

QUARTERLY STATEMENT

OF THE

AMERICAN HALLMARK INSURANCE COMPANY OF TEXAS

of DALLAS

in the state of TEXAS

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

June 30, 2019

PROPERTY AND CASUALTY

2019



43494201920100102

QUARTERLY STATEMENT

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

American Hallmark Insurance Company of Texas

NAIC Group Code 3478, 3478 NAIC Company Code 43494 Employer's ID Number 75-1817901

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

Country of Domicile US, Incorporated/Organized February 17, 1982, Commenced Business March 9, 1982

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

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

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

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

Internet Website Address www.hallmarkgrp.com, Statutory Statement Contact Felica M. Smith, 817-348-1887

fsmith@hallmarkgrp.com, 817-348-1820

OFFICERS

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

VICE-PRESIDENTS

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

DIRECTORS OR TRUSTEES

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

State of Texas

County of Dallas

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

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

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

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	137,507,351		137,507,351	135,690,541
2. Stocks:				
2.1 Preferred stocks	1,805,653		1,805,653	1,834,172
2.2 Common stocks	112,466,276	1,123,975	111,342,301	99,360,605
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 (\$ (4,024,173)), cash equivalents (\$ 14,765,812), and short-term investments (\$ 745,000)	11,486,639		11,486,639	8,345,780
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	5,200,000	5,200,000		
9. Receivables for securities	441,782		441,782	357,131
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	268,907,701	6,323,975	262,583,726	245,588,229
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,094,204		1,094,204	1,125,876
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	97,617,586		97,617,586	74,646,145
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	23,242,306		23,242,306	20,623,668
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	64,981,864		64,981,864	63,040,005
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	3,262,725		3,262,725	3,036,184
19. Guaranty funds receivable or on deposit	35,451		35,451	43,233
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	343,562		343,562	240,209
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	170,212	170,212		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	459,655,611	6,494,187	453,161,424	408,343,549
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	459,655,611	6,494,187	453,161,424	408,343,549

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. Prepaid Expense	170,212	170,212	
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)	170,212	170,212	

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 32,311,819)	90,433,351	92,622,665
2. Reinsurance payable on paid losses and loss adjustment expenses	29,666,899	30,334,661
3. Loss adjustment expenses	11,999,650	10,839,262
4. Commissions payable, contingent commissions and other similar charges	3,286,986	2,943,148
5. Other expenses (excluding taxes, licenses and fees)	738,485	67,034
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,778,170	2,049,636
7.1. Current federal and foreign income taxes (including \$ 2,118 on realized capital gains (losses))	4,345,392	2,731,550
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 \$ 26,961,879 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)	68,253,835	56,110,109
10. Advance premium	489,637	329,102
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	85,972,809	71,355,665
13. Funds held by company under reinsurance treaties	103,070	101,598
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities	981,269	
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)	298,049,553	269,484,430
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	298,049,553	269,484,430
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	4,000,000	4,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	81,597,158	81,597,158
35. Unassigned funds (surplus)	69,514,713	53,261,961
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)	155,111,871	138,859,119
38. Totals (Page 2, Line 28, Col. 3)	453,161,424	408,343,549

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
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 113,570,831)	104,386,291	87,974,775	183,787,826
1.2 Assumed (written \$ 177,577,004)	141,213,442	133,673,314	261,095,861
1.3 Ceded (written \$ 209,124,358)	175,719,981	159,455,413	321,422,335
1.4 Net (written \$ 82,023,477)	69,879,752	62,192,676	123,461,352
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 41,336,365):			
2.1 Direct	58,365,877	61,162,729	119,049,596
2.2 Assumed	84,104,912	81,832,030	202,034,552
2.3 Ceded	103,238,907	104,697,038	231,916,664
2.4 Net	39,231,882	38,297,721	89,167,484
3. Loss adjustment expenses incurred	8,608,615	4,390,617	(3,023,454)
4. Other underwriting expenses incurred	21,273,224	16,051,161	31,606,665
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	69,113,721	58,739,499	117,750,695
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	766,031	3,453,177	5,710,657
INVESTMENT INCOME			
9. Net investment income earned	5,488,449	3,202,334	5,799,127
10. Net realized capital gains (losses) less capital gains tax of \$ 788	722,804	165,891	965,888
11. Net investment gain (loss) (Lines 9 + 10)	6,211,253	3,368,225	6,765,015
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ (148,363))	(148,363)	(117,001)	(262,477)
13. Finance and service charges not included in premiums	3,477,355	2,029,610	4,844,284
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)	3,328,992	1,912,609	4,581,807
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	10,306,276	8,734,011	17,057,479
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)	10,306,276	8,734,011	17,057,479
19. Federal and foreign income taxes incurred	2,329,202	1,424,496	2,792,589
20. Net income (Line 18 minus Line 19) (to Line 22)	7,977,074	7,309,515	14,264,890
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	138,859,119	131,802,857	131,802,857
22. Net income (from Line 20)	7,977,074	7,309,515	14,264,890
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	12,548,088	(451,771)	(3,249,040)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(1,351,902)	550,859	896,691
27. Change in nonadmitted assets	1,579,492	(716,060)	(1,154,279)
28. Change in provision for reinsurance		148,000	148,000
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	(4,500,000)	(1,900,000)	(3,850,000)
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)	16,252,752	4,940,543	7,056,262
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	155,111,871	136,743,400	138,859,119

DETAILS OF WRITE-IN LINES			
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
Cash from Operations			
1. Premiums collected net of reinsurance	71,211,078	65,394,396	121,621,654
2. Net investment income	5,715,115	3,926,817	6,950,472
3. Miscellaneous income	3,328,992	1,912,609	4,581,807
4. Total (Lines 1 to 3)	80,255,185	71,233,822	133,153,933
5. Benefit and loss related payments	41,833,606	50,547,821	99,541,055
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	30,167,055	23,554,312	43,944,207
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	716,429	(6,276)	(546,272)
10. Total (Lines 5 through 9)	72,717,090	74,095,857	142,938,990
11. Net cash from operations (Line 4 minus Line 10)	7,538,095	(2,862,035)	(9,785,057)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	26,194,649	35,774,779	65,313,812
12.2 Stocks		2,997,326	2,997,326
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	896,618	491,250	(998,750)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	27,091,267	39,263,355	67,312,388
13. Cost of investments acquired (long-term only):			
13.1 Bonds	26,886,622	18,605,686	44,458,587
13.2 Stocks		7,352,709	15,247,911
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications		(1,935,490)	(2,050,817)
13.7 Total investments acquired (Lines 13.1 to 13.6)	26,886,622	24,022,905	57,655,681
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)	204,645	15,240,450	9,656,707
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities	1,472		
16.5 Dividends to stockholders	4,500,000	1,900,000	3,850,000
16.6 Other cash provided (applied)	(103,353)	39,505	(227,488)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(4,601,881)	(1,860,495)	(4,077,488)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	3,140,859	10,517,920	(4,205,838)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	8,345,781	12,551,619	12,551,619
19.2 End of period (Line 18 plus Line 19.1)	11,486,640	23,069,539	8,345,781

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

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

PROPERTY

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NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

A. Accounting Practices

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

<u>NET INCOME</u>	<u>SSAP#</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>2019</u>	<u>2018</u>
(1) American Hallmark Insurance Co state basis	XXX	XXX	XXX	\$ 7,977,074	\$ 14,264,890
(2) State Prescribed Practices: NONE					
(3) State Permitted Practices: NONE					
(4) NAIC SAP	XXX	XXX	XXX	<u>\$ 7,977,074</u>	<u>\$ 14,264,890</u>
 <u>SURPLUS</u>					
(5) American Hallmark Insurance Co state basis	XXX	XXX	XXX	\$ 155,111,871	\$ 138,859,119
(6) State Prescribed Practices: NONE					
(7) State Permitted Practices: NONE					
(8) NAIC SAP	XXX	XXX	XXX	<u>\$ 155,111,871</u>	<u>\$ 138,859,119</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

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

D. Loan-Backed Securities

a. The aggregate Amount of unrealized Losses:

Less than 12 Months	34,632
12 Month or Longer	3,331

b. The aggregate related Fair Value of Securities with Unrealized Losses:

Less than 12 Months	1,933,403
12 Month or Longer	667,411

R. Prepayment Penalty and Acceleration Fees

	<u>General Account</u>
(1) Number of CUSIPs	2
(2) Aggregate Amount of Investment Income	\$4,769

6. Joint Venture, Partnerships, and Limited Liability Companies

Not applicable.

NOTES TO FINANCIAL STATEMENTS

	6/30/2019			12/31/2018		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
2. Admission Calculation Components SSAP No. 101						
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 3,546,480	-	3,546,480	3,025,541	-	3,025,541
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.	\$ -	-	-	10,643	-	10,643
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ -	-	-	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	22,773,659	X X X	X X X	20,824,304
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 1,302,853	175,641	1,478,494	(273,472)	326,282	52,810
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 4,849,333	175,641	5,024,974	2,762,712	326,282	3,088,994
		Change				
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>			
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 520,939	-	520,939			
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.	\$ (10,643)	-	(10,643)			
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ -	-	-			
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	1,949,355			
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 1,576,325	(150,641)	1,425,684			
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 2,086,621	(150,641)	1,935,980			

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

a. Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.	<u>2019</u>	<u>2018</u>	
	546.3%	488.6%	
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 151,849,146	135,822,935	

4. There was no impact of tax planning strategies on the admissibility of deferred tax assets.

	6/30/2019		12/31/2018	
	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>
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)	\$ 4,849,333	175,641	4,341,155	326,282
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)	\$ 4,849,333	175,641	2,762,712	326,282
4. Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Attributable To The Impact of Tax Planning Strategies	\$ -	-	-	-

NOTES TO FINANCIAL STATEMENTS

		Change		
		Ordinary	Capital	
Impact of Tax Planning Strategies				
b.	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)	\$ 508,178	(150,641)	
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact of Tax Planning Strategies	\$	(150,641)	
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 2,086,621	(150,641)	
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.....	\$ 2,328,414	2,979,609	(651,195)
b.	Foreign.....	\$ -	-	-
c.	Subtotal.....	\$ 2,328,414	2,979,609	(651,195)
d.	Federal Income Tax on net capital gains.....	\$ 788	(61,039)	61,827
e.	Utilization of capital loss carry-forwards.....	\$ -	-	-
f.	Other.....	\$ -	(125,981)	125,981
g.	Federal and foreign income taxes incurred.....	\$ 2,329,202	2,792,589	(463,387)
2.	Deferred Tax Assets:			
a.	Ordinary			
	(1) Discounting of unpaid losses.....	\$ 834,362	842,743	(8,381)
	(2) Unearned premium reserve.....	\$ 2,887,226	2,370,447	516,779
	(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).....	\$ 1,127,745	1,127,965	(220)
	Subtotal.....	\$ 4,849,333	4,341,155	508,178
		6/30/2019	12/31/2018	Change
b.	Statutory valuation allowance adjustment.....	\$ -	-	-
c.	Nonadmitted.....	\$ -	1,578,443	(1,578,443)
d.	Admitted ordinary deferred tax assets (2a - 2b - 2c).....	\$ 4,849,333	2,762,712	2,086,621
e.	Capital:			
	(1) Investments.....	\$ 175,641	326,282	(150,641)
	(2) Net capital loss carry-forward.....	\$ -	-	-
	(3) Real estate.....	\$ -	-	-
	(4) Other (including items <5% of total capital tax assets).....	\$ -	-	-
	Subtotal.....	\$ 175,641	326,282	(150,641)
f.	Statutory valuation allowance adjustment.....	\$ -	-	-
g.	Nonadmitted.....	\$ -	-	-
h.	Admitted capital deferred tax assets (2e - 2f - 2g).....	\$ 175,641	326,282	(150,641)
i.	Admitted deferred tax assets (2d + 2h).....	\$ 5,024,974	3,088,994	1,935,980

NOTES TO FINANCIAL STATEMENTS

3.	Deferred Tax Liabilities:				
a.	Ordinary		<u>6/30/2019</u>	<u>12/31/2018</u>	<u>Change</u>
	(1) Investments.....	\$	-	-	-
	(2) Fixed assets.....	\$	-	-	-
	(3) Deferred and uncollected premium.....	\$	-	-	-
	(4) Policyholder reserves.....	\$	-	-	-
	(5) Other (including items <5% of total ordinary tax liabilities).....	\$	16,877	16,877	-
	Subtotal.....	\$	16,877	16,877	-
b.	Capital:				
	(1) Investments.....	\$	1,745,372	35,933	1,709,439
	(2) Real Estate.....	\$	-	-	-
	(3) Other (including items <5% of total capital tax liabilities).....	\$	-	-	-
	Subtotal.....	\$	1,745,372	35,933	1,709,439
c.	Deferred tax liabilities (3a + 3b).....	\$	1,762,249	52,810	1,709,439
4.	Net deferred tax assets/liabilities (2i - 3c).....	\$	<u>3,262,725</u>	<u>3,036,184</u>	<u>226,541</u>

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. No changes.
- B. No changes.
- C. No changes.
- D. No changes.

11. Debt

Not applicable.

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

Not applicable.

13. Capital Surplus, Dividend Restrictions and Quasi Reorganizations

- A. Outstanding Shares: No changes.
- B. Dividend Rate of Preferred Stock: Not applicable
- C. Dividend Restrictions: No changes.
- D. Dates and Amounts of Dividends Paid:

During 2018, the Company declared and paid ordinary cash dividends of \$3,850,000 to its parent HFS.

During 2018, the Company received ordinary cash dividends of \$700,000 from its subsidiary Hallmark Specialty Insurance Company.

On March 1, 2019, the Company declared and on March 18, 2019 paid ordinary cash dividends of \$2,000,000, and on May 15, 2019, the Company declared and on May 30, 2019 paid ordinary cash dividend of \$2,500,000 to its parent HFS.

On March 15, 2019, the Company received ordinary cash dividends of \$1,000,000, and on May 19, 2019, the Company received ordinary cash dividends of \$1,500,000 from its subsidiary HSIC.

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

NOTES TO FINANCIAL STATEMENTS

J. Changes in Unassigned Funds:

Unassigned funds or surplus have been increased or (decreased), in part, by the items shown below:

Net unrealized gains or (losses)	\$ 12,548,088
Nonadmitted asset values	\$ 1,579,492
Net deferred income tax	\$ (1,351,902)
Dividends to Stockholders	\$ (4,500,000)

K. Surplus Notes: Not applicable.

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

M. Effective Date of Quasi Reorganizations: Not applicable.

14. Contingencies

A. Contingent Commitments: No changes.

B. Guaranty Fund and Other Assessments: No changes.

C. Gain Contingencies: Not applicable.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits: Not applicable.

E. All Other Contingencies: No changes.

15. Leases

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Direct Premiums Written/ Produced by
American Hallmark Insurance Services, Inc. Two Lincoln Centre 5420 Lyndon B. Johnson Freeway Dallas, TX 75240	75-2652618	No	Commercial property/ casualty	C,CA,B.P.U	\$ 47,362,344
Aerospace Insurance Managers, Inc. Two Lincoln Centre 5420 Lyndon B. Johnson Freeway Dallas, TX 75240	52-2099239	No	Aircraft / Airport Liability	C,CA,B.P.U	\$ 1,061,436
Strategic Insurance Underwriters 5560 Broadcast Court Sarasota, FL 34240	65-0897824	No	Commercial property/ casualty	C,CA,B.P.U	\$ 24,839,587
Heath XS, LLC Two Lincoln Centre 5420 Lyndon B. Johnson Freeway Dallas, TX 75240	02-0557327	No	Low and middle market commercial umbrella and excess liability	B.P.U	\$ 123,645

NOTES TO FINANCIAL STATEMENTS

Cont'd

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Direct Premiums Written/ Produced by
Starr Aviation Agency Inc 3353 Peachtree Rd NE Atlanta, GA 30326	13-1947675	No	International	B.P.U	\$ 1,129,048
Hallmark Specialty Underwriters 7550 IH 10W, Suite 1400 San Antonio, TX 78229	74-2228153	No	Commercial property/ Casualty	C,CA,B.P.U.	\$ 296,522
Triad Insurance Management & Services Agency, Inc. 117 John Robert Thomas Drive Exton, PA 19341	23-3060386	No	Commercial Auto	B.P.U	\$ 725,016
Total					\$ 75,537,598

20. Fair Value Measurement

1. Fair Value Measurements at Reporting Date

a. Assets at fair Value

	(Level 1)	(Level 2)	(Level 3)	Total
Cash Equivalent: MMFund	\$ 4,286,812	\$ -	\$ -	\$ 4,286,812
Cash Equivalent: Exempt MMFund	2			2
Bonds: Special Revenue	-	-		-
Bonds: Industrial & Miscellaneous		-		-
Bonds: Bank Loans		18,853,238		18,853,238
Preferred Stock: Industrial & Miscellaneous	204,343			204,343
Common Stock: Industrial & Miscellaneous	35,018,948	-	-	35,018,948
Total assets at fair value	\$ 39,510,105	\$ 18,853,238	\$ -	\$ 58,363,343

b. Liabilities at fair value

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.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Not Practicable (Carrying Value)		
			(Level 1)	(Level 2)	(Level 3)
Bonds	138,404,037	137,507,349		137,870,889	533,148
Preferred Stocks	1,833,690	1,805,653	1,805,653		
Common Stocks	35,018,948	35,018,948	35,018,948		
Other Investments	-	-	-		
Cash, Cash Equivalents, and Short term Investments	11,486,639	11,486,639	10,741,639	745,000	
Total	\$ 186,743,314	185,818,589	47,566,240	138,615,889	533,148

21. Other Items

Not applicable.

22. Events Subsequent

Not applicable.

23. Reinsurance

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

NOTES TO FINANCIAL STATEMENTS

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 \$103.4 million. As of June 30, 2019, \$37.1 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$66.9 million as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$0.5 million 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

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 the 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.

The names, NAIC company codes and intercompany pool 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.

NOTES TO FINANCIAL STATEMENTS

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

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

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

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

2.2 If yes, date of change: _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.4 By what department or departments?
 State of Texas Department of Insurance, Ohio Department of Insurance, Oklahoma Department of Insurance and Arizona Department of Insurance

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

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

GENERAL INTERROGATORIES

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

7.2 If yes, give full information

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

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

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

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

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules, and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code. Yes [X] No []

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

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

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

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

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

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 1,046

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	\$ 73,039,428	\$ 77,447,329
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)	\$ 73,039,428	\$ 77,447,329
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

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

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

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

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

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

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

18.2 If no, list exceptions:

.....

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

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

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

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

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

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

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

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

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

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

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

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

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

7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [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 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	39,065	4,160			9,938	4,258
2. Alaska	AK	L						
3. Arizona	AZ	L	17,284,196	13,470,043	8,279,546	5,231,844	10,412,468	6,225,885
4. Arkansas	AR	L	3,222,059	3,010,157	1,383,465	2,365,567	2,333,082	(1,455,218)
5. California	CA	N						
6. Colorado	CO	L	360,275	390,528	76,843	38,681	322,586	161,810
7. Connecticut	CT	L	120,000	83,679	36,820		93,399	210,594
8. Delaware	DE	L						
9. District of Columbia	DC	Q						
10. Florida	FL	L	274,524	211,451	155,875	9,447	286,065	(264,491)
11. Georgia	GA	L	4,627,809	4,237,586	2,077,531	2,173,006	2,460,907	861,654
12. Hawaii	HI	L	2,405,979	2,104,016	196,398	315,937	1,607,450	6,532,632
13. Idaho	ID	L	3,952,487	3,224,225	632,795	1,698,045	3,184,282	17,017,385
14. Illinois	IL	L	259,427	23,721	228,311	118,979	1,095,051	787,658
15. Indiana	IN	L	6,295,927	6,484,076	1,579,146	3,001,871	6,108,543	5,266,882
16. Iowa	IA	L			(80)		(4,798)	(799)
17. Kansas	KS	L		54,000	(27)	(132)	32,375	31,841
18. Kentucky	KY	L	5,218	3,347		108,649	122,256	114,280
19. Louisiana	LA	L	58,318	18,588	23,746		59,024	11,710
20. Maine	ME	L	121,654	69,491	35,392	4,577	97,028	171,280
21. Maryland	MD	L						
22. Massachusetts	MA	L	163,293	81,216	991,917		(626,592)	51,735
23. Michigan	MI	L					414	2,204
24. Minnesota	MN	L	302,293	7,192			26,970	5,916
25. Mississippi	MS	L					7,662	
26. Missouri	MO	L	163,416	359,393	208,666	64,495	470,949	1,324,357
27. Montana	MT	L	4,856,405	4,800,590	5,058,752	3,428,249	5,636,145	(11,829,878)
28. Nebraska	NE	L						
29. Nevada	NV	L	4,561,446	3,587,209	2,470,470	2,098,666	2,300,046	1,643,727
30. New Hampshire	NH	N						
31. New Jersey	NJ	L	99,768	31,754	22,578	5,147	204,676	54,748
32. New Mexico	NM	L	9,043,870	7,711,546	4,567,144	3,744,396	8,108,259	17,232,109
33. New York	NY	L						
34. North Carolina	NC	L	769,052	365,525	112,282	176,234	1,365,995	1,001,944
35. North Dakota	ND	L						
36. Ohio	OH	L	3,888,531	4,181,097	2,756,808	1,647,503	3,298,717	3,160,762
37. Oklahoma	OK	L	4,935,013	3,813,087	2,064,158	1,127,056	2,065,280	1,096,154
38. Oregon	OR	L	10,568,916	10,036,655	5,994,987	3,017,864	14,773,913	42,329,867
39. Pennsylvania	PA	L	12,851	14,361	3,054,912	713,569	3,714,984	4,985,105
40. Rhode Island	RI	L						
41. South Carolina	SC	L	1,898,655	2,682,472	373,370	393,174	5,344,092	4,088,993
42. South Dakota	SD	N						
43. Tennessee	TN	L	5,369,906	2,967,703	1,016,904	676,365	1,244,478	1,141,838
44. Texas	TX	L	12,986,764	12,516,719	7,414,990	9,482,191	16,935,163	(10,387,642)
45. Utah	UT	L	2,647,489	2,846,895	3,092,230	776,629	4,327,285	3,554,179
46. Vermont	VT	Q						
47. Virginia	VA	L	3,420,147	1,599,310	1,173,044	1,207,340	2,777,789	2,604,504
48. Washington	WA	L	5,179,741	4,199,373	1,833,048	3,358,831	6,416,222	316,798
49. West Virginia	WV	L		(215)			111,948	112,022
50. Wisconsin	WI	L	25,419	20,124	6,101		21,094	14,403
51. Wyoming	WY	L	749,899	675,458	263,718	700,933	547,274	593,285
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	2,901,019	3,276,513	85,553	4,032,113	461,267	3,848,746
59. Totals		X X X	113,570,831	99,163,045	57,267,393	51,717,226	107,753,686	102,623,237

DETAILS OF WRITE-INS								
58001.	International	X X X	2,901,019	3,276,513	85,553	4,032,113	461,267	3,848,746
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	2,901,019	3,276,513	85,553	4,032,113	461,267	3,848,746

(a) Active Status Counts

L – Licensed or Chartered - Licensed insurance carrier or domiciled RRG	46
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	2
N – None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLI)	9

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

PART 1 - ORGANIZATIONAL CHART

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

Notes:

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

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
		00000	87-0447375		819913	NASDAQ	Hallmark Financial Services, Inc.	TX	UDP	Newcastle Partners, L.P., Mark E. Schwarz, General	Ownership	27.9	Newcastle Partners, L.P.	N	
		00000	45-8544756				ACO Holdings, Inc. (Inactive Co)	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	75-2341879				American Hallmark G.A., Inc.	TX	UDP	ACO Holdings, Inc. (Inactive Co)	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	75-1693596				Hallmark Claim Services, Inc.	TX	UDP	ACO Holdings, Inc. (Inactive Co)	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	75-2339280				Hallmark Finance Corporation	TX	UDP	ACO Holdings, Inc. (Inactive Co)	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	20-0785668				Aerospace Holdings, LLC	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	75-2853986				Aerospace Claims Management Group	TX	UDP	Aerospace Holdings, LLC	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	75-2925120				Aerospace Flight (Inactive Co)	TX	UDP	Aerospace Holdings, LLC	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	52-2099239				Aerospace Insurance Managers, Inc.	TX	UDP	Aerospace Holdings, LLC	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	20-0786154				Aerospace Special Risk, Inc.	TX	UDP	Aerospace Holdings, LLC	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	N/A				Mannequin PCC Ltd. Cell A-22*	GG	UDP	Aerospace Holdings, LLC	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	02-0557327				Heath XS, LLC	NJ	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	01-0756829				Hardscrabble Data Solutions, LLC	NJ	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	26-2010050				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				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				Hallmark Specialty Ins. Co	OK	UDP	American Hallmark Ins. Co. of TX	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	75-1661749				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				Hallmark County Mutual Insurance Company	TX	OTH	Mutual Ownership	Other	100.0	Newcastle Partners, L.P.	N	
		00000	41-2130851				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				Texas Builders Insurance Company	TX	UDP	TBIC Holding Corporation	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	37-1417618				TBIC Risk Management, Inc.	TX	UDP	Texas Builders Insurance Company	Ownership	100.0	Newcastle Partners, L.P.	Y	
		00000	75-2825542				Effective Claims Management, Inc.	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	75-2652618				American Hallmark Insurance Services, Inc	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	74-2228153				TGA Insurance Managers Inc.	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	74-2774138				TGA Special Risk	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.0	Newcastle Partners, L.P.	N	
		00000	74-1683629				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				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				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	190,292	141,203	74.2	80.3
2. Allied lines	280,312	91,867	32.8	80.6
3. Farmowners multiple peril				
4. Homeowners multiple peril	1,521,007	276,582	18.2	48.1
5. Commercial multiple peril	35,703,229	18,525,070	51.9	54.9
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	496,742	221,320	44.6	-23.9
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake	14,229	(47)	-0.3	78.7
13. Group accident and health		(944,184)		
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation		(5,448)		
17.1 Other liability-occurrence	(1,266,827)	293,575	-23.2	70.4
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence	385,073	(193,515)	-50.3	39.4
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability	24,264,636	16,067,850	66.2	68.3
19.3, 19.4 Commercial auto liability	20,058,031	12,765,107	63.6	80.2
21. Auto physical damage	19,172,932	10,588,203	55.2	54.2
22. Aircraft (all perils)	933,959	194,374	20.8	69.0
23. Fidelity	913	(9)	-1.0	58.9
24. Surety				
26. Burglary and theft	939	(7)	-0.7	51.4
27. Boiler and machinery				
28. Credit				
29. International	2,630,824	343,936	13.1	200.9
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	104,386,291	58,365,877	55.9	69.5

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 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	116,012	207,846	226,975
2. Allied lines	173,271	298,850	323,090
3. Farmowners multiple peril			
4. Homeowners multiple peril	796,807	1,597,652	1,779,149
5. Commercial multiple peril	16,232,281	35,332,581	33,055,616
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	554,190	756,412	461,916
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake	4,241	7,793	8,508
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence	430,562	776,096	1,887,160
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence	232,627	408,164	410,905
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability	12,013,765	25,606,753	19,655,175
19.3, 19.4 Commercial auto liability	12,072,030	23,054,152	20,679,402
21. Auto physical damage	9,907,936	21,561,452	16,522,254
22. Aircraft (all perils)	628,769	1,061,436	875,757
23. Fidelity		625	625
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International	1,504,655	2,901,019	3,276,513
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	54,667,146	113,570,831	99,163,045

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	20,903	4,783	25,686	12,594	288	12,882	14,263	640	1,626	16,529	5,954	(2,229)	3,725
2. 2017	13,603	8,656	22,259	9,765	172	9,937	11,249	533	3,302	15,084	7,411	(4,649)	2,762
3. Subtotals 2017 + prior	34,506	13,439	47,945	22,359	460	22,819	25,512	1,173	4,928	31,613	13,365	(6,878)	6,487
4. 2018	19,382	36,137	55,519	13,327	970	14,297	16,384	1,074	17,819	35,277	10,329	(16,274)	(5,945)
5. Subtotals 2018 + prior	53,888	49,576	103,464	35,686	1,430	37,116	41,896	2,247	22,747	66,890	23,694	(23,152)	542
6. 2019	X X X	X X X	X X X	X X X	11,754	11,754	X X X	9,877	25,667	35,544	X X X	X X X	X X X
7. Totals	53,888	49,576	103,464	35,686	13,184	48,870	41,896	12,124	48,414	102,434	23,694	(23,152)	542

8. Prior Year-End Surplus As Regards Policyholders

138,859

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>43.969</u>	2. <u>-46.700</u>	3. <u>0.524</u>
		<u>Col. 13, Line 7</u>
		<u>Line 8</u>
		4. <u>0.390</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?	YES

Explanation:

- Question 1: Not Applicable

- Question 2: Not Applicable

- Question 3: Not Applicable

Bar Code:



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	5,200,000	5,200,000
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)	5,200,000	5,200,000
12. Deduct total nonadmitted amounts	5,200,000	5,200,000
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	238,009,293	249,855,988
2. Cost of bonds and stocks acquired	26,886,624	59,706,503
3. Accrual of discount	131,661	183,390
4. Unrealized valuation increase (decrease)	12,548,084	(3,249,036)
5. Total gain (loss) on disposals	724,923	904,850
6. Deduct consideration for bonds and stocks disposed of	26,199,418	68,355,240
7. Deduct amortization of premium	326,656	1,081,262
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	4,769	44,100
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	251,779,280	238,009,293
12. Deduct total nonadmitted amounts	1,123,975	1,123,975
13. Statement value at end of current period (Line 11 minus Line 12)	250,655,305	236,885,318

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
BONDS								
1. NAIC 1 (a)	48,195,752	3,387,741	2,591,976	1,031,300	48,195,752	50,022,817		47,696,404
2. NAIC 2 (a)	64,865,772	7,075,422	6,339,187	(2,434,857)	64,865,772	63,167,150		67,707,886
3. NAIC 3 (a)	19,571,477	3,965,135	79,132	404,053	19,571,477	23,861,533		20,275,934
4. NAIC 4 (a)	339,044		117,477	979,283	339,044	1,200,850		337,977
5. NAIC 5 (a)								
6. NAIC 6 (a)								162,338
7. Total Bonds	132,972,045	14,428,298	9,127,772	(20,221)	132,972,045	138,252,350		136,180,539
PREFERRED STOCK								
8. NAIC 1	1,601,309				1,601,309	1,601,309		1,645,632
9. NAIC 2	204,410			(67)	204,410	204,343		188,539
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	1,805,719			(67)	1,805,719	1,805,652		1,834,171
15. Total Bonds & Preferred Stock	134,777,764	14,428,298	9,127,772	(20,288)	134,777,764	140,058,002		138,014,710

(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 \$ 745,000; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	745,000	X X X	753,118	6,250	3,261

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	490,000	1,011,656
2. Cost of short-term investments acquired	450,212	1,022,173
3. Accrual of discount		605
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	190,000	1,530,000
7. Deduct amortization of premium	5,212	14,434
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)	745,000	490,000
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	745,000	490,000

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

SCHEDULE E PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	9,562,256	10,728,262
2. Cost of cash equivalents acquired	40,979,677	79,853,982
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	35,776,120	81,019,988
7. Deduct amortization of premium		
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)	14,765,813	9,562,256
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	14,765,813	9,562,256

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)
48205N-BK-6	JUPITER FLA		05/07/2019	NATIONAL FINL SVCS CORP		25,567	25,000.00	350	1FE
787640-CX-7	ST CHARLES CNTY MO		04/16/2019	NATIONAL FINL SVCS CORP		92,188	90,000.00	529	Z
940774-LB-6	WASHOE CNTY NEV		04/02/2019	NATIONAL FINL SVCS CORP		174,323	170,000.00	682	1FE
981305-Q8-1	WORCESTER MASS		06/11/2019	NATIONAL FINL SVCS CORP		61,373	60,000.00	605	1FE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	353,451	345,000.00	2,166	X X X
030622-AL-8	AMERICUS GA COMB UTIL REV		04/18/2019	NATIONAL FINL SVCS CORP		101,677	100,000.00	567	1FE
122139-CC-0	BURLINGTON WIS WTRWKS SYS REV		06/07/2019	NATIONAL FINL SVCS CORP		50,711	50,000.00	190	1FE
130684-XP-3	CALIFORNIA ST PUB WKS BRD LEASE REV		05/07/2019	NATIONAL FINL SVCS CORP		254,343	250,000.00	1,060	1FE
386485-BT-2	GRAND TERRACE CALIF CMNTY REDEV AGY TAX		06/11/2019	NATIONAL FINL SVCS CORP		51,582	50,000.00	708	2FE
60242N-CC-3	MILWAUKEE WIS REDEV AUTH REV		06/11/2019	NATIONAL FINL SVCS CORP		71,982	70,000.00	1,091	1FE
605891-WR-7	MISSOURI ASSOC RURAL ED LEASE PARTN CTFS		04/16/2019	NATIONAL FINL SVCS CORP		151,403	150,000.00	13	1FE
659413-BV-9	NORTH FOND DU LAC WIS WTR REV		06/03/2019	NATIONAL FINL SVCS CORP		127,499	125,000.00	543	Z
76912K-AR-3	RIVERSIDE CNTY CALIF PUB FING AUTH LEASE		04/16/2019	NATIONAL FINL SVCS CORP		92,891	90,000.00	215	1FE
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	902,088	885,000.00	4,387	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		1,021,230	1,000,000.00	15,725	1FE
141781-BH-6	CARGILL INC		06/05/2019	BONY/TORONTO DOMINION SECURITI		1,010,780	1,000,000.00	4,406	1FE
44891A-AU-1	HYUNDAI CAPITAL AMERICA	C	06/20/2019	BONY/TORONTO DOMINION SECURITI		1,021,160	1,000,000.00	17,292	2FE
60871R-AF-7	MOLSON COORS BREWING CO		06/06/2019	MORGAN STANLEY CO		990,350	1,000,000.00	8,458	2FE
774341-AH-4	ROCKWELL COLLINS INC		06/19/2019	MORGAN STANLEY CO		1,006,870	1,000,000.00	7,467	2FE
87165B-AC-7	SYNCHRONY FINANCIAL		06/05/2019	BONY/TORONTO DOMINION SECURITI		1,017,420	1,000,000.00	11,667	2FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	7,055,850	7,000,000.00	74,279	X X X
00164D-AQ-6	TERM B1 LOAN:AMC ENTERTAINMENT HOLDINGS,		04/01/2019	Unknown		1,000,000	1,000,000.00		3FE
20337E-AQ-4	INITIAL TERM LOAN:COMMSCOPE, INC.		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		983,866	1,000,000.00		3FE
62937N-AW-7	TERM LOAN:NRG ENERGY, INC.		04/01/2019	Unknown		1,000,000	1,000,000.00		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	5,965,135	5,984,962.41		X X X
8399997	Subtotal - Bonds - Part 3				X X X	14,276,524	14,214,962	80,832	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

(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)
8399999	Total - Bonds				X X X	14,276,524	14,214,962.41	80,832	X X X
9999999	Totals				X X X	14,276,524	X X X	80,832	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 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.							
016788-XK-2	ALLEGAN CNTY MICH		05/01/2019	Maturity @ 100.00		110,000	110,000.00	112,455	110,000						110,000			2,448	05/01/2019	Z	
043737-DT-9	ASH TWP MICH		05/01/2019	VARIOUS					68,727									2,599	05/01/2020	1FE	
090460-AQ-9	BINGHAM-SUTTONS BAY MICH JT BLDG A		05/01/2019	Maturity @ 100.00		100,000	100,000.00	100,211	100,000						100,000			2,050	05/01/2019	1FE	
181059-KA-3	CLARK CNTY NEV SCH DIST		06/17/2019	Call @ 100.00		70,000	70,000.00	72,308	70,554		(554)		(554)		70,000			1,463	06/15/2019	2FE	
234830-AZ-0	DALLAS CNTY TEX SCHS		04/01/2019	VARIOUS														12,200	06/01/2018	Z	
667903-GY-8	NORTHWEST HARRIS CNTY MUN UTIL DI		05/01/2019	Call @ 100.00					47,368									1,618	04/01/2020	2FE	
818563-BG-2	SEYMOUR IND		05/01/2019	Call @ 100.00					31,287					(545)		545	545		07/15/2020	1FE	
923345-HZ-8	VENUS TEX INDPT SCH DIST		06/19/2019	Call @ 100.00		110,000	110,000.00	111,164			(1,164)		(1,164)		110,000			1,788	08/15/2021	1FE	
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	390,000	390,000.00	396,138	427,936		(1,718)		(1,718)		389,455		545	545	24,166	X X X	X X X
073177-FH-5	BAYTOWN AREA WTR AUTH TEX WTR SU		05/01/2019	Maturity @ 100.00		100,000	100,000.00	100,277	100,000						100,000			2,125	05/01/2019	1FE	
14760N-AU-4	CASINO REINVESTMENT DEV AUTH N J R		05/01/2019	Call @ 100.00		230,000	230,000.00	232,121	230,764		(221)		(221)		230,543		(543)	4,216	06/01/2020	1	
212474-GE-4	CONVENTION CTR AUTH R I REV		05/01/2019	VARIOUS		20,000	20,000.00	21,388	34,208		(136)		(136)		20,000			215	05/15/2021	1FE	
276515-VH-3	EASTERN ILL UNIV REVS		04/01/2019	Maturity @ 100.00		115,000	115,000.00	116,280	114,765	235			235		115,000			2,300	04/01/2019	4FE	
34074M-JB-8	FLORIDA HSG FIN CORP REV		06/14/2019	Call @ 100.00		24,202	24,202.00	24,141	24,148		1		1		24,148		54	308	07/01/2041	1FE	
349291-BR-4	FORT WAYNE IND REDEV DIST REV		06/01/2019	Call @ 100.00		15,000	15,000.00	15,040	15,000						15,000			91	06/01/2021	1FE	
442540-CJ-7	HOWARD CNTY ARK SALES & USE TAX		04/25/2019	Call @ 100.00		45,000	45,000.00	45,211	45,184		(9)		(9)		45,175		(175)	68	06/01/2041	1FE	
60416S-JB-7	MINNESOTA ST HSG FIN AGY		05/01/2019	Call @ 102.075					28,719						14		(14)		01/01/2032	1FE	
60416Q-GG-3	MINNESOTA ST HSG FIN AGY HOMEOWN		06/15/2019	VARIOUS		30,999	30,998.60	30,999	30,999						30,999			412	02/01/2046	1FE	
64542R-DB-4	NEW HOPE CULTURAL ED FACS FIN COR		05/01/2019	Call @ 100.00					32,112					(945)		945	945	7,500	04/01/2020	2FE	
684907-SZ-2	ORANGE CNTY FLA HSG FIN AUTH HOME		05/01/2019	Call @ 100.00					50,949					(3,051)		3,050	3,050		09/01/2040	1FE	
74529J-QB-4	PUERTO RICO SALES TAX FING CORP SA		06/06/2019	Call @ 81.04		1,621	2,000.00	1,657			22		22		1,679		(58)	5	07/01/2024	Z	
83712T-DA-6	SOUTH CAROLINA ST HSG FIN & DEV AUT		06/13/2019	VARIOUS		65,000	65,000.00	64,957	64,927		(3)		(3)		64,924		76	800	01/01/2041	1FE	
85732M-B2-2	STATE PUB SCH BLDG AUTH PA COLLEG		06/15/2019	Maturity @ 100.00		250,000	250,000.00	265,485	253,904		(3,904)		(3,904)		250,000			6,250	06/15/2019	Z	
88271H-FL-8	TEXAS ST AFFORDABLE HSG CORP SING		06/01/2019	VARIOUS		30,000	30,000.00	29,479	61,274		32		32		30,083		(83)	421	09/01/2041	1FE	
882750-NE-8	TEXAS ST DEPT HSG & CMNTY AFFAIRS		06/03/2019	VARIOUS		30,000	30,000.00	29,910	58,527		3		3		30,000			420	07/01/2041	1FE	
92812U-K5-6	VIRGINIA ST HSG DEV AUTH COMWLTH M		06/01/2019	Paydown		33,006	33,006.01	32,976	32,979		27		27		33,006			393	04/25/2042	1FE	
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment Non-Guaranteed Obligati				X X X	989,828	990,206.61	1,009,921	1,178,459	235	(4,188)		(3,953)		986,575		3,252	3,252	25,524	X X X	X X X
009090-AB-7	AIR CANADA 2015-1 PASS THROUGH TRU	C	04/01/2019	Paydown														208	09/15/2024	2FE	
02376X-AA-7	AMERICAN AIRLINES INC - ABS		05/01/2019	Paydown		101,883	101,882.98	102,902	102,545		(663)		(663)		101,883			2,229	04/01/2024	2FE	
053332-AU-6	AUTOZONE INC		04/21/2019	Maturity @ 100.00		904,000	904,000.00	895,394	902,742		1,258		1,258		904,000			7,345	04/21/2019	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	Maturity @ 100.00		701,753	701,752.67	764,910	710,103		(8,350)		(8,350)		701,753			(872)	11/07/2020	2FE	

(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)
15670B-AB-8	INITIAL TERM B LOAN:CENTURYLINK, INC.		04/01/2019	Call @ 100.00															18	01/15/2025	3FE
87239P-AD-6	INITIAL TERM LOAN:VISTRA OPERATIONS		04/01/2019	Call @ 100.00															8	08/04/2023	2FE
410346-AR-1	NEW TERM LOAN B:HANESBRANDS INC.		04/01/2019	Call @ 100.00															18	12/05/2024	2FE
655844-BC-1	NORFOLK SOUTHERN CORP		06/15/2019	Maturity @ 100.00		1,124,000	1,124,000.00	1,219,304	1,143,526		(19,526)		(19,526)		1,124,000				33,158	06/15/2019	2FE
67515U-AA-8	OCTR 6 X - CDO		05/01/2019	Paydown		100,000	100,000.00	100,000	100,000						100,000				1,825	07/15/2028	1FE
81726J-AE-1	SIXTH AMENDMENT TERM LOAN:SENSAT		04/01/2019	VARIOUS															85	10/14/2021	2
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				736	10/01/2025	2FE
85208N-AA-8	SPRNTS 161 A1 - ABS		06/20/2019	Paydown		62,500	62,500.00	63,063	61,719	1,078	(297)		781		62,500				1,028	03/20/2023	2FE
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															15	04/13/2025	2FE
41587C-AP-3	TERM B2 LOAN:HARSCO CORPORATION		04/01/2019	Call @ 100.00															4	12/06/2024	3FE
22207E-BG-8	TERM LOAN B:COTY INC.	C	04/01/2019	Call @ 100.00																03/28/2025	3FE
513076-AZ-2	TERM LOAN B:LAMAR MEDIA CORP.		04/01/2019	Call @ 100.00																02/14/2025	2FE
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
81760H-AE-2	TRANCHE C TERM LOAN:SERVICEMASTE		04/01/2019	Call @ 100.00															33	11/03/2023	3FE
90932P-AB-4	UNITED AIRLINES INC - ABS		05/01/2019	Paydown		26,104	26,104.45	27,252	27,069		(965)		(965)		26,104				620	10/11/2023	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		1,000,000	1,000,000.00	1,023,650	1,004,512		(4,512)		(4,512)		1,000,000				16,750	05/22/2019	2FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	5,253,309	5,253,309.16	5,430,657	5,285,452	1,078	(33,221)		(32,143)		5,253,309				76,035	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
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	
05377J-AP-7	TRANCHE B TERM LOAN:AVIS BUDGET C		06/27/2019	Call @ 100.00		3,713	3,712.50	3,711	3,712					3,712		1	1	70	02/13/2025	2FE	
08579J-AY-8	TERM R LOAN:BERRY GLOBAL, INC. FKA		06/27/2019	Call @ 100.00		1,250	1,250.00	1,250	1,212	38			38	1,250				28	01/19/2024	3FE	
12768P-AB-7	TERM B LOAN:CEOC, LLC (AKA CAESARS		06/27/2019	Call @ 100.00		2,500	2,500.00	2,466	2,363	112	2		114	2,477		23	23	65	04/04/2024	4FE	
15670B-AB-8	INITIAL TERM B LOAN:CENTURYLINK, INC.		06/27/2019	Call @ 100.00		2,500	2,500.00	2,488	2,330	160	1		161	2,491		9	9	76	01/15/2025	3FE	
16117L-BS-7	TERM B LOAN:CHARTER COMMUNICATIO		06/27/2019	Call @ 100.00		2,500	2,500.00	2,497	2,497					2,498		2	2	66	04/13/2025	2FE	
22207E-BG-8	TERM LOAN B:COTY INC.	C	06/28/2019	Call @ 100.00		2,500	2,500.00	2,494	2,303	191			191	2,495		5	5	60	03/28/2025	3FE	
24702N-AZ-3	TERM LOAN B:DELL INTERNATIONAL L.L.		05/01/2019	Call @ 100.00		2,272	2,272.21	2,269	2,270					2,270		2	2	34	09/07/2023	2FE	
29362L-AH-7	TRANCHE B TERM LOAN:ENTEGRIS, INC.		06/27/2019	Call @ 100.00		2,500	2,500.00	2,494	2,494					2,494		6	6	56	10/31/2025	2FE	
37252K-AP-7	REFINANCING TERM LOAN:GEO GROUP, I		06/27/2019	Call @ 100.00		2,500	2,500.00	2,488	2,275	216	1		217	2,491		9	9	47	03/22/2024	3FE	
40409V-AR-5	COMMITMENT:H.B. FULLER COMPANY		06/01/2019	Call @ 100.00		23,373	23,372.67	23,373	21,892	1,480			1,480	23,373				458	10/20/2024	3FE	
410346-AR-1	NEW TERM LOAN B:HANESBRANDS INC.		06/28/2019	Call @ 100.00		5,000	5,000.00	4,988	4,989				1	4,990		10	10	80	12/05/2024	2FE	
41587C-AP-3	TERM B2 LOAN:HARSCO CORPORATION		06/27/2019	Call @ 100.00		1,250	1,250.00	1,250	1,223	27			27	1,250				35	12/06/2024	3FE	

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)
513076-AZ-2	TERM LOAN B:LAMAR MEDIA CORP.		06/27/2019	Call @ 100.00		3,756	3,756.26	3,752	3,752						3,752		4	4	92	02/14/2025	2FE
51783Q-AP-3	REFINANCING TERM LOAN 2018:LAS VEG		06/27/2019	Call @ 100.00		4,975	4,975.00	4,987	4,985		(1)		(1)		4,984		(9)	(9)	89	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
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
62937N-AW-7	TERM LOAN:NRG ENERGY, INC.		06/01/2019	VARIOUS		1,969,936	1,969,935.90	1,967,638	969,363		201		201		1,969,565		370	370	37,421	06/14/2023	2FE
64072U-AH-5	OCTOBER 2018 INCREMENTAL TERM LOA	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
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
81726J-AE-1	SIXTH AMENDMENT TERM LOAN:SENSAT		06/28/2019	Call @ 100.00		2,500	2,500.00	2,494	2,497				2,498		2,498		2	2	53	10/14/2021	2
81760H-AE-2	TRANCHE C TERM LOAN:SERVICEMASTE		05/01/2019	Call @ 100.00		23,030	23,030.30	22,973	22,426	565	3		568		22,993		37	37	659	11/03/2023	3FE
829229-AQ-6	TERM LOAN B:SINCLAIR TELEVISION GR		06/27/2019	Call @ 100.00		1,231	1,231.25	1,230	1,171	60			60		1,231		1	1	25	12/20/2023	3FE
85208E-AD-2	2018 INCREMENTAL TERM LOAN:SPRINT	C	06/27/2019	Call @ 100.00		2,500	2,500.00	2,475	2,416	60	2		62		2,478		22	22	70	02/02/2024	3FE
87239P-AD-6	INITIAL TERM LOAN:VISTRA OPERATIONS		06/11/2019	Call @ 100.00		315,967	315,967.13	315,967	315,967						315,967				6,113	08/04/2023	2FE
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
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
8299999	Subtotal - Bonds - Bank Loans				X X X	2,399,055	2,399,055	2,396,381	1,392,105	3,604	223		3,827		2,398,432		622	622	46,192	X X X	X X X
8399997	Subtotal - Bonds - Part 4				X X X	9,032,192	9,032,571	9,233,097	8,283,952	4,917	(38,904)		(33,987)		9,027,771		4,419	4,419	171,917	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
8399999	Total - Bonds				X X X	9,032,192	9,032,570.55	9,233,097	8,283,952	4,917	(38,904)		(33,987)		9,027,771		4,419	4,419	171,917	X X X	X X X
026874-15-6	AMERICAN INTERNATIONAL GRP EQY WAR		04/01/2019	Adjustment					166,986	433,478			433,478								L
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X				166,986	433,478			433,478							X X X	X X X
9799997	Subtotal - Common Stock - Part 4				X X X		X X X		166,986	433,478			433,478							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
9799999	Total - Common Stocks				X X X		X X X		166,986	433,478			433,478							X X X	X X X
9899999	Total - Preferred and Common Stocks				X X X		X X X		166,986	433,478			433,478							X X X	X X X

E05.2

(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					9,032,192	X X X	9,233,097	8,450,938	438,395	(38,904)		399,491		9,027,771		4,419	4,419	171,917	X X X	X X X

E05.3

(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 31846V-53-4 94975H-29-6	FIRST AMER:TRS OBG V FIRST AMER:US TRS MM Y WELLS FRGO TREASURY PLUS CL I MMF		03/04/2019 03/04/2019 03/04/2019	2.100 1.850 2.200		2		2
8599999	Exempt Money Market Mutual Funds – as Identified by SVO					2		2
000000-00-0 38141W-27-3 4812C0-66-2	BNY CASH RESERVE FUND GOLDMAN:FS GOVT INST JPMORGAN:US GVT MM AGCY		05/01/2019 06/03/2019 06/28/2019	2.400 2.260 2.160		1,394,230 720,457 2,172,124	1,354 6,332	5,522 6,117
8699999	All Other Money Market Mutual Funds					4,286,811	7,686	11,639
	Frost Bank		06/30/2019			10,479,000		
8799999	Other Cash Equivalents					10,479,000		
8899999	Total Cash Equivalents					14,765,813	7,686	11,641

E13



43494201950500102

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For The Period Ended 2019

NAIC Group Code 3478

NAIC Company Code 43494

Company Name American Hallmark Insurance Company of Texas

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$ _____	\$ _____	\$ _____

2. Commercial Multiple Peril (CMP) Packaged Policies

2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes No

2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? Yes No

2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified: \$ _____

2.32 Amount estimated using reasonable assumptions: \$ _____

2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies. \$ _____