONE					
(3) State Permitted Practices: NONE					
(4) NAIC SAP	XXX	XXX	XXX	<u>\$ 5,534,010</u>	<u>\$ 10,495,712</u>
 <u>SURPLUS</u>					
(5) Hallmark Insurance Company state basis	XXX	XXX	XXX	\$ 106,670,222	\$ 102,607,102
(6) State Prescribed Practices: NONE					
(7) State Permitted Practices: NONE					
(8) NAIC SAP	XXX	XXX	XXX	<u>\$ 106,670,222</u>	<u>\$ 102,607,102</u>

#### 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

In accordance with SSAP 68 the net purchase price of \$5.7 million related to the December 31, 2010 acquisition of Hallmark National Insurance Company will be amortized over 10 years, the period which the Company benefits economically from the acquisition. During 2019 the Company recorded \$288 thousand of goodwill amortization.

### 4. Discontinued Operations

Not applicable.

### 5. Investments

#### D. Loan-Backed Securities

a. The aggregate Amount of unrealized losses:	
Less than 12 months	34,011
12 Months or Longer	28,010
b. The aggregate related fair value of securities with unrealized losses:	
Less than 12 months	2,130,048
12 Months or Longer	1,639,949

#### R. Prepayment Penalty and Acceleration Fees

	<u>General Account</u>
(1) Number of CUSIPs	6
(2) Aggregate Amount of Investment Income	140,401

### 6. Joint Venture, Partnerships, and Limited Liability Companies

Not applicable.



## NOTES TO FINANCIAL STATEMENTS

### 7. Investment Income

- A. No changes.
- B. Amounts Nonadmitted: Not applicable.

### 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 carrybacks for existing temporary differences that reverse during a timeframe corresponding with the Internal Revenue Service tax loss carryback 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 nonadmitted.

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 June 30, 2019 and the change from the prior year are comprised of the following components:

1.	6/30/2019			12/31/2018		
	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Gross Deferred Tax Assets.....	\$ 3,483,300	223,088	3,706,388	3,011,153	600,166	3,611,319
b. Statutory Valuation Allowance Adjustment.....	\$ -	-	-	-	-	-
c. Adjusted Gross Deferred Tax Assets (1a - 1b).....	\$ 3,483,300	223,088	3,706,388	3,011,153	600,166	3,611,319
d. Deferred Tax Assets Nonadmitted.....	\$ -	-	-	377,533	-	-
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d).....	\$ 3,483,300	223,088	3,706,388	2,633,620	600,166	3,233,786
f. Deferred Tax Liabilities.....	\$ 157,244	921,989	1,079,233	157,244	271,188	428,432
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f).....	\$ 3,326,056	(698,901)	2,627,155	2,476,376	328,978	2,805,354
	Change					
	Ordinary	Capital	Total			
a. Gross Deferred Tax Assets.....	\$ 472,147	(377,078)	95,069			
b. Statutory Valuation Allowance Adjustment.....	\$ -	-	-			
c. Adjusted Gross Deferred Tax Assets (1a - 1b).....	\$ 472,147	(377,078)	95,069			
d. Deferred Tax Assets Nonadmitted.....	\$ (377,533)	-	(377,533)			
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d).....	\$ 849,680	(377,078)	472,602			
f. Deferred Tax Liabilities.....	\$ -	650,801	650,801			
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f).....	\$ 849,680	(1,027,879)	(178,199)			

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**

	6/30/2019			12/31/2018		
	Ordinary	Capital	Total	Ordinary	Capital	Total
2 Admission Calculation Components SSAP No. 101						
Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 3,279,547	-	3,279,547	2,351,247	-	2,351,247
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.	\$ -	-	-	454,107	-	454,107
Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ -	-	-	-	-	-
Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	15,677,056	X X X	X X X	14,995,027
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.	\$ 203,752	223,088	426,840	(171,734)	600,166	428,432
Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total ( 2(a) + 2(b) + 2(c) )	\$ 3,483,299	223,088	3,706,387	2,633,620	600,166	3,233,786

	Change		
	Ordinary	Capital	Total
Admission Calculation Components SSAP No. 101			
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 928,300	-	928,300
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.	\$ (454,107)	-	(454,107)
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	682,029
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.	\$ 375,486	(377,078)	(1,592)
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total ( 2(a) + 2(b) + 2(c) )	\$ 849,679	(377,078)	472,601

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

	2019	2018
Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.	699.0%	670.5%
Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 104,043,067	99,801,748

	6/30/2019		12/31/2018		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
4. Impact of Tax Planning Strategies						
a. Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.						
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 3,483,300	223,088	3,011,153	600,166	472,147	(377,078)
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact of Tax Planning Strategies	\$ -	-	-	-	-	-
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 3,483,300	223,088	2,633,620	600,166	849,680	(377,078)
4. Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Attributable To The Impact of Tax Planning Strategies	\$ -	-	-	-	-	-
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:

	6/30/2019	12/31/2018	Change
1. Current Income Tax			
a. Federal.....	\$ 1,351,150	2,102,265	(751,115)
b. Foreign.....	\$ -	-	-
c. Subtotal.....	\$ 1,351,150	2,102,265	(751,115)
d. Federal Income Tax on net capital gains.....	\$ (12,329)	4,061	(16,390)
e. Utilization of capital loss carry-forwards.....	\$ -	-	-
f. Other.....	\$ -	(77,932)	77,932
g. Federal and foreign income taxes incurred.....	\$ 1,338,821	2,028,394	(689,573)

## NOTES TO FINANCIAL STATEMENTS

2.	Deferred Tax Assets:				
a.	Ordinary		<u>6/30/2019</u>	<u>12/31/2018</u>	<u>Change</u>
	(1) Discounting of unpaid losses.....	\$	785,265	793,153	(7,888)
	(2) Unearned premium reserve.....	\$	2,698,034	2,218,000	480,034
	(3) Policyholder reserves.....	\$	-	-	-
	(4) Investments.....	\$	-	-	-
	(5) Deferred acquisition costs.....	\$	-	-	-
	(6) Policyholder dividends accrual.....	\$	-	-	-
	(7) 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).....	\$	-	-	-
	(99) Subtotal.....	\$	<u>3,483,299</u>	<u>3,011,153</u>	<u>472,146</u>
b.	Statutory valuation allowance adjustment.....	\$			
c.	Nonadmitted.....	\$		377,533	(377,533)
d.	Admitted ordinary deferred tax assets (2a99 - 2b - 2c)....	\$	<u>3,483,299</u>	<u>2,633,620</u>	<u>849,679</u>
e.	Capital:		<u>6/30/2019</u>	<u>12/31/2018</u>	<u>Change</u>
	(1) Investments.....	\$	223,088	600,166	(377,078)
	(2) Net capital loss carry-forward.....	\$	-	-	-
	(3) Real estate.....	\$	-	-	-
	(4) Other (including items <5% of total capital tax assets)....	\$	-	-	-
	(99) Subtotal.....	\$	<u>223,088</u>	<u>600,166</u>	<u>(377,078)</u>
f.	Statutory valuation allowance adjustment.....	\$	-	-	-
g.	Nonadmitted.....	\$	-	-	-
h.	Admitted capital deferred tax assets (2e99 - 2f - 2g).....	\$	<u>223,088</u>	<u>600,166</u>	<u>(377,078)</u>
i.	Admitted deferred tax assets (2d + 2h).....	\$	<u>3,706,387</u>	<u>3,233,786</u>	<u>472,601</u>
3.	Deferred Tax Liabilities:		<u>6/30/2019</u>	<u>12/31/2018</u>	<u>Change</u>
a.	Ordinary				
	(1) Investments.....	\$	154,023	154,023	-
	(2) Fixed assets.....	\$	-	-	-
	(3) Deferred and uncollected premium.....	\$	-	-	-
	(4) Policyholder reserves.....	\$	-	-	-
	(5) Other (including items <5% of total ordinary tax liabilities).....	\$	3,221	3,221	-
	(99) Subtotal.....	\$	<u>157,244</u>	<u>157,244</u>	<u>-</u>
b.	Capital:				
	(1) Investments.....	\$	921,989	271,188	650,801
	(2) Real Estate.....	\$	-	-	-
	(3) Other (including items <5% of total capital tax liabilities).....	\$	-	-	-
	(99) Subtotal.....	\$	<u>921,989</u>	<u>271,188</u>	<u>650,801</u>
c.	Deferred tax liabilities (3a99 + 3b99).....	\$	<u>1,079,233</u>	<u>428,432</u>	<u>650,801</u>
4.	Net deferred tax assets/liabilities (2i - 3c).....	\$	<u><u>2,627,154</u></u>	<u><u>2,805,354</u></u>	<u><u>(178,200)</u></u>

### D. Operating loss carryforward

As of June 30, 2019, there is no net operating loss carryforward and no tax credit carryforwards available for tax purposes.

The amounts of Federal income taxes incurred that are available for recoupment in the event of future net losses are:

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
2019	1,326,492	-	1,326,492
2018	2,109,657	-	2,109,657
2017	-	-	-

The aggregate amounts of deposits admitted under Section 6603 of the Internal Revenue Code are \$0.

### 10. Information Concerning Parent, Subsidiaries and Affiliates

A. No changes.

B. No changes.

C. No changes.

D. No changes.

E. No changes.

## NOTES TO FINANCIAL STATEMENTS

### 11. Debt

Not applicable.

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

Not applicable.

### 13. Capital Surplus, Dividend Restrictions and Quasi Reorganizations

1. Outstanding Shares: No changes.

2. Dividend Rate of Preferred Stock: Not applicable.

3. Dividend Restrictions: No changes

4. Dates and Amounts of Dividends Paid:

On March 15, 2018, the Company declared an extraordinary dividend of \$675,000 in cash to its sole shareholder, Hallmark Financial Services, Inc., which dividend was paid on March 15, 2018

On May 16, 2018, the Company declared an extraordinary dividend of \$1,000,000 in cash to its sole shareholder, Hallmark Financial Services, Inc., which dividend was paid on June 16, 2018.

On March 20, 2018, the Company received an extraordinary cash dividend of \$125,000 from its subsidiary HNIC.

On March 1, 2019, the Company declared an ordinary dividend of \$2,500,000 in cash to its sole shareholder, Hallmark Financial Services, Inc., which dividend was paid on March 15, 2019

On May 30, 2019, the Company received an ordinary cash dividend of \$500,000 from its subsidiary HNIC.

On May 14, 2019, the Company declared an ordinary dividend of \$3,000,000 in cash to its sole shareholder, Hallmark Financial Services, Inc., which dividend was paid on May 30, 2019.

5. Portion of the Company's Profits that may be paid as Ordinary Dividends to Stockholders:

No changes.

6. Restrictions Placed on the Unassigned Funds, Including for Whom the Surplus is Being Held: Not applicable.

7. Mutual Surplus Advances: Not applicable.

8. Company Stock Held for Special Purposes: Not applicable.

9. Changes in Special Surplus Funds: Not applicable.

10. Changes in Unassigned Funds:

Net unrealized gains or (losses)	\$ 4,155,309
Net deferred income tax	\$ (555,732)
Change in Provision for Reinsurance	\$ 377,533
Change in provision for Reinsurance	\$ 52,000
Dividends to stockholders	\$ (5,500,000)

11. Surplus Notes: Not applicable.

12. Impact of Restatement Due to Quasi Reorganizations: Not applicable.

13. Effective Date of Quasi Reorganizations: Not applicable.

### 14. Contingencies

A. Contingent Commitments: No changes.

## NOTES TO FINANCIAL STATEMENTS

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

Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Premiums Written/Produced by
Hallmark Specialty Underwriters, Inc 7550 IH 10W, Suite 1400 San Antonio, TX 78229	74-2228153	No	Commercial property/ casualty	C,CA,B,P,U	\$ 5,535,784
Heath XS, LLC Two Lincoln Centre 5420 Lyndon B Johnson Freeway, Suite 1100 Dallas Texas 75240-2345	02-0557327	No	Commerical umbrella and excess liability	B,P,U	\$ 7,279,582
Aerospace Insurance Managers, Inc. Two Lincoln Centre 5420 Lyndon B Johnson Freeway, Suite 1100 Dallas Texas 75240-2345	20-0785668	No	Aircraft/Airport Liability and Hull	C,CA,B,P,U	\$ 11,864,673
Triad Insurance Management & Services Agency, Inc. 117 John Robert Thomas Drive Exton, PA 19341	23-3060386	No	Commerical Auto	B,P,U	\$ 1,618,837

### 20. Fair Value Measurement

#### A.

##### 1. Fair Value Measurements at Reporting Date

a. Assets at fair Value	(Level 1)	(Level 2)	(Level 3)	Total
Cash Equivalent: MMFund	260,064	-	-	260,064
Bonds: Industrial & Miscellaneous	-	33,303,331	-	33,303,331
Preferred Stocks: Industrial & Miscellaneous	112,836	-	-	112,836
Common Stocks: Industrial & Miscellaneous	21,844,371	-	-	21,844,371
Total assets at fair value	22,217,271	33,303,331	-	55,520,602

##### b. Liabilities at fair value

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

a. Assets	Beginning Balance at 1/1/2019	Transfers in Level 3 (a)	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus
Common Stock: Industrial	-	-	-	-	-
Total	-	-	-	-	-

## NOTES TO FINANCIAL STATEMENTS

a. Assets (cont'd)	Purchases	Issuances	Sales	Settlements	Ending Balance at 6/30/2019
Common Stock	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
b. Liability					
Not Applicable					

### 3. Not Applicable

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 June 30, 2019.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	195,650,964	194,314,899		195,507,128	143,836	
Preferred Stocks	3,225,594	2,407,400	3,225,594			
Common Stocks	21,844,371	21,844,371	21,844,371			
Cash, Cash Equivalents, and Short term Investments	12,338,960	12,338,960	1,233,960	3,880,822		
<b>Total</b>	<b>233,059,889</b>	<b>230,905,631</b>	<b>26,303,925</b>	<b>199,387,950</b>	<b>143,836</b>	-

### 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.

G. 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 \$97.4 million. As of June 30, 2019, \$34.9 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 \$63.0 million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on commercial auto liability and general liability lines of insurance. Therefore, there has been \$0.5 million of unfavorable prior-year development since December 31, 2018 to June 30, 2019. The increase 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

Effective January 1, 2006 the Company is a participant in an intercompany pooling arrangement. The lead company of the pool is American Hallmark Insurance Company of Texas (AHIC). Under the terms of the arrangement, the underwriting risk for all lines of business of the intercompany pool participants are reinsured with AHIC. The pool or net underwriting risk remaining after reinsurance is transacted with third parties by AHIC is then retro ceded to the pool participants based on pool participation percentages. The provision for reinsurance and the write-off of uncollectible reinsurance are reported in the statutory financial statements of AHIC and are not allocated to the other pool participants.

---

## NOTES TO FINANCIAL STATEMENTS

---

The names, NAIC company codes and intercompany pooling percentages are as follows:

<u>Pool Participant</u>	<u>NAIC Company Code</u>	<u>Pool Participation%</u>
American Hallmark Insurance Company of Texas	43494	34.0
Hallmark Insurance Company	34037	32.0
Hallmark Specialty Insurance Company	26808	24.0
Hallmark National Insurance Company	19530	10.0

All of the above pool companies are party to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and have contractual rights of direct recovery from the non-affiliated reinsurers under the terms of such reinsurance agreements.

**27. Structured Settlements**

Not applicable.

**28. Health Care Receivables**

Not applicable.

**29. Participating Policies**

Not applicable.

**30. Premium Deficiency Reserves**

No changes.

**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 \_\_\_\_\_ 000819913 \_\_\_\_\_

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). \_\_\_\_\_ 06/19/2015 \_\_\_\_\_

6.4 By what department or departments?  
 State of Arizona Insurance, Texas Department of Insurance, Oklahoma Department of Insurance, and Ohio Department 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 .....	\$ 27,731,680	\$ 28,787,935
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) .....	\$ 27,731,680	\$ 28,787,935
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?  
If yes, attach an explanation. Yes [ ] No [X] N/A [ ]

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?  
If yes, attach an explanation. Yes [ ] No [X]

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 [X] No [ ]

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 [ ]

## SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1	2	3	4	5	6	7
NAIC Company Code	ID Number	Name of Reinsurer	Domiciliary Jurisdiction	Type of Reinsurer	Certified Reinsurer Rating (1 through 6)	Effective Date of Certified Reinsurer Rating
		U.S. Insurers				
27847	95-2769232	Insurance Company of the West	CA	Authorized		
		All Other Insurers				
00000	AA-1320052	Caisse Centrale de Reassurance	FRA	Unauthorized		
00000	AA-3194101	Everest Reinsurance Company	BMU	Unauthorized		
00000	AA-3191190	Hamilton Re, Ltd	BMU	Unauthorized		
00000	AA-3190871	Lancashire Insurance Company Ltd.	BMU	Unauthorized		
00000	AA-1128791	Lloyds Syndicate No. 2791 (MAP)	GBR	Authorized		
00000	AA-1120181	Lloyds Syndicate No. 5886 (WBC)	GBR	Authorized		

**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	L	425,250	1,025,309	3,022,938	44,740	849,079	4,180,094
2. Alaska	AK	L	61,950	39,321			45,090	54,207
3. Arizona	AZ	L	548,477	455,222	404,332	1,764,409	659,547	1,588,576
4. Arkansas	AR	L	345,961	188,484	166,182	66,994	399,395	965,815
5. California	CA	L	2,567,616	3,103,580	563,650	508,832	9,434,417	5,201,733
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	L	103,212	152,021	214		64,279	249,260
9. District of Columbia	DC	N						
10. Florida	FL	L	1,483,380	1,778,271	179,332	1,619,517	1,954,236	1,381,288
11. Georgia	GA	L	696,320	656,990	149,951	238,490	995,269	1,727,712
12. Hawaii	HI	L	221,492	232,580	4,452	25,843	5,150,198	244,678
13. Idaho	ID	L	216,174	209,937	199,000	100,745	974,700	84,448
14. Illinois	IL	L	1,352,880	1,403,694	6,037,311	71,018	1,316,080	3,276,223
15. Indiana	IN	L	899,058	821,007	244,996	279,985	2,352,977	1,938,749
16. Iowa	IA	L	147,997	209,116		48,981	196,576	791,297
17. Kansas	KS	L	371,572	268,420	452,772		784,364	821,941
18. Kentucky	KY	L	173,742	243,187	(418)	(27,005)	1,348,878	410,732
19. Louisiana	LA	L	682,089	770,351	402,596	1,721,094	941,367	1,377,682
20. Maine	ME	N						
21. Maryland	MD	L	488,407	105,798	127,933	105,990	1,600,913	(500,615)
22. Massachusetts	MA	L	152,028	179,148	1,000,000	3,925	246,996	1,507,092
23. Michigan	MI	L	734,000	686,460	149,292	22,500	820,342	1,762,609
24. Minnesota	MN	L	428,791	471,545	197,891	57,226	327,332	1,065,799
25. Mississippi	MS	L	173,461	175,713	2,179,061	1,052,110	675,536	1,048,487
26. Missouri	MO	L	4,225,594	3,049,522	36,422	1,556,937	3,967,514	4,695,222
27. Montana	MT	L	178,917	147,470	(22,529)	59,136	269,501	626,216
28. Nebraska	NE	L	206,434	287,039	3,432	35,384	190,289	403,122
29. Nevada	NV	L	193,364	238,518	1,884,742	199,298	240,557	(370,144)
30. New Hampshire	NH	L	130,098	89,436	156,163		86,632	435,426
31. New Jersey	NJ	L	141,173	104,346	116,576	81,603	99,045	282,452
32. New Mexico	NM	L	208,697	140,444	53,609	529,687	332,964	998,041
33. New York	NY	L	480,240	268,457	158,563	369,854	405,368	(561,484)
34. North Carolina	NC	L	578,712	547,966	97,555	2,196,672	598,186	1,573,662
35. North Dakota	ND	L	82,731	109,207		17,693	92,875	273,252
36. Ohio	OH	L	1,033,739	760,086	(51,082)	31,437	953,577	2,738,856
37. Oklahoma	OK	L	373,643	231,952	20,180	531,098	654,367	207,178
38. Oregon	OR	L	285,496	291,018	(77,850)	41,440	375,073	364,632
39. Pennsylvania	PA	L	1,548,419	1,870,177	31,656	940,404	2,041,704	4,223,420
40. Rhode Island	RI	L	46,948	177,220	19,373		108,467	(84,098)
41. South Carolina	SC	L	133,465	275,666	23,944	173,879	523,240	1,012,736
42. South Dakota	SD	L	92,223	80,462	99,455	54	50,629	(420,685)
43. Tennessee	TN	L	936,144	568,942	74,009	359,543	708,369	1,529,705
44. Texas	TX	L	2,459,657	2,989,564	1,246,023	7,365,281	4,928,587	(2,335,366)
45. Utah	UT	L	311,554	277,799	167,654	27,500	530,620	(2,341,425)
46. Vermont	VT	N						
47. Virginia	VA	N						
48. Washington	WA	L	18,088	3,181	59,792	413,751	49,281	429,670
49. West Virginia	WV	L	62,255	50,748	15,837		211,209	310,534
50. Wisconsin	WI	L	294,034	307,532	664	19,800	200,143	765,619
51. Wyoming	WY	L	98,705	149,483	12,424	(11,121)	422,535	418,106
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	26,394,187	26,192,389	19,708,097	22,644,724	49,178,303	44,352,454

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					

- (a) Active Status Counts
- L – Licensed or Chartered - Licensed insurance carrier or domiciled RRG 45
  - 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) 12

**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)	*
0		00000	87-0447375	0	819913	NASDAQ	Hallmark Financial Services, Inc.	TX	UDP	Newcastle Partners, L.P., Mark E. Schwarz, General	Ownership	27.9	Newcastle Partners, L.P.	N	
0		00000	45-8544756	0	0		ACO Holdings, Inc. (Inactive Co)	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	75-2341879	0	0		American Hallmark G.A., Inc.	TX	UDP	ACO Holdings, Inc. (Inactive Co)	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	75-1693596	0	0		Hallmark Claim Services, Inc.	TX	UDP	ACO Holdings, Inc. (Inactive Co)	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	75-2339280	0	0		Hallmark Finance Corporation	TX	UDP	ACO Holdings, Inc. (Inactive Co)	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	20-0785668	0	0		Aerospace Holdings, LLC	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	75-2853986	0	0		Aerospace Claims Management Group	TX	UDP	Aerospace Holdings, LLC	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	75-2925120	0	0		Aerospace Flight (Inactive Co)	TX	UDP	Aerospace Holdings, LLC	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	52-2099239	0	0		Aerospace Insurance Managers, Inc.	TX	UDP	Aerospace Holdings, LLC	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	20-0786154	0	0		Aerospace Special Risk, Inc.	TX	UDP	Aerospace Holdings, LLC	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	N/A	0	0		Mannequin PCC Ltd. Cell A-22*	GG	UDP	Aerospace Holdings, LLC	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	02-0557327	0	0		Heath XS, LLC	NJ	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	01-0756829	0	0		Hardscrabble Data Solutions, LLC	NJ	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	26-2010050	0	0		CITON Agency, Inc	FL	UDP	Hallmark Financial Services, Inc.	Ownership	49.0	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	43494	75-1817901	0	0		American Hallmark Ins. Co. of TX	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	26808	74-2378996	0	0		Hallmark Specialty Ins. Co	OK	UDP	American Hallmark Ins. Co. of TX	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	75-1661749	0	0		CYR Insurance Management Company	TX	UDP	American Hallmark Ins. Co. of TX	Ownership	100.0	Newcastle Partners, L.P.	Y	
3478	Hallmark Financial Services Group	29408	74-0814987	0	0		Hallmark County Mutual Insurance Company	TX	OTH	Mutual Ownership	Other	100.0	Newcastle Partners, L.P.	N	
0		00000	41-2130851	0	0		TBIC Holding Corporation	TX	UDP	American Hallmark Ins. Co. of TX	Ownership	100.0	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	27170	74-2439728	0	0		Texas Builders Insurance Company	TX	UDP	TBIC Holding Corporation	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	37-1417618	0	0		TBIC Risk Management, Inc.	TX	UDP	Texas Builders Insurance Company	Ownership	100.0	Newcastle Partners, L.P.	Y	
0		00000	75-2825542	0	0		Effective Claims Management, Inc.	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	75-2652618	0	0		American Hallmark Insurance Services, Inc.	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	74-2228153	0	0		Hallmark Specialty Underwriters, Inc.	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	74-2774138	0	0		TGA Special Risk	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
0		00000	74-1683629	0	0		Pan American Acceptance Corporation	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	34037	47-0718164	0	0		Hallmark Insurance Company	AZ	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	19530	31-1334827	0	0		Hallmark National Insurance Company	AZ	UDP	Hallmark Insurance Company	Ownership	100.0	Newcastle Partners, L.P.	N	





**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	93,145	12,997	14.0	11.8
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	10,637,920	11,267,790	105.9	58.3
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		(237,652)		75.8
19.3, 19.4 Commercial auto liability	4,160,319	1,778,168	42.7	60.7
21. Auto physical damage	586,891	312,887	53.3	40.4
22. Aircraft (all perils)	10,793,534	8,567,232	79.4	70.9
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	26,271,809	21,701,422	82.6	63.2

DETAILS OF WRITE-INS				
3401.				
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	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril	40,105	93,118	83,407
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	4,320,615	7,375,100	11,628,230
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			(68,539)
19.3, 19.4 Commercial auto liability	3,418,683	6,445,375	2,965,803
21. Auto physical damage	361,798	697,774	485,031
22. Aircraft (all perils)	6,684,067	11,782,818	11,098,457
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	14,825,268	26,394,185	26,192,389

DETAILS OF WRITE-INS			
3401.			
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	19,673	4,501	24,174	11,853	270	12,123	13,424	602	1,530	15,556	5,604	(2,099)	3,505
2. 2017	12,803	8,147	20,950	9,191	163	9,354	10,587	502	3,108	14,197	6,975	(4,374)	2,601
3. Subtotals 2017 + prior	32,476	12,648	45,124	21,044	433	21,477	24,011	1,104	4,638	29,753	12,579	(6,473)	6,106
4. 2018	18,242	34,011	52,253	12,543	913	13,456	15,421	1,010	16,770	33,201	9,722	(15,318)	(5,596)
5. Subtotals 2018 + prior	50,718	46,659	97,377	33,587	1,346	34,933	39,432	2,114	21,408	62,954	22,301	(21,791)	510
6. 2019	X X X	X X X	X X X	X X X	11,063	11,063	X X X	9,296	24,157	33,453	X X X	X X X	X X X
7. Totals	50,718	46,659	97,377	33,587	12,409	45,996	39,432	11,410	45,565	96,407	22,301	(21,791)	510

8. Prior Year-End Surplus As Regards Policyholders

106,670

Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
As % of Col. 1,	As % of Col. 2,	As % of Col. 3,
<u>Line 7</u>	<u>Line 7</u>	<u>Line 7</u>
1. <u>43.971</u>	2. <u>-46.703</u>	3. <u>0.524</u>
		<u>Col. 13, Line 7</u>
		<u>Line 8</u>
		4. <u>0.478</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: Not Applicable  
.....  
.....  
.....
- Question 2: Not Applicable  
.....  
.....  
.....
- Question 3: Not Applicable  
.....  
.....  
.....
- Question 4: Not Applicable  
.....  
.....  
.....

**Bar Code:**



34037201949000020



34037201945500020



34037201936500020



34037201950500020

---

**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)		

## 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)		

## 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)		

## 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	250,933,367	248,982,659
2. Cost of bonds and stocks acquired	38,859,769	76,247,584
3. Accrual of discount	221,946	328,404
4. Unrealized valuation increase (decrease)	4,155,307	(2,459,588)
5. Total gain (loss) on disposals	1,736,899	172,197
6. Deduct consideration for bonds and stocks disposed of	48,179,254	70,997,260
7. Deduct amortization of premium	513,829	1,475,030
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	140,401	134,401
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	247,354,606	250,933,367
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	247,354,606	250,933,367

## 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

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
<b>BONDS</b>								
1. NAIC 1 (a)	62,559,877	13,995,561	5,646,817	1,218,397	62,559,877	72,127,018		61,539,868
2. NAIC 2 (a)	90,696,158	8,931,948	12,849,582	(2,217,600)	90,696,158	84,560,924		100,517,816
3. NAIC 3 (a)	36,414,968	2,980,135	463,690	(8,817)	36,414,968	38,922,596		35,930,611
4. NAIC 4 (a)	956,484		4,977	983,442	956,484	1,934,949		932,649
5. NAIC 5 (a)	709,322			(59,086)	709,322	650,236		685,349
6. NAIC 6 (a)								1,560,000
7. Total Bonds	191,336,809	25,907,644	18,965,066	(83,664)	191,336,809	198,195,723		201,166,293
<b>PREFERRED STOCK</b>								
8. NAIC 1	2,294,564				2,294,564	2,294,564		3,143,870
9. NAIC 2	112,873			(37)	112,873	112,836		104,109
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	2,407,437			(37)	2,407,437	2,407,400		3,247,979
15. Total Bonds & Preferred Stock	193,744,246	25,907,644	18,965,066	(83,701)	193,744,246	200,603,123		204,414,272

(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 \$ 3,880,822; 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	3,880,822	X X X	3,887,933	22,175	7,479

## 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	250,521	960,000
2. Cost of short-term investments acquired	4,025,805	1,129,915
3. Accrual of discount	2,431	
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		(498)
6. Deduct consideration received on disposals	390,000	1,825,000
7. Deduct amortization of premium	7,935	13,896
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)	3,880,822	250,521
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	3,880,822	250,521



**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	18,432	8,211,386
2. Cost of cash equivalents acquired	3,777,770	1,914,803
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	394,960	10,107,757
7. Deduct amortization of premium	4,253	
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)	3,396,989	18,432
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	3,396,989	18,432

**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)
374090-UY-2	GERMANTOWN TENN		05/16/2019	NATIONAL FINL SVCS CORP		101,255	100,000.00	1,702	1FE
40727E-A6-4	HAMILTON CNTY OHIO		06/07/2019	NATIONAL FINL SVCS CORP		61,607	60,000.00	75	1FE
48205N-BN-0	JUPITER FLA		05/10/2019	NATIONAL FINL SVCS CORP		51,184	50,000.00	779	1FE
722195-MC-5	PINAL CNTY ARIZ UNI SCH DIST NO 43 APACH		05/02/2019	NATIONAL FINL SVCS CORP		203,928	200,000.00	3,050	1FE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	417,974	410,000.00	5,606	X X X
040660-JK-9	ARIZONA ST UNIV CTFS PARTN		05/09/2019	NATIONAL FINL SVCS CORP		51,278	50,000.00	806	1FE
13034J-BJ-9	CALIFORNIA INFRASTRUCTURE & ECONOMIC DEV		06/14/2019	NATIONAL FINL SVCS CORP		204,812	200,000.00	3,417	1FE
344611-AX-6	FONTANA CALIF PUB FING AUTH REV		05/06/2019	NATIONAL FINL SVCS CORP		204,434	200,000.00	1,650	1FE
769076-UB-4	RIVERSIDE CALIF WTR REV		04/24/2019	NATIONAL FINL SVCS CORP		154,055	150,000.00	479	1FE
796242-NT-8	SAN ANTONIO TEX ARPT SYS REV		05/01/2019	CREWS & ASSOCIATES, INC.		2,038,880	2,000,000.00	35,000	1FE
799330-JA-4	SAN RAFAEL CALIF REDEV AGY TAX ALLOCATIO		05/14/2019	NATIONAL FINL SVCS CORP		92,477	90,000.00	2,063	1FE
83712T-DA-6	SOUTH CAROLINA ST HSG FIN & DEV AUTH HOM		05/01/2019	FIRST TENNESSEE BANK BOND DIVI		1,548,373	1,550,000.00		1FE
882750-NE-8	TEXAS ST DEPT HSG & CMNTY AFFAIRS RESIDE		05/01/2019	CREWS & ASSOCIATES, INC.		977,810	985,000.00	9,440	1FE
940436-EH-7	WASHINGTON TWP N J MUN UTILS AUTH UTIL S		05/06/2019	NATIONAL FINL SVCS CORP		132,341	130,000.00	1,576	1FE
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	5,404,460	5,355,000.00	54,431	X X X
00287Y-AU-3	ABBVIE INC		04/05/2019	RBC CAPITAL MARKETS		988,040	1,000,000.00	9,264	2FE
025816-BY-4	AMERICAN EXPRESS CO		04/05/2019	BONY/TORONTO DOMINION SECURITI		765,923	750,000.00	11,794	1FE
0258M0-DT-3	AMERICAN EXPRESS CREDIT CORP		05/01/2019	WELLS FARGO SECURITIES		996,546	1,000,000.00	10,226	1FE
141781-BH-6	CARGILL INC		06/05/2019	BONY/TORONTO DOMINION SECURITI		1,010,780	1,000,000.00	4,406	1FE
124857-AG-8	CBS CORP		06/05/2019	BONY/TORONTO DOMINION SECURITI		1,245,788	1,225,000.00	11,025	2FE
428236-BV-4	HP INC		04/24/2019	BONY/TORONTO DOMINION SECURITI		1,873,714	1,798,000.00	31,817	2FE
44891A-AU-1	HYUNDAI CAPITAL AMERICA	C	06/20/2019	BONY/TORONTO DOMINION SECURITI		1,021,160	1,000,000.00	17,292	2FE
55907R-AA-6	MAGELLAN MIDSTREAM PARTNERS LP		06/19/2019	BONY/TORONTO DOMINION SECURITI		808,590	788,000.00	13,024	2FE
60871R-AF-7	MOLSON COORS BREWING CO		06/06/2019	MORGAN STANLEY CO		990,350	1,000,000.00	8,458	2FE
68389X-BB-0	ORACLE CORP		05/01/2019	BONY/TORONTO DOMINION SECURITI		994,819	1,000,000.00	11,528	1FE
774341-AH-4	ROCKWELL COLLINS INC		06/19/2019	MORGAN STANLEY CO		1,006,870	1,000,000.00	7,467	2FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	11,702,580	11,561,000.00	136,301	X X X
00164D-AQ-6	TERM B1 LOAN:AMC ENTERTAINMENT HOLDINGS,		04/01/2019	Unknown		1,000,000	1,000,000.00		3FE
29267Y-AM-4	TERM B LOAN:ENERGIZER HOLDINGS, INC.		06/12/2019	Unknown		981,269	984,962.41		3FE
38254B-AZ-1	LOAN (SECOND LIEN):GOODYEAR TIRE & RUBBE		05/01/2019	Unknown		998,866	1,000,000.00		3FE
62937N-AW-7	TERM LOAN:NRG ENERGY, INC.		04/01/2019	Unknown		(2,564)			2FE
95810D-AR-2	U.S. TERM B4 LOAN:WESTERN DIGITAL CORPOR		04/05/2019	Unknown		1,000,000	1,000,000.00		2FE
8299999	Subtotal - Bonds - Bank Loans				X X X	3,977,571	3,984,962.41		X X X

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

### 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)
8399997	Subtotal - Bonds - Part 3				X X X	21,502,585	21,310,962	196,338	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	21,502,585	21,310,962.41	196,338	X X X
9999999	Totals				X X X	21,502,585	X X X	196,338	X X X

E04.1

(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	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Forfeiture	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol/Market Indicator (a)
13062T-M8-4	CALIFORNIA ST		05/02/2019	Call @ 100.00		15,000	15,000.00	15,548	15,000						15,000				118	06/01/2021	1FE
1799999	Subtotal - Bonds - U.S. States, Territories and Possessions				X X X	15,000	15,000.00	15,548	15,000						15,000				118	X X X	X X X
161695-DU-2	CHASSELL TWP MICH SCHS HOUGHTON		06/01/2019	VARIOUS		95,000	95,000.00	96,791	95,000						95,000				1,948	05/01/2019	1FE
165789-DE-5	CHESTER ILL		06/01/2019	Direct		170,000	170,000.00	173,995	172,988		(740)		(740)		170,000				3,273	05/01/2020	1FE
168304-AC-7	CHICKASAW ALA		05/01/2019	Call @ 100.00					46,216										575	02/01/2020	1FE
69342W-AB-7	CIBOLO CANYONS SPECIAL I		04/01/2019	Paydown															6,131	08/20/2020	2FE
171646-MX-7	CICERO ILL		04/01/2019	Call @ 100.00															567	12/01/2019	2FE
315598-AQ-5	FESTIVAL RANCH CMNTY FACS DIST ARI		05/29/2019	Call @ 100.00		55,000	55,000.00	60,174	55,564		(564)		(564)		55,000				1,719	07/15/2024	2FE
584288-BZ-6	MEDFORD ORE REV		04/01/2019	Call @ 100.00															240	01/15/2020	1FE
767121-BS-4	RIO HONDO CALIF CMNTY COLLEGE DIST		05/01/2019	Adjustment		225,000	(225,000.00)	230,414	225,000						225,000					08/01/2020	1FE
767121-BU-9	RIO HONDO CALIF CMNTY COLLEGE DIST		05/01/2019	Adjustment		65,000	(65,000.00)	66,572	65,000						65,000					08/01/2022	1FE
96811N-AD-8	WILDFLOWER RANCH ARIZ CMNTY FACS		06/17/2019	Call @ 100.00		35,000	35,000.00	35,948	35,000						35,000				1,138	07/15/2022	Z
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	645,000	65,000.00	663,894	694,768		(1,304)		(1,304)		645,000				15,591	X X X	X X X
057497-FV-6	BAKERSFIELD CALIF CTFB PARTN		04/01/2019	Maturity @ 100.00		60,000	60,000.00	61,637	60,000						60,000				1,500	04/01/2019	Z
13078A-RY-5	CALIFORNIA STATEWIDE CMNTYS DEV A		04/01/2019	Call @ 100.00															116	10/01/2019	1FE
13078A-RZ-2	CALIFORNIA STATEWIDE CMNTYS DEV A		04/01/2019	Call @ 100.00															118	10/01/2020	1FE
13078A-SA-6	CALIFORNIA STATEWIDE CMNTYS DEV A		04/01/2019	Call @ 100.00															124	10/01/2021	1FE
18085P-LJ-1	CLARK CNTY NEV ARPT REV		06/26/2019	Call @ 100.00		605,000	605,000.00	657,998	615,936		(10,936)		(10,936)		605,000				15,125	07/01/2025	1FE
315599-BE-9	FESTIVAL RANCH CMNTY FACS DIST ARI		04/01/2019	VARIOUS															75	07/01/2026	Z
315599-BF-6	FESTIVAL RANCH CMNTY FACS DIST ARI		04/01/2019	VARIOUS															26	07/01/2032	Z
3137AW-B2-0	FHR 4135C BQ - CMO/RMBS		04/01/2019	Paydown															1,710	11/15/2042	1
3136AA-6W-0	FNR 12154A CP - CMO/RMBS		04/01/2019	Paydown															1,453	01/25/2043	1
3136AB-S9-5	FNR 136J QD - CMO/RMBS		04/01/2019	Paydown															1,288	02/25/2043	1
3136AB-S2-0	FNR 136J QP - CMO/RMBS		04/01/2019	Paydown															1,294	02/25/2043	1
349291-BN-3	FORT WAYNE IND REDEV DIST REV		06/01/2019	Call @ 100.00		10,000	10,000.00	10,253	10,000						10,000				77	06/01/2021	1FE
359757-AM-3	FULLER RD MGMT CORP N Y LEASE REV		04/01/2019	Call @ 100.00															42	09/01/2024	1FE
391577-LN-1	GREATER ARIZ DEV AUTH INFRASTRUCT		04/01/2019	Call @ 100.00															80	08/01/2020	1FE
442540-CJ-7	HOWARD CNTY ARK SALES & USE TAX		04/25/2019	Call @ 100.00		110,000	110,000.00	108,529	108,616		19		19		108,635		1,365	1,365	159	06/01/2041	1FE
542402-KB-7	LONG BEACH CALIF BD FIN AUTH LEASE		05/17/2019	Call @ 100.00		100,000	100,000.00	102,029	100,000						100,000				2,345	05/01/2022	1FE
574216-QD-2	MARYLAND ST HEALTH & HIGHER EDL FA		05/28/2019	Call @ 100.00		5,000	5,000.00	5,134	5,000						5,000				138	07/01/2026	Z
59469W-AM-	MICHIGAN ST STRATEGIC FD SOLID WAS		04/01/2019	Call @ 100.00															1,887	01/01/2021	2
60416S-JB-7	MINNESOTA ST HSG FIN AGY		04/01/2019	Call @ 100.00															71	01/01/2032	1FE

(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	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Forfeiture	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol/Market Indicator (a)
60416Q-GG-3	MINNESOTA ST HSG FIN AGY HOMEOWN		06/15/2019	VARIOUS		30,999	30,998.61	30,999	30,999						30,999				679	02/01/2046	1FE
60637B-CP-3	MISSOURI ST HSG DEV COMMN SINGLE F		06/04/2019	VARIOUS		10,000	10,000.00	9,925	9,933		1		1		9,934		66	66	621	11/01/2041	1FE
684907-SZ-2	ORANGE CNTY FLA HSG FIN AUTH HOME		05/01/2019	Call @ 100.00					69,110					(4,160)		4,160	4,160	1,947	09/01/2040	1FE	
74529J-QB-4	PUERTO RICO SALES TAX FING CORP SA		06/06/2019	Call @ 81.04		5,673	7,000.00	5,798			77		77		5,875		(203)	(203)	7	07/01/2024	Z
83712T-DA-6	SOUTH CAROLINA ST HSG FIN & DEV AUT		06/13/2019	VARIOUS		85,000	85,000.00	85,085	85,021		(9)		(9)		85,012		(12)	(12)	1,282	01/01/2041	1FE
882750-NE-8	TEXAS ST DEPT HSG & CMNTY AFFAIRS		06/03/2019	VARIOUS		35,000	35,000.00	34,884	70,136		5		5		35,027		(27)	(27)	2,539	07/01/2041	1FE
89546R-KP-8	TRI-CNTY MET TRANSN DIST ORE REV		04/01/2019	Call @ 100.00															1,815	11/01/2019	1FE
89874L-AR-0	TUCSON ARIZ INDL DEV AUTH LEASE RE		06/17/2019	Call @ 100.00		20,000	20,000.00	20,568			(568)		(568)		20,000					07/15/2022	Z
924190-LY-5	VERMONT HSG FIN AGY		04/01/2019	Call @ 100.00															36	05/01/2037	1FE
92812U-K5-6	VIRGINIA ST HSG DEV AUTH COMWLTH M		06/01/2019	Paydown		30,281	30,280.74	30,243	30,247		34		34		30,281				2,226	04/25/2042	1FE
93978T-SC-4	WASHINGTON ST HSG FIN COMMN		04/01/2019	Call @ 100.00															5,013	12/01/2033	1FE
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment Non-Guaranteed Obligati				X X X	1,106,953	1,108,279.35	1,163,082	1,194,998		(11,377)		(11,377)		1,101,603		5,349	5,349	43,793	X X X	X X X
009090-AB-7	AIR CANADA 2015-1 PASS THROUGH TRU	C	04/01/2019	Paydown															7,437	09/15/2024	2FE
02376X-AA-7	AMERICAN AIRLINES INC - ABS		05/01/2019	Paydown		103,768	103,767.82	104,287	104,098		(330)		(330)		103,768				13,138	04/01/2024	2FE
02376Y-AA-5	AMERICAN AIRLINES INC - ABS		04/01/2019	Paydown															6,451	07/15/2025	2FE
053332-AU-6	AUTOZONE INC		04/21/2019	Maturity @ 100.00		755,000	755,000.00	747,933	753,967		1,033		1,033		755,000				6,134	04/21/2019	2FE
00255X-AD-1	B TERM LOAN:LEIDOS INNOVATIONS CO		05/01/2019	Call @ 100.0833		(2,538)	(2,538.07)	(2,532)	2,484	42			42		(2,532)		(6)	(6)		08/22/2025	3FE
05523U-AJ-9	BAE SYSTEMS HOLDINGS INC	C	06/01/2019	Maturity @ 100.00		548,000	548,000.00	594,903	557,549		(9,549)		(9,549)		548,000				17,468	06/01/2019	2FE
14149Y-BL-1	CARDINAL HEALTH INC		06/14/2019	Maturity @ 100.00		1,000,000	1,000,000.00	1,002,590	1,000,648		(648)		(648)		1,000,000				9,740	06/14/2019	2FE
40409V-AR-5	COMMITMENT:H.B. FULLER COMPANY		04/01/2019	Call @ 100.00															1	10/20/2024	3FE
24735T-AA-6	DELTA AIR LINES INC - ABS		06/01/2019	VARIOUS		350,876	350,876.33	382,455	355,053		(4,177)		(4,177)		350,876				12,061	11/07/2020	2FE
247361-ZH-4	DELTA AIR LINES INC - ABS		06/01/2019	VARIOUS		226,193	226,192.65	227,324	226,281		(88)		(88)		226,193				5,598	11/23/2020	1FE
30219G-AH-1	EXPRESS SCRIPTS HOLDING CO		06/15/2019	Maturity @ 100.00		1,000,000	1,000,000.00	999,700	999,942		58		58		1,000,000				11,250	06/15/2019	2FE
12543K-AN-4	INCREMENTAL 2021 TERM H LOAN:CHS/C		04/01/2019	VARIOUS															(11)	01/27/2021	3
44969C-BH-2	INCREMENTAL TERM B2 DOLLAR LOAN:Q		04/01/2019	Call @ 100.00															68	01/13/2025	3FE
15670B-AB-8	INITIAL TERM B LOAN:CENTURYLINK, INC.		04/01/2019	Call @ 100.00															36	01/15/2025	3FE
81172U-AB-1	INITIAL TERM LOAN:SEADRILL OPERATIN	C	04/01/2019	Call @ 100.00															459	02/21/2021	5FE
85208E-AB-6	INITIAL TERM LOAN:SPRINT COMMUNICA	C	04/01/2019	Call @ 100.00															19	01/31/2024	3FE
92260U-AB-1	INITIAL TERM LOAN:VENATOR FINANCE S		04/01/2019	Call @ 100.00															40	06/29/2024	Z
64072U-AG-7	JANUARY 2018 INCREMENTAL TERM LOA	C	04/01/2019	Call @ 100.00															10	01/12/2026	3FE
521865-AV-7	LEAR CORP		05/23/2019	Call @ 102.69		1,540,320	1,500,000.00	1,616,250	1,546,965		(9,354)		(9,354)		1,537,610		2,710	2,710	56,885	03/15/2024	2FE
631103-AD-0	NASDAQ OMX GROUP INC		05/01/2019	VARIOUS		2,039,053	2,000,000.00	2,154,220	2,070,134		(22,222)		(22,222)		2,047,911		(47,911)	(47,911)	127,237	01/15/2020	2FE
410346-AR-1	NEW TERM LOAN B:HANESBRANDS INC.		04/01/2019	Call @ 100.00															18	12/05/2024	2FE
67515U-AA-8	OCTR 6 X - CDO		05/01/2019	Paydown		100,000	100,000.00	100,000	100,000						100,000				3,620	07/15/2028	1FE
67111C-AA-6	OFSBS 8 X - CDO	C	05/01/2019	Paydown		142,857	142,857.14	142,857	142,857						142,857				6,396	08/16/2029	1FE

E05.1

(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	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Forfeiture	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol/Market Indicator (a)
747262-AQ-6	QVC INC		04/01/2019	Maturity @ 100.00		1,171,000	1,171,000.00	1,199,127	1,173,646		(2,646)		(2,646)		1,171,000				18,297	04/01/2019	2FE
73744G-AJ-1	SERIES A INCREMENTAL TERM LOAN:PO		04/01/2019	Call @ 100.00															38	05/16/2024	3FE
43289D-AE-3	SERIES B2 TERM LOAN:HILTON WORLDW		04/01/2019	Call @ 100.00															20	10/26/2023	2FE
81726J-AE-1	SIXTH AMENDMENT TERM LOAN:SENSAT		04/01/2019	VARIOUS															85	10/14/2021	2
84474Y-AB-2	SOUTHWEST AIRLINES CO PASS THROU		04/01/2019	Paydown															20,829	08/01/2022	2FE
84858E-AA-4	SPIRIT AIRLINES CLASS B PASS THROUG		05/01/2019	Paydown		33,069	33,069.06	32,862	32,916		154		154		33,069				8,033	10/01/2025	2FE
85208N-AA-8	SPRINTS 161 A1 - ABS		06/20/2019	Paydown		125,000	125,000.00	126,125	123,438	2,155	(594)		1,561		125,000				7,448	03/20/2023	2FE
12769L-AB-5	TERM B LOAN:CAESARS RESORT COLLE		04/01/2019	Call @ 100.00															27	09/28/2024	3FE
12768P-AB-7	TERM B LOAN:CEOC, LLC AKA CAESARS		04/01/2019	Call @ 100.00															16	04/04/2024	3FE
16117L-BS-7	TERM B LOAN:CHARTER COMMUNICATIO		04/01/2019	Call @ 100.00															30	04/13/2025	2FE
17302U-AJ-1	TERM B LOAN:CITGO PETROLEUM CORP	C	04/01/2019	Call @ 100.00															204	07/29/2021	4FE
G6361C-AH-9	TERM B LOAN:NCL CORPORATION LTD. A		04/01/2019	Call @ 100.00															(12)	10/05/2021	2FE
605024-AN-8	TERM B2 LOAN:MISSION BROADCASTING		04/01/2019	Call @ 100.00															1	01/17/2024	3FE
65336R-AR-9	TERM B2 LOAN:NEXSTAR BROADCASTIN		04/01/2019	Call @ 100.00															125	01/17/2024	3FE
22207E-BG-8	TERM LOAN B:COTY INC.	C	04/01/2019	Call @ 100.00																03/28/2025	3FE
32007U-BW-8	TERM LOAN:FIRST DATA CORPORATION		05/01/2019	Call @ 100.00															4	07/08/2022	3FE
62937N-AW-7	TERM LOAN:NRG ENERGY, INC.		06/01/2019	Call @ 100.00															(27)	06/14/2023	2FE
02406M-AP-2	TRANCHE B TERM LOAN:AMERICAN AXLE		04/01/2019	Call @ 100.00															81	03/08/2024	3FE
42804V-AS-0	TRANCHE B1 TERM LOAN:HERTZ CORPO		04/01/2019	VARIOUS															32	06/30/2023	3FE
404122-AX-1	TRANCHE B10 TERM LOAN:HCA INC.		04/01/2019	Call @ 100.00															4	03/14/2025	3FE
81760H-AE-2	TRANCHE C TERM LOAN:SERVICEMASTE		05/01/2019	Call @ 100.00															49	11/03/2023	3FE
89641A-AC-9	TRNTS 5 A - CDO		04/26/2019	Paydown		1,000,000	1,000,000.00	1,000,000	1,000,000						1,000,000				21,884	10/25/2028	Z
210795-QA-1	UNITED AIRLINES INC - ABS		05/01/2019	Paydown		58,582	58,581.88	61,867	60,363		(1,781)		(1,781)		58,582				6,978	10/11/2021	2FE
210795-QC-7	UNITED AIRLINES INC - ABS		05/01/2019	Paydown		16,003	16,002.57	16,723	16,419		(416)		(416)		16,003				2,138	04/29/2022	2FE
90932P-AB-4	UNITED AIRLINES INC - ABS		05/01/2019	Paydown		180,031	180,030.72	184,887	184,075		(4,044)		(4,044)		180,031				15,774	10/11/2023	2FE
90932Q-AB-2	UNITED AIRLINES INC - ABS		04/01/2019	Paydown															2,155	03/03/2024	2FE
91913Y-AR-1	VALERO ENERGY CORP		05/01/2019	VARIOUS		356,627	348,000.00	379,752	362,779		(4,244)		(4,244)		358,535		(10,535)	(10,535)	24,258	02/01/2020	2FE
92765Y-AA-5	VIRGIN AUSTRALIA HOLDINGS LTD - ABS	C	05/01/2019	Paydown		17,204	17,204.46	17,979	17,743		(538)		(538)		17,204				7,030	04/23/2025	2FE
928668-AB-8	VOLKSWAGEN GROUP OF AMERICA FINA	C	05/23/2019	Maturity @ 100.00		1,200,000	1,200,000.00	1,201,320	1,200,320		(320)		(320)		1,200,000				12,756	05/23/2019	1FE
959802-AT-6	WESTERN UNION CO		05/22/2019	Maturity @ 100.00		1,500,000	1,500,000.00	1,535,475	1,506,768		(6,768)		(6,768)		1,500,000				25,125	05/22/2019	2FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	13,461,045	13,373,044.56	13,826,104	13,538,445	2,197	(66,474)		(64,277)		13,469,107		(55,742)	(55,742)	457,437	X X X	X X X
8199999	Subtotal - Bonds - SVO Identified Funds				X X X															X X X	X X X
00164D-AQ-6	TERM B-1 LOAN:AMC ENTERTAINMENT H	C	06/28/2019	Call @ 100.00		2,500	2,500.00	2,500						2,500					30	03/14/2026	3FE
00255X-AD-1	B TERM LOAN:LEIDOS INNOVATIONS CO		06/27/2019	Call @ 100.00		2,500	2,500.00	2,513	2,446	41	(1)		40	2,512		(12)	(12)		62	08/22/2025	3FE
01310T-AU-3	20171 TERM B6 LOAN:ALBERTSONS LLC		06/27/2019	Call @ 100.00		1,671	1,670.75	1,646	1,589	72	1		73	1,662		9	9		48	06/22/2023	3FE

(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	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Forfeiture	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol/Market Indicator (a)
02208H-AB-4	TERM LOAN:ALTRA INDUSTRIAL MOTION		06/27/2019	Call @ 100.00		26,119	26,119.41	26,054	24,813	1,243	4		1,247		26,061		59	59	518	09/26/2025	3FE
05377J-AP-7	TRANCHE B TERM LOAN:AVIS BUDGET C		06/27/2019	Call @ 100.00		2,382	2,382.18	2,382	2,382						2,382				45	02/13/2025	2FE
12506K-AD-1	ADDITIONAL TERM B-1 LOAN:CBS RADIO I		05/01/2019	VARIOUS		125,106	125,106.40	124,481	117,287	7,389	29		7,418		124,706		401	401	2,250	10/17/2023	3FE
12543K-AN-4	INCREMENTAL 2021 TERM H LOAN:CHS/C		04/01/2019	Call @ 100.00															11	01/27/2021	3
12768P-AB-7	TERM B LOAN:CEOC, LLC (AKA CAESARS		06/27/2019	Call @ 100.00		2,500	2,500.00	2,479	2,363	121	2		123		2,485		15	15	65	04/04/2024	4FE
12769L-AB-5	TERM B LOAN:CAESARS RESORT COLLE		06/27/2019	Call @ 100.00		3,750	3,750.00	3,736	3,581	157	1		158		3,739		11	11	115	09/28/2024	3FE
15670B-AB-8	INITIAL TERM B LOAN:CENTURYLINK, INC.		06/27/2019	Call @ 100.00		5,000	5,000.00	4,975	4,659	321	2		323		4,982		18	18	153	01/15/2025	3FE
16117L-BS-7	TERM B LOAN:CHARTER COMMUNICATIO		06/27/2019	Call @ 100.00		5,000	5,000.00	4,994	4,995						4,995		5	5	131	04/13/2025	2FE
17302U-AJ-1	TERM B LOAN:CITGO PETROLEUM CORP	C	06/28/2019	Call @ 100.00		1,250	1,250.00	1,238	1,221	25	1		26		1,246		4	4	60	07/29/2021	4FE
22207E-BG-8	TERM LOAN B:COTY INC.	C	06/28/2019	Call @ 100.00		5,000	5,000.00	4,988	4,606	383	1		384		4,990		10	10	119	03/28/2025	3FE
24702N-AZ-3	TERM LOAN B:DELL INTERNATIONAL L.L.		05/01/2019	Call @ 100.00		2,278	2,277.90	2,275	2,276						2,276		2	2	34	09/07/2023	2FE
32007U-BW-8	TERM LOAN:FIRST DATA CORPORATION		06/17/2019	Call @ 100.00		159,659	159,659.39	159,460	152,741	6,779	15		6,794		159,535		124	124	2,621	07/08/2022	3FE
37252K-AP-7	REFINANCING TERM LOAN:GEO GROUP, I		06/27/2019	Call @ 100.00		2,506	2,506.27	2,509	2,281	228			228		2,508		(2)	(2)	47	03/22/2024	3FE
389376-AY-0	TERM C LOAN:GRAY TELEVISION, INC.		06/28/2019	Call @ 100.00		2,500	2,500.00	2,492			1		1		2,493		7	7	48	11/02/2025	3FE
40409V-AR-5	COMMITMENT:H.B. FULLER COMPANY		06/01/2019	Call @ 100.00		23,256	23,255.81	23,198	21,783	1,425	3		1,428		23,211		45	45	455	10/20/2024	3FE
404122-AX-1	TRANCHE B10 TERM LOAN:HCA INC.		06/28/2019	Call @ 100.00		1,250	1,250.00	1,250	1,222	28			28		1,250				40	03/14/2025	2FE
410346-AR-1	NEW TERM LOAN B:HANESBRANDS INC.		06/28/2019	Call @ 100.00		2,500	2,500.00	2,494	2,495						2,495		5	5	53	12/05/2024	2FE
41587C-AP-3	TERM B-2 LOAN:HARSCO CORPORATION		06/27/2019	Call @ 100.00		2,475	2,475.05	2,450	2,422	35	1		36		2,459		16	16	49	12/06/2024	3FE
42804V-AS-0	TRANCHE B-1 TERM LOAN:HERTZ CORPO		06/28/2019	Call @ 100.00		2,500	2,500.00	2,494	2,400	96			96		2,496		4	4	86	06/30/2023	3FE
43289D-AE-3	SERIES B2 TERM LOAN:HILTON WORLDW		06/25/2019	Call @ 100.00															142	10/26/2023	2FE
44969C-BH-2	INCREMENTAL TERM B2 DOLLAR LOAN:Q		06/28/2019	Call @ 100.00		2,500	2,500.00	2,500	2,410	90			90		2,500				116	01/13/2025	3FE
513076-AZ-2	TERM B LOAN:LAMAR MEDIA CORP.		06/27/2019	Call @ 100.00		2,506	2,506.27	2,511	2,511						2,511		(4)	(4)	61	03/14/2025	2FE
51783Q-AP-3	REFINANCING TERM LOAN 2018:LAS VEG		06/27/2019	Call @ 100.00		2,475	2,475.00	2,481	2,480						2,479		(4)	(4)	44	03/27/2025	2FE
53803H-AL-4	TERM LOAN B:LIVE NATION ENTERTAINM		06/27/2019	Call @ 100.00		2,488	2,487.50	2,500	2,428	68	(1)		67		2,495		(8)	(8)	44	10/31/2023	3FE
57163K-AG-3	INITIAL TERM LOAN:MARRIOTT OWNERS		06/28/2019	Call @ 100.00		2,500	2,500.00	2,488	2,428	60	1		61		2,489		11	11	68	08/09/2025	3FE
58446H-AR-3	TRANCHE N TERM LOAN:MEDIACOM ILLI		06/27/2019	Call @ 100.00		2,481	2,481.25	2,475	2,351	126			126		2,477		4	4	49	02/15/2024	3FE
605024-AN-8	TERM B2 LOAN:MISSION BROADCASTING		04/01/2019	Call @ 100.00															(1)	01/17/2024	Z
605024-AQ-1	TERM B3 LOAN:MISSION BROADCASTING		06/28/2019	Call @ 100.00		172	172.38	172	163	10			10		172				4	01/17/2024	3FE
62937N-AW-7	TERM LOAN:NRG ENERGY, INC.		06/01/2019	VARIOUS		1,967,372	1,967,371.79	1,962,522	966,807		283		283		1,964,527		2,844	2,844	34,839	06/14/2023	2FE
64072U-AE-2	MARCH 2017 REFINANCING TERM LOAN:	C	05/01/2019	Call @ 100.00		1,641	1,640.63	1,616	1,542	83	1		84		1,626		15	15	26	07/15/2025	3FE
64072U-AG-7	JANUARY 2018 INCREMENTAL TERM LOA	C	05/01/2019	Call @ 100.00		2,500	2,500.00	2,488	2,385	104			104		2,489		11	11	60	01/12/2026	3FE
64072U-AH-5	TERM LOAN:CSC Holdings	C	04/15/2019	Call @ 100.00		2,500	2,500.00	2,494	2,353	141			141		2,494		6	6	45	01/10/2026	3FE
65336R-AR-9	TERM B2 LOAN:NEXSTAR BROADCASTIN		04/01/2019	Call @ 100.00															827	01/17/2024	Z
65336R-AU-2	TERM LOAN B3:NEXSTAR BROADCASTIN		06/27/2019	VARIOUS		30,173	30,173.06	30,046	27,923	1,677	6		1,683		30,054		119	119	680	01/17/2024	3FE
70757D-AV-1	TERM B-1 FACILITY LOAN:PENN NATIONA		06/28/2019	Call @ 100.00		2,500	2,500.00	2,491	2,402	89	1		90		2,492		8	8	76	08/14/2025	3FE
73744G-AJ-1	SERIES A INCREMENTAL TERM LOAN:PO		04/01/2019	Call @ 100.00															111	05/16/2024	3FE
76173F-AU-1	TERM LOAN:REYNOLDS GROUP HOLDIN	C	06/28/2019	VARIOUS		1,247	1,246.88	1,245	1,186	59			59		1,246		1	1	32	02/05/2023	4FE

E05.3

(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	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Forfeiture	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol/Market Indicator (a)	
81172U-AB-1	INITIAL TERM LOAN:SEADRILL OPERATIN	C	04/01/2019	Call @ 100.00															109	02/21/2021	5FE	
81726J-AE-1	SIXTH AMENDMENT TERM LOAN:SENSAT		06/28/2019	Call @ 100.00		2,488	2,487.50	2,481	2,485						2,485		2	2	53	10/14/2021	2	
81760H-AE-2	TRANCHE C TERM LOAN:SERVICEMASTE		05/01/2019	Call @ 100.00		34,545	34,545.45	34,459	33,639	847	4		851		34,490		56	56	844	11/03/2023	3FE	
829229-AQ-6	TERM LOAN B:SINCLAIR TELEVISION GR		06/27/2019	Call @ 100.00		2,463	2,462.50	2,456	2,341	118			118		2,460		3	3	49	12/20/2023	3FE	
85208E-AB-6	INITIAL TERM LOAN:SPRINT COMMUNICA	C	06/27/2019	Call @ 100.00		2,500	2,500.00	2,500	2,381	119			119		2,500				74	01/31/2024	3FE	
88037H-AG-9	TRANCHE B TERM LOAN:TENNECO INC.		06/27/2019	Call @ 100.00		2,500	2,500.00	2,457	2,341	120	3		123		2,463		37	37	66	06/18/2025	3FE	
88078F-BH-0	INCREMENTAL U.S. TERM LOAN 2018:TER		06/28/2019	Call @ 100.00		1,809	1,809.30	1,805	1,728	79			79		1,808		2	2	48	01/31/2024	3FE	
88078F-BJ-6	2019 U.S. TERM LOAN COMMITMENTS:TE		06/28/2019	Call @ 100.00		1,875	1,875.00	1,875							1,875				39	01/31/2024	3FE	
88233F-AF-7	INITIAL TERM LOAN:VISTRA OPERATIONS		06/11/2019	Call @ 100.00		509,182	509,181.52	504,090	505,843		321		321		506,164		3,016	3,016	9,830	08/04/2023	Z	
92260U-AB-1	INITIAL TERM LOAN:VENATOR FINANCE S		06/28/2019	Call @ 100.00		2,500	2,500.00	2,493	2,381	113	1		114		2,495		5	5	80	06/29/2024	3FE	
92940J-AB-4	TERM B-1 LOAN:W.R. GRACE & CO.-CONN		06/27/2019	Call @ 100.00		921	921.05	920	891	29			29		920		1	1	30	02/21/2025	3FE	
92940J-AD-0	TERM B-2 LOAN:W.R. GRACE & CO.-CONN		06/27/2019	Call @ 100.00		1,579	1,578.95	1,577	1,528	50			50		1,577		2	2	52	02/21/2025	3FE	
95810D-AR-2	U.S. TERM B4 LOAN:WESTERN DIGITAL C		06/27/2019	Call @ 100.00		4,162	4,162.06	4,037	4,085		9		9		4,093		69	69	155	04/29/2023	2FE	
98310C-AC-6	TERM B LOAN:WYNDHAM HOTELS & RES		06/27/2019	Call @ 100.00		2,500	2,500.00	2,498	2,498						2,498		2	2	62	03/28/2025	2FE	
C0102M-AJ-4	REPLACEMENT TERM LOAN:AIR CANADA	C	06/28/2019	Call @ 100.00		2,500	2,500.00	2,488	2,459	32	1		33		2,492		8	8	56	10/06/2023	3FE	
G6361C-AH-9	TERM B LOAN:NCL CORPORATION LTD. A		04/01/2019	Call @ 100.00															12	10/05/2021	2FE	
8299999	Subtotal - Bonds - Bank Loans				X X X	2,976,281	2,976,281	2,964,773	1,941,531	22,357	690		23,047		2,969,354		6,927	6,927	55,822	X X X	X X X	
8399997	Subtotal - Bonds - Part 4				X X X	18,204,279	17,537,605	18,633,401	17,384,742	24,554	(78,465)		(53,911)		18,200,064		(43,466)	(43,466)	572,761	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	18,204,279	17,537,605.16	18,633,401	17,384,742	24,554	(78,465)		(53,911)		18,200,064		(43,466)	(43,466)	572,761	X X X	X X X	
026874-15-6	AMERICAN INTERNATIONAL GRP EQY WAR		04/01/2019	Adjustment					316,573	678,706			678,706								L	
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X				316,573	678,706			678,706							X X X	X X X	
9799997	Subtotal - Common Stock - Part 4				X X X		X X X		316,573	678,706			678,706							X X X	X X X	
9799998	Summary Item from Part 5 for Common Stocks				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
9799999	Total - Common Stocks				X X X		X X X		316,573	678,706			678,706							X X X	X X X	
9899999	Total - Preferred and Common Stocks				X X X		X X X		316,573	678,706			678,706							X X X	X X X	

E05.4

(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/Market 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.							
999999	Totals					18,204,279	X X X	18,633,401	17,701,315	703,260	(78,465)		624,795		18,200,064		(43,466)	(43,466)	572,761	X X X	X X X

E05.5

(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**



## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
31846V-41-9 94975H-29-6	FIRST AMER:TRS OBG V WELLS FRGO TREASURY PLUS CL I MMF		02/04/2019 03/04/2019	2.100 2.200		1 1		
8599999	Exempt Money Market Mutual Funds – as Identified by SVO					2		
000000-00-0 26188J-20-6 990220-47-7 999990-48-4	BNY CASH RESERVE FUND DREYFUS CASH MGT INST RBS CITIZENS NA CASH SWEEP REGIONS TRUST CASH SWEEP		06/04/2019 02/14/2019 02/28/2019 06/03/2019	2.400 2.420		4,817 250,000 2 5,168	452	38 1,875 2 48
8699999	All Other Money Market Mutual Funds					259,987	452	1,963
	Frost Bank		06/30/2019			3,137,000		
8799999	Other Cash Equivalents					3,137,000		
8899999	Total Cash Equivalents					3,396,989	452	1,963

E13