

ANNUAL STATEMENT

OF THE

HALLMARK SPECIALTY INSURANCE COMPANY

of **OKLAHOMA CITY**

STATE OF **OKLAHOMA**

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2019

PROPERTY AND CASUALTY

2019



26808201920100100

ANNUAL STATEMENT

For the Year Ended December 31, 2019
OF THE CONDITION AND AFFAIRS OF THE

Hallmark Specialty Insurance Company

NAIC Group Code 3478 3478 NAIC Company Code 26808 Employer's ID Number 74-2378996
(Current Period) (Prior Period)

Organized under the Laws of Oklahoma, State of Domicile or Port of Entry OK

Country of Domicile US

Incorporated/Organized December 24, 1986 Commenced Business December 31, 1986

Statutory Home Office 201 Robert S. Kerr Ave., Suite 600, Oklahoma City, OK, US 73102
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 5420 Lyndon B. Johnson Freeway Suite 1100
(Street and Number)

Dallas, TX, US 75240-2345 817-348-1600
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

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

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

Internet Web Site Address www.hallmarkgrp.com

Statutory Statement Contact Felica M. Smith 817-348-1887
(Name) (Area Code) (Telephone Number) (Extension)

fsmith@hallmarkgrp.com 817-348-1820
(E-Mail Address) (Fax Number)

OFFICERS

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

VICE-PRESIDENTS

Name	Title	Name	Title

DIRECTORS OR TRUSTEES

<u>Naveen Anand</u>	<u>Kenneth Russell Krissinger</u>	<u>Jeffrey Ray Passmore</u>	<u>Mark Edward Schwarz</u>
<u>Charles Edward Stauber</u>			

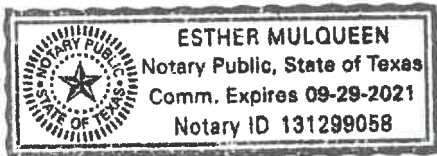
State of Texas
 County of Dallas ss

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

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

Subscribed and sworn to (or affirmed) before me this on this
17th day of February, 2020, by

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



ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	116,594,872		116,594,872	128,089,410
2. Stocks (Schedule D):				
2.1 Preferred stocks	312,416		312,416	322,544
2.2 Common stocks	33,297,930		33,297,930	27,701,167
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
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 (\$ (490,857), Schedule E - Part 1), cash equivalents (\$ 16,735,962, Schedule E - Part 2), and short-term investments (\$ 200,000, Schedule DA)	16,445,105		16,445,105	2,542,191
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities	124,794		124,794	192,888
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	166,775,117		166,775,117	158,848,200
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	869,283		869,283	867,717
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	96,746,347		96,746,347	59,919,258
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	31,892,517		31,892,517	32,392,171
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	7,002,469		7,002,469	
18.2 Net deferred tax asset	1,023,627		1,023,627	1,371,455
19. Guaranty funds receivable or on deposit	2,468		2,468	3,158
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	304,311,828		304,311,828	253,401,959
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	304,311,828		304,311,828	253,401,959

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	NONE			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	NONE			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	75,972,538	65,380,705
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	24,786,758	19,581,209
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	14,164,921	7,651,246
4. Commissions payable, contingent commissions and other similar charges	2,860,948	1,714,056
5. Other expenses (excluding taxes, licenses and fees)		
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	16,877	10,995
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		81,010
7.2 Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 200,575,323 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)	58,423,296	39,607,137
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	71,055,639	57,496,651
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	42,200	42,200
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 3 Column 78)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	21,565	166,278
20. Derivatives		
21. Payable for securities		698,105
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)	247,344,742	192,429,592
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	247,344,742	192,429,592
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	3,500,000	3,500,000
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	31,829,000	31,829,000
35. Unassigned funds (surplus)	21,638,086	25,643,367
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) (Page 4, Line 39)	56,967,086	60,972,367
38. Totals (Page 2, Line 28, Col. 3)	304,311,828	253,401,959

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

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	113,587,892	87,149,189
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	74,291,795	62,941,754
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	18,234,070	(2,134,203)
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	33,411,886	22,310,587
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	125,937,751	83,118,138
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(12,349,859)	4,031,051
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	5,297,961	5,202,503
10. Net realized capital gains (losses) less capital gains tax of \$ (2,007) (Exhibit of Capital Gains (Losses))	271,871	781,272
11. Net investment gain (loss) (Lines 9 + 10)	5,569,832	5,983,775
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ (254,848))	(254,848)	(185,278)
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income		
15. Total other income (Lines 12 through 14)	(254,848)	(185,278)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(7,034,875)	9,829,548
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)	(7,034,875)	9,829,548
19. Federal and foreign income taxes incurred	(546,472)	1,574,165
20. Net income (Line 18 minus Line 19) (to Line 22)	(6,488,403)	8,255,383
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	60,972,367	57,408,714
22. Net income (from Line 20)	(6,488,403)	8,255,383
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (1,434,500)	6,830,950	(4,338,023)
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(347,828)	346,293
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)		
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
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	(4,000,000)	(700,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	(4,005,281)	3,563,653
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	56,967,086	60,972,367

DETAILS OF WRITE-IN LINES		
0501.	NONE	
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.	NONE	
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.	NONE	
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
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance	111,388,372	78,163,861
2. Net investment income	5,602,544	6,291,492
3. Miscellaneous income	(254,848)	(185,278)
4. Total (Lines 1 through 3)	116,736,068	84,270,075
5. Benefit and loss related payments	58,652,751	72,958,105
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	43,321,515	32,185,774
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	6,535,000	1,292,568
10. Total (Lines 5 through 9)	108,509,266	106,436,447
11. Net cash from operations (Line 4 minus Line 10)	8,226,802	(22,166,372)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	60,852,999	62,509,511
12.2 Stocks	1,747,891	98,300
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		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	62,600,890	62,607,811
13. Cost of investments acquired (long-term only):		
13.1 Bonds	48,150,462	34,305,881
13.2 Stocks	1,747,859	11,124,081
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	630,010	1,386,719
13.7 Total investments acquired (Lines 13.1 to 13.6)	50,528,331	46,816,681
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	12,072,559	15,791,130
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	4,000,000	700,000
16.6 Other cash provided (applied)	(2,396,447)	164,311
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(6,396,447)	(535,689)
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)	13,902,914	(6,910,931)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	2,542,191	9,453,122
19.2 End of year (Line 18 plus Line 19.1)	16,445,105	2,542,191

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

20.0001		
20.0002		
20.0003		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire	4,743,710	1,391,463	2,690,173	3,445,000
2. Allied lines	3,247,746	1,006,147	1,793,698	2,460,195
3. Farmowners multiple peril				
4. Homeowners multiple peril	765,490	368,724	393,091	741,123
5. Commercial multiple peril	10,787,057	6,115,738	5,688,541	11,214,254
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	286,712	66,928	148,795	204,845
10. Financial guaranty				
11.1 Medical professional liability—occurrence	1,070,319	223,839	631,011	663,147
11.2 Medical professional liability—claims-made	8,872,293	2,026,934	4,437,995	6,461,232
12. Earthquake	1,247,713	339,938	741,606	846,045
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability—occurrence	26,491,228	5,249,224	12,751,865	18,988,587
17.2 Other liability—claims-made	3,319,385	728,304	1,767,077	2,280,612
17.3 Excess workers' compensation				
18.1 Products liability—occurrence	130,733	71,262	47,299	154,696
18.2 Products liability—claims-made				
19.1,19.2 Private passenger auto liability	13,693,951	2,417,679	3,170,605	12,941,025
19.3,19.4 Commercial auto liability	39,380,859	15,088,624	17,420,600	37,048,883
21. Auto physical damage	16,183,353	3,805,052	5,722,156	14,266,249
22. Aircraft (all perils)	1,352,836	565,725	745,634	1,172,927
23. Fidelity	454	295	332	417
24. Surety				
26. Burglary and theft	484	432	487	429
27. Boiler and machinery				
28. Credit				
29. International	829,731	140,828	272,330	698,229
30. Warranty				
31. Reinsurance-nonproportional assumed property				
32. Reinsurance-nonproportional assumed liability				
33. Reinsurance-nonproportional assumed financial lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	132,404,054	39,607,136	58,423,295	113,587,895

DETAILS OF WRITE-IN LINES				
3401.				
3402.				
3403.				
3498. Sum of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)				

NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A – RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire	2,690,173				2,690,173
2. Allied lines	1,793,698				1,793,698
3. Farmowners multiple peril					
4. Homeowners multiple peril	393,091				393,091
5. Commercial multiple peril	5,688,541				5,688,541
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine	148,795				148,795
10. Financial guaranty					
11.1 Medical professional liability—occurrence	631,011				631,011
11.2 Medical professional liability—claims-made	4,437,995				4,437,995
12. Earthquake	741,606				741,606
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability—occurrence	12,751,865				12,751,865
17.2 Other liability—claims-made	1,767,077				1,767,077
17.3 Excess workers' compensation					
18.1 Products liability—occurrence	47,299				47,299
18.2 Products liability—claims-made					
19.1,19.2 Private passenger auto liability	3,170,605				3,170,605
19.3,19.4 Commercial auto liability	17,420,600				17,420,600
21. Auto physical damage	5,722,156				5,722,156
22. Aircraft (all perils)	745,634				745,634
23. Fidelity	332				332
24. Surety					
26. Burglary and theft	487				487
27. Boiler and machinery					
28. Credit					
29. International	272,330				272,330
30. Warranty					
31. Reinsurance-nonproportional assumed property					
32. Reinsurance-nonproportional assumed liability					
33. Reinsurance-nonproportional assumed financial lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	58,423,295				58,423,295
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					58,423,295

DETAILS OF WRITE-IN LINES					
3401.					
3402.					
3403.					
3498. Sum of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

(a) State here basis of computation used in each case

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B – PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non- Affiliates	4 To Affiliates	5 To Non- Affiliates	
1. Fire	61,978,664	4,743,710		16,992,349	44,986,315	4,743,710
2. Allied lines	47,379,567	3,247,746		11,645,579	35,733,987	3,247,747
3. Farmowners multiple peril						
4. Homeowners multiple peril		765,490				765,490
5. Commercial multiple peril		10,787,057				10,787,057
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	120,968	286,712		119,221	1,747	286,712
10. Financial guaranty						
11.1 Medical professional liability--occurrence	7,646,375	1,070,319		3,896,722	3,749,653	1,070,319
11.2 Medical professional liability--claims-made	60,242,884	8,872,293		30,162,898	30,079,986	8,872,293
12. Earthquake	17,700,802	1,247,713		4,667,969	13,032,832	1,247,714
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability—occurrence	150,174,891	26,491,228		85,478,777	64,696,114	26,491,228
17.2 Other liability—claims-made	31,150,541	3,319,385		12,533,434	18,617,107	3,319,385
17.3 Excess workers' compensation						
18.1 Products liability—occurrence	134,040	130,733		82,163	51,878	130,732
18.2 Products liability—claims-made						
19.1,19.2 Private passenger auto liability		13,693,951				13,693,951
19.3,19.4 Commercial auto liability	11,610,567	39,380,858		8,378,191	3,232,375	39,380,859
21. Auto physical damage	2,008,800	16,183,353		1,940,411	68,389	16,183,353
22. Aircraft (all perils)		1,352,836				1,352,836
23. Fidelity		454				454
24. Surety						
26. Burglary and theft		484				484
27. Boiler and machinery						
28. Credit						
29. International		829,731				829,731
30. Warranty						
31. Reinsurance-nonproportional assumed property	X X X					
32. Reinsurance-nonproportional assumed liability	X X X					
33. Reinsurance-nonproportional assumed financial lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	390,148,099	132,404,053		175,897,714	214,250,383	132,404,055

DETAILS OF WRITE-IN LINES					
3401.					
3402.					
3403.					
3498. Sum of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

NONE

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]
 If yes: 1. The amount of such installment premiums \$ 0
 2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ 0

UNDERWRITING AND INVESTMENT EXHIBIT PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	10,854,366	1,342,764	10,854,366	1,342,764	1,345,878	786,087	1,902,555	55.227
2. Allied lines	26,631,224	1,393,318	26,631,224	1,393,318	1,086,983	956,514	1,523,787	61.938
3. Farmowners multiple peril								
4. Homeowners multiple peril		151,507		151,507	56,915	61,318	147,104	19.849
5. Commercial multiple peril		7,133,051		7,133,051	7,424,080	8,114,723	6,442,408	57.448
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine	249,171	92,839	249,171	92,839	39,793	42,684	89,948	43.910
10. Financial guaranty								
11.1 Medical professional liability—occurrence	280,000	11,035	280,000	11,035	416,426	99,079	328,382	49.519
11.2 Medical professional liability—claims-made	10,664,623	597,148	10,664,623	597,148	3,916,369	2,123,585	2,389,932	36.989
12. Earthquake		(15,104)		(15,104)	169,828	181,246	(26,522)	(3.135)
13. Group accident and health		286,308		286,308	97,028	461,742	(78,406)	
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation		(8,269)		(8,269)	409,151	409,878	(8,996)	
17.1 Other liability—occurrence	50,948,791	5,143,196	50,951,598	5,140,389	15,493,792	10,681,466	9,952,715	52.414
17.2 Other liability—claims-made	1,516,834	145,354	1,516,834	145,354	1,348,577	726,036	767,895	33.671
17.3 Excess workers' compensation								
18.1 Products liability—occurrence		11,107		11,107	151,623	206,762	(44,032)	(28.464)
18.2 Products liability—claims-made								
19.1,19.2 Private passenger auto liability		7,856,457		7,856,457	3,141,704	1,908,357	9,089,804	70.240
19.3,19.4 Commercial auto liability	14,395,908	30,170,224	14,395,908	30,170,224	39,017,464	37,681,716	31,505,972	85.039
21. Auto physical damage	1,085,771	7,989,522	1,085,771	7,989,522	1,136,260	406,390	8,719,392	61.119
22. Aircraft (all perils)		767,788		767,788	605,078	484,387	888,479	75.749
23. Fidelity		(2)		(2)	438	20	416	99.760
24. Surety								
26. Burglary and theft		(2)		(2)	451	20	429	100.000
27. Boiler and machinery								
28. Credit								
29. International		634,529		634,529	114,701	48,692	700,538	100.331
30. Warranty								
31. Reinsurance-nonproportional assumed property	X X X							
32. Reinsurance-nonproportional assumed liability	X X X							
33. Reinsurance-nonproportional assumed financial lines	X X X							
34. Aggregate write-ins for other lines of business								
35. TOTALS	116,626,688	63,702,770	116,629,495	63,699,963	75,972,539	65,380,702	74,291,800	65.405

DETAILS OF WRITE-IN LINES								
3401.								
3402.								
3403.								
3498. Sum of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)								

NONE

UNDERWRITING AND INVESTMENT EXHIBIT PART 2A – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	8,529,466	760,140	8,529,466	760,140	6,760,575	585,738	6,760,575	1,345,878	81,886
2. Allied lines	12,498,628	840,538	12,498,628	840,538	6,091,210	246,445	6,091,210	1,086,983	30,756
3. Farmowners multiple peril									
4. Homeowners multiple peril		26,089		26,089		30,826		56,915	256
5. Commercial multiple peril		4,280,645		4,280,645		3,143,435		7,424,080	2,375,477
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine	5,078	14,949	5,078	14,949	9,686	24,843	9,686	39,792	10,384
10. Financial guaranty									
11.1 Medical professional liability—occurrence	1,225,030	88,807	1,225,030	88,807	3,342,177	327,619	3,342,177	416,426	105,988
11.2 Medical professional liability—claims-made	25,018,343	2,393,668	25,018,343	2,393,668	16,651,700	1,522,701	16,651,700	3,916,369	1,441,004
12. Earthquake					2,021,556	169,828	2,021,556	169,828	
13. Group accident and health		63,385		63,385		33,643		(a) 97,028	10,492
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation		211,418		211,418		197,733		409,151	58,118
17.1 Other liability—occurrence	44,398,685	5,450,477	44,408,185	5,440,977	104,340,199	10,052,818	104,340,202	15,493,792	2,790,656
17.2 Other liability—claims-made	3,572,673	387,487	3,572,673	387,487	9,342,367	961,091	9,342,367	1,348,578	428,612
17.3 Excess workers' compensation									
18.1 Products liability—occurrence		6,500		6,500	60,216	145,123	60,216	151,623	46,209
18.2 Products liability—claims-made									
19.1,19.2 Private passenger auto liability		3,405,684		3,405,684		(263,980)		3,141,704	414,486
19.3,19.4 Commercial auto liability	9,375,179	23,710,740	9,375,179	23,710,740	6,390,853	15,306,724	6,390,853	39,017,464	6,094,622
21. Auto physical damage	165,800	700,203	165,800	700,203	73,103	436,057	73,103	1,136,260	193,793
22. Aircraft (all perils)		322,973		322,973		282,105		605,078	82,178
23. Fidelity						438		438	
24. Surety									
26. Burglary and theft						451		451	
27. Boiler and machinery									
28. Credit									
29. International		114,701		114,701				114,701	
30. Warranty									
31. Reinsurance-nonproportional assumed property	X X X				X X X				
32. Reinsurance-nonproportional assumed liability	X X X				X X X				
33. Reinsurance-nonproportional assumed financial lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	104,788,882	42,778,404	104,798,382	42,768,904	155,083,642	33,203,638	155,083,645	75,972,539	14,164,917

DETAILS OF WRITE-IN LINES									
3401.									
3402.									
3403.									
3498. Sum of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)									

NONE

(a) Including \$ 0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	29,850,377			29,850,377
1.2 Reinsurance assumed	13,744,818			13,744,818
1.3 Reinsurance ceded	29,892,875			29,892,875
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	13,702,320			13,702,320
2. Commission and brokerage:				
2.1 Direct, excluding contingent		48,518,720		48,518,720
2.2 Reinsurance assumed, excluding contingent		3,601,554		3,601,554
2.3 Reinsurance ceded, excluding contingent		48,518,720		48,518,720
2.4 Contingent—direct		(13,597)		(13,597)
2.5 Contingent—reinsurance assumed		303,721		303,721
2.6 Contingent—reinsurance ceded		(13,597)		(13,597)
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		3,905,275		3,905,275
3. Allowances to manager and agents				
4. Advertising	53,598	190,240		243,838
5. Boards, bureaus and associations	282,580	1,803,882		2,086,462
6. Surveys and underwriting reports		178		178
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	2,634,572	16,727,778		19,362,350
8.2 Payroll taxes	180,453	1,078,907		1,259,360
9. Employee relations and welfare	299,960	1,715,359		2,015,319
10. Insurance	24,834	145,936		170,770
11. Directors' fees				
12. Travel and travel items	106,569	668,983		775,552
13. Rent and rent items	200,698	1,385,071		1,585,769
14. Equipment	242,567	879,421		1,121,988
15. Cost or depreciation of EDP equipment and software	287,355	1,257,501		1,544,856
16. Printing and stationery	8,188	71,114		79,302
17. Postage, telephone and telegraph, exchange and express	200,122	698,200		898,322
18. Legal and auditing	10,254	165,761		176,015
19. Totals (Lines 3 to 18)	4,531,750	26,788,331		31,320,081
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 0		2,468,035		2,468,035
20.2 Insurance department licenses and fees		250,183		250,183
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		2,718,218		2,718,218
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses		64	60,168	60,232
25. Total expenses incurred	18,234,070	33,411,888	60,168	(a) 51,706,126
26. Less unpaid expenses—current year	14,164,919	2,877,825		17,042,744
27. Add unpaid expenses—prior year	7,651,245	1,725,051		9,376,296
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	11,720,396	32,259,114	60,168	44,039,678

DETAILS OF WRITE-IN LINES				
2401. Bank and Custodial Fees			60,168	60,168
2402. Penalty Expense		64		64
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)		64	60,168	60,232

(a) Includes management fees of \$ 0 to affiliates and \$ 0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 69,901	126,496
1.1 Bonds exempt from U.S. tax	(a) 498,848	388,654
1.2 Other bonds (unaffiliated)	(a) 3,769,246	3,823,004
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 22,800	22,800
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	713,801	706,861
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 107,107	290,314
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	5,181,703	5,358,129
11. Investment expenses		(g) 60,168
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		60,168
17. Net investment income (Line 10 minus Line 16)		5,297,961

DETAILS OF WRITE-IN LINES			
0901.	NONE		
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			
1501.	NONE		
1502.			
1503.			
1598. Summary of remaining write-ins for Line 15 from overflow page			
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)			

(a)	Includes \$ 142,232 accrual of discount less \$ 448,380 amortization of premium and less \$ 413,765 paid for accrued interest on purchases.
(b)	Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
(c)	Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
(d)	Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
(e)	Includes \$ 0 accrual of discount less \$ 18,905 amortization of premium and less \$ 711 paid for accrued interest on purchases.
(f)	Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
(g)	Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h)	Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
(i)	Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax	311,724		311,724	153	
1.2 Other bonds (unaffiliated)	(41,884)		(41,884)	1,244,154	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)				(10,128)	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	25		25	5,596,772	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)				(1,434,499)	
10. Total capital gains (losses)	269,865		269,865	5,396,452	

DETAILS OF WRITE-IN LINES			
0901. TAX EFFECT OF CHANGE IN UNREALIZED GAIN(LOSS)			(1,434,499)
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			(1,434,499)

NONE Exhibit of Nonadmitted Assets

NOTES TO FINANCIAL STATEMENTS

PROPERTY

Note	Description	Page
1	Summary of Significant Accounting Policies	14.1
2	Accounting Changes and Corrections of Errors	14.2
3	Business Combinations and Goodwill	14.2
4	Discontinued Operations	14.2
5	Investments	14.2
6	Joint Ventures, Partnerships and Limited Liability Companies.....	14.2
7	Investment Income	14.2
8	Derivative Instruments	14.2
9	Income Taxes.....	14.2
10	Information Concerning Parent, Subsidiaries and Affiliates	14.5
11	Debt	14.5
12	Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.....	14.5
13	Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations	14.5
14	Contingencies	14.6
15	Leases	14.6
16	Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk	14.6
17	Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities	14.6
18	Gain or Loss to the Reporting Entity From Uninsured Plans and the Uninsured Portion of Partially Insured Plans	14.6
19	Direct Premium Written/Produced by Managing General Agents/Third Party Administrators	14.7
20	Fair Value Measurement	14.7
21	Other Items	14.7
22	Events Subsequent	14.7
23	Reinsurance	14.7
24	Retrospectively Rated Contracts & Contracts Subject to Redetermination	14.8
25	Changes in Incurred Losses and Loss Adjustment Expenses	14.8
26	Intercompany Pooling Arrangements	14.8
27	Structured Settlements	14.8
28	Health Care Receivables	14.8
29	Participating Policies	14.8
30	Premium Deficiency Reserves	14.9
31	High Deductibles	14.9
32	Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses	14.9
33	Asbestos/Environmental Reserves	14.9
34	Subscriber Savings Accounts	14.9
35	Multiple Peril Crop Insurance	14.9
36	Financial Guaranty Insurance	14.9

NOTES TO FINANCIAL STATEMENTS

1. Summary of 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 Oklahoma 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 Oklahoma (NAIC SAP). For the Company, there are no significant differences between Oklahoma 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>State of Domicile</u>	<u>2019</u>	<u>2018</u>
(1) Hallmark Specialty Insurance Company state basis	OK	(6,488,403)	8,255,383
(2) State Prescribed Practices: NONE			
(3) State Permitted Practices: NONE			
(4) NAIC SAP	OK	<u>(6,488,403)</u>	<u>8,255,383</u>
<u>SURPLUS</u>			
(1) Hallmark Specialty Insurance Company state basis	OK	56,967,086	60,972,367
(2) State Prescribed Practices: NONE			
(3) State Permitted Practices: NONE			
(4) NAIC SAP	OK	<u>56,967,086</u>	<u>60,972,367</u>

B. Use of Estimates

The preparation of statutory financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

C. Accounting policies

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed.

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

1. Money market investments are reflected at cost.
2. Bonds not backed by other loans are stated at amortized cost using the scientific interest method. Non-investment grade bonds are reported at the lower of cost or market value.
3. Common stocks are stated at fair value.
4. Preferred stocks: Is reported at fair market value. Non-investment grade preferred stocks is reported at the lower of cost or market value.
5. Mortgage loans: Not applicable.
6. Loan-backed securities are reported at amortized cost.
7. Investments in subsidiaries and affiliated companies: Not applicable.
8. Investments in joint ventures, partnerships and limited liability companies: Not applicable.
9. Derivatives: Not applicable.
10. The Company anticipates investment income as a factor in the premium deficiency calculation, except accident and health business, in accordance with SSAP No. 53 - *Property-Casualty Contracts - Premiums*.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and, while

NOTES TO FINANCIAL STATEMENTS

management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in the period determined.

12. The Company has not modified its capitalization policy from the prior period.

13. Pharmaceutical rebate receivables: Not applicable.

2. Accounting Changes and Correction of Errors

Not applicable.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

D. a. The aggregate Amount of unrealized losses:

	(1)
Less than 12 months	48,474
12 Months or Longer	49,392

b. The aggregate related fair value of securities with unrealized losses:

	(2)
Less than 12 months	3,083,175
12 Months or Longer	233,347

Q. Prepayment Penalty and Acceleration Fees

	General Account
(1) Number of CUSIPs	6
(2) Aggregate Amount of Investment Income	174,516

6. Joint Venture, Partnerships, and Limited Liability Companies

Not applicable.

7. Investment Income

A. Accrued Investment Income: The Company nonadmits investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted: Not applicable.

8. Derivative Instruments

Not applicable.

9. Income Taxes

The Company files a consolidated Federal income tax return with HFS (EIN 87-0447375) and its affiliates with the exception of Hallmark County Mutual Insurance Company. Pursuant to a written tax sharing agreement, the Company's provision for income taxes, if any, equals or approximates tax expense or benefit computed on a separate return basis.

SSAP 101, *Income Taxes*, a replacement of SSAP 10 and SSAP 10R, was adopted on January 1, 2012. SSAP No. 101 includes a valuation allowance criterion whereby only gross deferred tax assets that are more likely than not to generate a tax benefit are potentially admissible. Under SSAP 101, deferred income tax assets are limited to 1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with the Internal Revenue Service tax loss carryback provisions, not to exceed three years, plus 2) the lesser of the remaining gross deferred income tax assets expected to be realized within three years of the balance sheet date or 15% of capital and surplus excluding any net deferred income tax assets, electronic data processing equipment and operating software and any net positive goodwill, plus 3) the amount of remaining gross deferred income tax assets that can be offset against existing gross deferred income tax liabilities after

NOTES TO FINANCIAL STATEMENTS

considering the character (i.e., ordinary versus capital) of the deferred tax assets and liabilities. The remaining deferred income tax assets are nonadmitted.

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

A. The net deferred tax asset/(liability) at December 31, 2019 and the change from the prior year are comprised of the following components:

	12/31/2019			12/31/2018		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross Deferred Tax Assets.....	\$ 3,366,967	70,295	3,437,262	2,258,344	128,973	2,387,317
Statutory Valuation Allowance Adjustment.....						
Adjusted Gross Deferred Tax Assets (1a - 1b).....	\$ 3,366,967	70,295	3,437,262	2,258,344	128,973	2,387,317
Deferred Tax Assets Nonadmitted.....						
Subtotal Net Admitted Deferred Tax Asset (1c - 1d).....	\$ 3,366,967	70,295	3,437,262	2,258,344	128,973	2,387,317
Deferred Tax Liabilities.....	\$ 56,934	2,356,701	2,413,635	61,995	953,867	1,015,862
Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f).....	\$ 3,310,033	(2,286,406)	1,023,627	2,196,349	(824,894)	1,371,455
	Change					
	Ordinary	Capital	Total			
Gross Deferred Tax Assets.....	\$ 1,108,623	(58,678)	1,049,945			
Statutory Valuation Allowance Adjustment.....						
Adjusted Gross Deferred Tax Assets (1a - 1b).....	\$ 1,108,623	(58,678)	1,049,945			
Deferred Tax Assets Nonadmitted.....						
Subtotal Net Admitted Deferred Tax Asset (1c - 1d).....	\$ 1,108,623	(58,678)	1,049,945			
Deferred Tax Liabilities.....	\$ (5,061)	1,402,834	1,397,773			
Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f).....	\$ 1,113,684	(1,461,512)	(347,828)			

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

The amount of admitted adjusted gross deferred tax assets admitted pursuant to the deferred tax admission calculation, is as follows:

	12/31/2019			12/31/2018		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission Calculation Components SSAP No. 101						
Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 1,569,923		1,569,923	1,591,833		1,591,833
Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of Through Loss Carrybacks.	\$ 1,699,065		1,699,065	562,208		562,208
Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ -	-	-	-	-	-
Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	8,236,478	X X X	X X X	8,982,308
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.	\$ 97,979	70,295	168,274	104,303	128,973	233,276
Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 3,366,967	70,295	3,437,262	2,258,344	128,973	2,387,317

	Change		
	Ordinary	Capital	Total
Admission Calculation Components SSAP No. 101			
Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ (21,910)		(21,910)
Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of Through Loss Carrybacks.	\$ 1,136,857		1,136,857
Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ -	-	-
Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	(745,830)
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.	\$ (6,324)	(58,678)	(65,002)
Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 1,108,623	(58,678)	1,049,945

NOTES TO FINANCIAL STATEMENTS

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

3.		<u>2019</u>	<u>2018</u>
a.	Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.	311.6%	467.4%
b.	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 55,943,459	59,600,912
4.	12/31/2019	12/31/2018	
a.	Impact of Tax Planning Strategies	<u>Ordinary</u>	<u>Capital</u>
a.	Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.	<u>Ordinary</u>	<u>Capital</u>
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 3,366,967	70,295
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact of Tax Planning Strategies	2,258,344	128,973
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 3,366,967	70,295
4.	Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Attributable To The Impact of Tax Planning Strategies	2,258,344	128,973
		\$	\$
		Change	
b.	Impact of Tax Planning Strategies	<u>Ordinary</u>	<u>Capital</u>
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)	\$ 1,108,623	(58,678)
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)	\$ 1,108,623	(58,678)
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:		
		<u>12/31/2019</u>	<u>12/31/2018</u>
		<u>Change</u>	
1.	Current Income Tax		
a.	Federal.....	\$ (552,222)	1,782,355
b.	Foreign.....	\$ -	-
c.	Subtotal.....	\$ (552,222)	1,782,355
d.	Federal Income Tax on net capital gains.....	\$ (2,007)	(110,114)
e.	Utilization of capital loss carry-forwards.....	\$ -	-
f.	Other.....	\$ 7,756	(98,076)
g.	Federal and foreign income taxes incurred.....	\$ (546,473)	1,574,165
g.		(2,120,638)	
2.	Deferred Tax Assets:		
a.	Ordinary		
(1)	Discounting of unpaid losses.....	\$ 913,189	594,845
(2)	Unearned premium reserve.....	\$ 2,453,779	1,663,500
(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).....	\$ -	-
Subtotal.....		\$ 3,366,968	2,258,345
Subtotal.....		1,108,623	
b.	Statutory valuation allowance adjustment.....	\$	\$
c.	Nonadmitted.....	\$	\$
d.	Admitted ordinary deferred tax assets (2a99 - 2b - 2c)....	\$ 3,366,968	2,258,345
d.		1,108,623	
e.	Capital:		
(1)	Investments.....	\$ 70,295	128,973
(2)	Net capital loss carry-forward.....	\$	\$
(3)	Real estate.....	\$	\$
(4)	Other (including items <5% of total capital tax assets)....	\$	\$
(99)	Subtotal.....	\$ 70,295	128,973
(99)		(58,678)	
f.	Statutory valuation allowance adjustment.....	\$	\$
g.	Nonadmitted.....	\$	\$
h.	Admitted capital deferred tax assets (2e99 - 2f - 2g).....	\$ 70,295	128,973
i.	Admitted deferred tax assets (2d + 2h).....	\$ 3,437,263	2,387,318
i.		1,049,945	
3.	Deferred Tax Liabilities:		
a.	Ordinary		
(1)	Investments.....	\$ 52,411	54,603
(2)	Fixed assets.....	\$ -	-
(3)	Deferred and uncollected premium.....	\$ -	-
(4)	Policyholder reserves.....	\$ -	-
(5)	Other (including items <5% of total ordinary tax liabilities).....	\$ 4,523	7,392
Subtotal.....		\$ 56,934	61,995
Subtotal.....		(2,192)	(2,869)
Subtotal.....		(5,061)	
b.	Capital:		
(1)	Investments.....	\$ 2,356,701	953,867
(2)	Real Estate.....	\$ -	-
(3)	Other (including items <5% of total capital tax liabilities).....	\$ -	-
Subtotal.....		\$ 2,356,701	953,867
Subtotal.....		1,402,834	-
c.	Deferred tax liabilities (3a99 + 3b99).....	\$ 2,413,635	1,015,862
c.		1,397,773	
4.	Net deferred tax assets/liabilities (2i - 3c).....	\$ 1,023,628	1,371,456
4.		(347,828)	

NOTES TO FINANCIAL STATEMENTS

D. Operating loss carryforward

As of December 31, 2019, there is no operating loss carryforward available for tax purposes.

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

	Ordinary	Capital	Total
2019	-	-	-
2018	1,569,923	-	1,569,923
2017	-	-	-

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

10. Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of the Relationships:

See Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group, Part 1 Organizational Chart.

B. The Company is a wholly owned subsidiary of American Hallmark Insurance Company of Texas (AHIC) domiciled in the state of Texas.

Effective December 01, 2007 the Company and Hallmark Specialty Underwriters, Inc. (HSU) entered into a General Agency agreement. In accordance with this agreement, the Company pays a commission to HSU for services provided as a general agent. During 2019 the Company paid \$17,276,197 of commission under this agreement.

Effective April 01, 2009 the Company and Heath XS, LLC (HXS) entered into a General Agency agreement. In accordance with this agreement, the Company pays a commission to HXS for services provided as a general agent. During 2019 the Company paid \$67,904,232 of commission under this agreement.

Effective August 26, 2009 and amended January 1, 2018 the Company entered into a claims administration agreement with Effective Claims Management (ECM). In accordance with this agreement the Company reimburses ECM for actual unallocated loss adjustment expenses for business produced by HXS. During 2019 the Company paid \$354,127 to ECM under this agreement.

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. Capital Stock Authorized, Issued and Outstanding as of the Balance Sheet Date:

The Company has 500,000 shares of \$7 par value common stock authorized, issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

B. Dividend Rate of Preferred Stock: Not applicable.

C. Dividend Restrictions:

Under the insurance regulations of Oklahoma, the maximum amount of dividends which the Company may pay to shareholders, without prior approval of the Insurance Commissioner of Oklahoma, is limited to the greater of 10% policyholder's surplus as of December 31, 2019, or the net income, not including realized capital gains for the year 2019. Accordingly, the maximum dividend payout to shareholders that may be made during 2020 without prior approval of the Oklahoma Insurance Department is \$5,696,709.

D. Dates and Amounts of Dividends Paid:

During 2019 and 2018 the Company declared and paid ordinary cash dividends of \$700,000 and \$4,000,000 to its parent AHIC.

NOTES TO FINANCIAL STATEMENTS

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

Within the limitations of (C) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to shareholders.

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.

J. Changes in Unassigned Funds:

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

Net unrealized gains or (losses)	\$ 6,830,950
Change in net deferred income tax	\$ (347,828)
Dividends to stockholders	\$ (4,000,000)

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:

The Company has no commitments or contingent commitments to affiliates or other entities. The Company has made a guarantee on behalf of affiliates. (See note 10).

B. Guaranty Fund and Other Assessments:

Not applicable

C. Gain Contingencies: Not applicable.

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

E. All Other Contingencies:

The Company is involved in litigation and may become involved in potential litigation arising in the ordinary course of business. Additionally, the Company may be impacted by adverse regulatory actions and adverse court decisions where insurance coverages are expanded beyond the scope originally contemplated in the policies. In the opinion of management, the effects, if any, of such litigation and published court decisions are not expected to be material to the financial statements.

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.

NOTES TO FINANCIAL STATEMENTS

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
AmWins Program Underwriters, Inc 214 Senate Avenue Suite 201 Camp Hill, PA 17011	25-1835859	No	Primary Professional liability, General liability and Employee Benefits liability.	B,P,U	\$ 47,141,763

20. Fair Value Measurement

A.

1. Fair Value Measurements at Reporting Date

a. Assets at fair Value	(Level 1)	(Level 2)	(Level 3)	Total
CE Other MM Mutual Fund	\$ 1,771,962	\$ -	\$ -	\$ 1,771,962
LT Bank Loans Unaffiliated	\$ -	\$ 6,211,923	\$ -	\$ 6,211,923
CS Indust. & Misc	\$ 33,297,930	\$ -	\$ -	\$ 33,297,930
Total assets at fair value	\$ 35,069,892	\$ 6,211,923	\$ -	\$ 41,281,815

b. Liabilities at fair value

Not applicable

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

There were no transfers into or from level 3 during the fourth quarter of 2019.

C.

The table below reflects the fair value and admitted values of all admitted assets that are financial instruments of the company and are categorized into the three-level fair value hierarchy at December 31, 2019. (\$ in thousands)

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	117,450,297	116,594,873	-	116,594,873	78,456	
Preferred Stock	354,160	312,416	312,416			
Common Stocks	33,297,930	33,297,930	33,297,930			
Cash, Cash Equivalents, and Short term Investments	16,445,105	16,445,105	16,245,105	200,000		
Total	167,547,492	166,650,324	49,855,451	116,794,873	78,456	-

21. Other Items

Not applicable.

22. Events Subsequent

Not applicable.

23. Reinsurance

A. At December 31, 2019 the Company had unsecured aggregate recoverable in excess of three percent of capital and surplus as shown below:

Federal ID Number	Name of Reinsurer	Unsecured Reinsurance Recoverables
75-1817901	American Hallmark Ins Co of TX	214,662,607.60
13-1675535	Swiss Reinsurance America Corporation	86,015,840.17
13-4924125	Munich Reinsurance America, Inc.	24,651,040.60
75-1444207	SCOR Reinsurance Company	21,915,013.56
13-3031176	Partner Reinsurance Company of the U.S.	12,882,978.26
AA-1340125	Hannover Rueckversicherung-Aktiengesells	12,750,392.71
06-1430254	Arch Reinsurance Company	9,380,315.63
30-0703280	Tokio Millenium Re AG (US branch)	9,220,963.44
51-0434766	AXIS Reinsurance Company	9,143,973.75
31-0542366	The Cincinnati Insurance Company	8,186,417.81
35-2293075	Endurance Assurance Corporation	7,607,315.08
13-2673100	General Reinsurance Corporation	7,274,966.41
AA-1120337	Aspen Insurance UK Limited	6,948,320.31
52-1952955	Renaissance Reinsurance U.S. (Platinum)	6,935,501.40
23-1641984	QBE Reinsurance Corporation	5,420,624.33
43-0727872	Safety National Casualty	4,542,126.38
AA-1126004	Lloyds Syndicate No. 4444 (CNP)	4,403,040.53
13-1290712	XL Reinsurance America Inc.	3,936,938.59
04-1543470	Liberty Mutual Insurance Company	3,256,184.36
22-2005057	Everest Reinsurance Company	3,197,865.42
47-0698507	Odyssey Reinsurance Company	2,855,812.91
36-2950161	Evanston Insurance Company	2,555,827.37
06-0237820	ACE Property & Casualty Insurance Co	1,999,991.13
47-0574325	Berkley Insurance Company	1,915,347.95
13-5616275	Transatlantic Reinsurance Company	1,852,161.69

NOTES TO FINANCIAL STATEMENTS

- B. The Company has no reinsurance recoverable in dispute.
- C. Assuming that all reinsurance contracts were caused to be cancelled effective December 31, 2019, the amounts of unearned premium and related commission that would have been due to from reinsurers on both assumed and ceded reinsurance programs are summarized below:

	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net Reinsurance</u>	
	Premium	Comm	Premium	Comm	Premium	Comm
	<u>Reserve</u>	<u>Equity</u>	<u>Reserve</u>	<u>Equity</u>	<u>Reserve</u>	<u>Equity</u>
Affiliates	\$ 58,423,296	\$ 33,666,735	\$ 91,768,995	\$ 33,419,820	\$ (33,345,699)	\$ 246,915
All Others:	\$ -	\$ -	\$ 108,806,328	\$ 31,318,096	\$ (108,806,328)	\$ (31,318,096)
Total	\$ 58,423,296	\$ 33,666,735	\$ 200,575,323	\$ 64,737,916	\$ (142,152,027)	\$ (31,071,181)

Direct Unearned Premium Reserve \$ 200,575,323

- D. The Company believes all reinsurance balances are collectible.
- E. The Company has no commutation of reinsurance to report.
- F. The Company does not have retroactive reinsurance.
- G. The Company does not have reinsurance accounted for as a deposit.

24. Retrospective Rated Contracts and Contracts Subject to Redetermination

The Company has no retrospective rated contracts and contracts subject to redetermination.

25. Changes in Incurred Loss and Adjustment Expenses

Incurred losses and loss adjustment expense attributable to insured events of prior years has increased by \$10.6 million from \$496.5 million in 2018 to \$507.1 million in 2019 as a result of re-estimation of unpaid losses and loss adjustment expenses. This increase is generally the result of ongoing analysis of recent loss development trends. There are no additional premiums or return premiums as a result of these prior year effects.

26. Intercompany Pooling Arrangements

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

On August 27, 2019, the pooling percentages were changed to reflect a capital contribution between Hallmark Financial Services, Inc. ("HFS") and AHIC.

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

<u>Pool Participant</u>	<u>NAIC Company Code</u>	<u>Pool Participation%</u>
American Hallmark Insurance Company of Texas	43494	32.0
Hallmark Insurance Company	34037	32.0
Hallmark Specialty Insurance Company	26808	26.0
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.

NOTES TO FINANCIAL STATEMENTS

30. Premium Deficiency Reserves

As of December 31, 2019 the Company evaluated the need for a premium deficiency reserve and determined a reserve is not required. The Company considered anticipated investment income when evaluating this liability.

31. High Deductibles

Not applicable.

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

Not applicable.

33. Asbestos/Environmental Reserves

Not applicable.

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

- 1.1 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 No]
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No] N/A]
- 1.3 State Regulating? Oklahoma
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes No]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 0000819913
- 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]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2018
- 3.2 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
- 3.3 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). 06/25/2015
- 3.4 By what department or departments?
 Oklahoma Department of Insurance, Texas Department of Insurance, Arizona Department of Insurance & Ohio Department of Insurance.

- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No] N/A]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No] N/A]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No]
- 4.12 renewals? Yes No]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No]
- 4.22 renewals? Yes No]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No]
- If yes, complete and file the merger history data file with the NAIC.

GENERAL INTERROGATORIES

5.2 If yes, provide the name of the 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

6.1 Has the 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]

6.2 If yes, give full information:

.....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]

7.2 If yes,

- 7.21 State the percentage of foreign control. _____ %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

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 the names and locations (city and state of the main office) of any affiliates regulated by a federal financial 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. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 BDO USA, LLP 600 North Pearl, Suite 1700, Dallas TX, 75201

.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

10.2 If response to 10.1 is yes, provide information related to this exemption:

.....

GENERAL INTERROGATORIES

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.4 If response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

10.6 If the response to 10.5 is no or n/a, please explain.

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Kenneth R Krissinger, FCAS,MAAA - Chief Actuarial Officer, Two Lincoln Centre 5420 Lyndon B. Johnson Freeway, Suite 1100
 Dallas, TX 75240

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company	
12.12 Number of parcels involved	
12.13 Total book/adjusted carrying value	\$

12.2 If yes, provide explanation:

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [X]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]

14.1 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 []

14.11 If the response to 14.1 is no, please explain:

GENERAL INTERROGATORIES

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

.....

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

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

.....

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
.....
.....

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers	\$ _____
20.12 To stockholders not officers	\$ _____
20.13 Trustees, supreme or grand (Fraternal only)	\$ _____

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers	\$ _____
20.22 To stockholders not officers	\$ _____
20.23 Trustees, supreme or grand (Fraternal only)	\$ _____

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others	\$ _____
21.22 Borrowed from others	\$ _____
21.23 Leased from others	\$ _____
21.24 Other	\$ _____

GENERAL INTERROGATORIES

- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- | | |
|--|----------|
| 22.21 Amount paid as losses or risk adjustment | \$ _____ |
| 22.22 Amount paid as expenses | \$ _____ |
| 22.23 Other amounts paid | \$ _____ |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto:

- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ _____
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ _____
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- | | |
|--|----------|
| 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ _____ |
| 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ _____ |
| 24.103 Total payable for securities lending reported on the liability page | \$ _____ |
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No []

GENERAL INTERROGATORIES

25.2 If yes, state the amount thereof at December 31 of the current year:

	25.21 Subject to repurchase agreements	\$ _____
	25.22 Subject to reverse repurchase agreements	\$ _____
	25.23 Subject to dollar repurchase agreements	\$ _____
	25.24 Subject to reverse dollar repurchase agreements	\$ _____
	25.25 Placed under option agreements	\$ _____
	25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ _____
	25.27 FHLB Capital Stock	\$ _____
	25.28 On deposit with states	\$ <u>3,207,414</u>
	25.29 On deposit with other regulatory bodies	\$ _____
	25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ _____
	25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ _____
	25.32 Other	\$ _____

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

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

LINES 26.3 through 26.5 : FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [] No []

26.4 If the response to 26.3 is YES, does the reporting entity utilize:

	26.41 Special accounting provision of SSAP No. 108	Yes [] No []
	26.42 Permitted accounting practice	Yes [] No []
	26.43 Other accounting guidance	Yes [] No []

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [] No []

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. \$ _____

28. 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 []

GENERAL INTERROGATORIES

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase	1111 Polaris Parkway, Suite 3J OH1-0634, Columbus OH, 43240

28.02 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)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes No

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

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

28.05 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment 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 Firm or Individual	2 Affiliation
Mark Schwarz	I
Wes Olfers	I
James Dvorak	I

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes No

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes No

28.06 For those firms or individuals listed in the table 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

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

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D – Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes No

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value

GENERAL INTERROGATORIES

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....
.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	116,794,873	117,650,297	855,424
30.2 Preferred stocks	312,416	354,160	41,744
30.3 Totals	117,107,289	118,004,457	897,168

30.4 Describe the sources or methods utilized in determining the fair values:

Intercontinental Exchange & Thomas Reuters Pricing Service

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No [X]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

32.2 If no, list exceptions:

33 By self-designating 5GI securities, the reporting entity is certifying the following elements of 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]

GENERAL INTERROGATORIES

34 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 an 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]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

OTHER

36.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$ 86,102

36.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
American Property Casualty Ins	\$ 61,702
Am Best	\$ 24,400
	\$

37.1 Amount of payments for legal expenses, if any? \$ 56

37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Kerr Irvine Rhodes and Ables	\$ 56
	\$
	\$

38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ _____

38.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U.S. business only. \$ _____

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ _____

1.31 Reason for excluding

.....

.....

.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ _____

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ _____

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ _____

1.62 Total incurred claims \$ _____

1.63 Number of covered lives _____

All years prior to most current three years:

1.64 Total premium earned \$ _____

1.65 Total incurred claims \$ _____

1.66 Number of covered lives _____

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ _____

1.72 Total incurred claims \$ _____

1.73 Number of covered lives _____

All years prior to most current three years:

1.74 Total premium earned \$ _____

1.75 Total incurred claims \$ _____

1.76 Number of covered lives _____

2. Health Test:

	1		2	
	Current Year		Prior Year	
2.1 Premium Numerator	\$ _____		\$ _____	
2.2 Premium Denominator	\$ 113,587,895		\$ 87,149,194	
2.3 Premium Ratio (2.1 / 2.2)				
2.4 Reserve Numerator	\$ 107,520		\$ 493,918	
2.5 Reserve Denominator	\$ 173,347,512		\$ 132,220,296	
2.6 Reserve Ratio (2.4 / 2.5)	0.00		0.00	

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]

3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating policies \$ _____

3.22 Non-participating policies \$ _____

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies? Yes [] No []

4.2 Does the reporting entity issue non-assessable policies? Yes [] No []

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? _____ %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ _____

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents? Yes [] No []

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A [X]

5.22 As a direct expense of the exchange Yes [] No [] N/A [X]

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

.....

.....

.....

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No [X]

5.5 If yes, give full information

.....

.....

.....

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit loss:

Not applicable

.....

.....

.....

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
 The company estimates its exposure using internal reports based on total insured values and concentration risks.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
 The company purchase catastrophe excess of loss reinsurance.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes No
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes No
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. _____
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes No
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes No
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes No
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes No
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 37 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes No
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or, Yes No
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes No
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes No

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [] No [] N/A [X]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No [X]
- 11.2 If yes, give full information

- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | |
|---|----------|
| 12.11 Unpaid losses | \$ _____ |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ _____ |
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ _____
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] N/A [X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | |
|------------|---------|
| 12.41 From | _____ % |
| 12.42 To | _____ % |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- | | |
|----------------------------------|----------|
| 12.61 Letters of Credit | \$ _____ |
| 12.62 Collateral and other funds | \$ _____ |
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ _____
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. _____
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
 Excess of loss and catastrophe reinsurance per the contractual percentages.

- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [X] No []
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [] No []
- 14.5 If the answer to 14.4 is no, please explain:

- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]
- 15.2 If yes, give full information

- 16.1 Does the reporting entity write any warranty business? Yes [] No [X]
 If yes, disclose the following information for each of the following types of warranty coverage:
- | | | 1
Direct Losses
Incurred | 2
Direct Losses
Unpaid | 3
Direct Written
Premium | 4
Direct Premium
Unearned | 5
Direct Premium
Earned |
|------------------|----|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home | \$ | _____ | _____ | _____ | _____ | _____ |
| 16.12 Products | \$ | _____ | _____ | _____ | _____ | _____ |
| 16.13 Automobile | \$ | _____ | _____ | _____ | _____ | _____ |
| 16.14 Other* | \$ | _____ | _____ | _____ | _____ | _____ |

* Disclose type of coverage: _____

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that is exempt from the statutory provision for unauthorized reinsurance? Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 exempt from the statutory provision for unauthorized reinsurance	\$ _____
17.12 Unfunded portion of Interrogatory 17.11	\$ _____
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ _____
17.14 Case reserves portion of Interrogatory 17.11	\$ _____
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ _____
17.16 Unearned premium portion of Interrogatory 17.11	\$ _____
17.17 Contingent commission portion of Interrogatory 17.11	\$ _____

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

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

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

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

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

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

FIVE – YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

	1	2	3	4	5
	2019	2018	2017	2016	2015
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	353,918,065	256,724,360	229,682,989	183,391,289	157,377,924
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	154,898,519	79,253,285	47,011,808	36,133,940	22,761,794
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	12,905,383	14,258,181	13,575,883	12,665,906	10,371,981
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	830,185	509,475	688,187	1,714,692	1,990,712
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	522,552,152	350,745,301	290,958,867	233,905,827	192,502,411
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	92,958,767	60,467,233	63,003,694	59,777,374	53,752,821
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	25,709,720	12,084,949	10,468,549	12,678,366	10,515,816
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	12,905,383	14,258,181	13,575,883	12,665,906	10,371,981
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	830,185	509,475	688,187	1,714,692	1,989,833
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	132,404,055	87,319,838	87,736,313	86,836,338	76,630,451
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(12,349,859)	4,031,051	(5,562,875)	(968,077)	3,291,314
14. Net investment gain (loss) (Line 11)	5,569,832	5,983,775	5,472,497	3,774,537	4,591,365
15. Total other income (Line 15)	(254,848)	(185,278)	(274,672)	(189,517)	(111,106)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	(546,472)	1,574,165	(387,156)	777,371	1,366,400
18. Net income (Line 20)	(6,488,403)	8,255,383	22,106	1,839,572	6,405,173
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	304,311,828	253,401,959	250,902,953	230,216,451	222,190,890
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	96,746,347	59,919,258	33,499,244	22,687,695	(2,650,534)
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	247,344,742	192,429,592	193,494,239	171,102,454	163,675,310
22. Losses (Page 3, Line 1)	75,972,538	65,380,705	68,743,516	65,614,031	65,418,132
23. Loss adjustment expenses (Page 3, Line 3)	14,164,921	7,651,246	20,325,372	20,042,366	17,549,144
24. Unearned premiums (Page 3, Line 9)	58,423,296	39,607,137	39,436,488	38,345,403	36,315,174
25. Capital paid up (Page 3, Lines 30 & 31)	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	56,967,086	60,972,367	57,408,714	59,113,997	58,515,580
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	8,226,802	(22,166,372)	6,413,010	(22,842,356)	15,402,197
Risk-Based Capital Analysis					
28. Total adjusted capital	56,967,086	60,972,367	57,408,714	59,113,997	58,515,580
29. Authorized control level risk-based capital	17,955,342	12,751,995	13,675,363	11,216,730	12,285,085
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	69.9	80.6	83.8	81.8	83.9
31. Stocks (Lines 2.1 & 2.2)	20.2	17.6	10.6	10.7	8.1
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	9.9	1.6	5.0	7.3	7.0
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)	0.1	0.1	0.6	0.2	1.0
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47					
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)					

FIVE – YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2019	2018	2017	2016	2015
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	6,830,950	(4,338,023)	1,746,464	2,213,259	(2,371,509)
52. Dividends to stockholders (Line 35)	(4,000,000)	(700,000)	(2,450,000)	(2,800,000)	(2,800,000)
53. Change in surplus as regards policyholders for the year (Line 38)	(4,005,281)	3,563,653	(1,705,283)	598,417	1,156,095
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	121,732,408	138,139,971	101,962,966	74,924,627	69,974,443
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	49,623,869	28,435,759	20,820,723	17,517,522	12,040,201
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	8,052,346	8,951,232	7,012,342	8,197,634	10,186,241
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	920,835	1,053,145	904,498	2,573,122	2,073,996
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	180,329,458	176,580,107	130,700,529	103,212,905	94,274,881
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	43,923,444	51,265,628	39,242,262	30,821,922	37,366,863
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	10,803,337	5,034,561	7,562,038	6,915,122	6,601,502
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	8,052,346	8,951,232	7,012,342	8,197,635	10,186,241
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	920,835	1,053,145	897,123	1,450,789	1,668,031
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	63,699,962	66,304,566	54,713,765	47,385,468	55,822,637
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	65.4	72.2	66.8	56.1	52.9
68. Loss expenses incurred (Line 3)	16.1	(2.4)	12.3	15.2	12.7
69. Other underwriting expenses incurred (Line 4)	29.4	25.6	27.3	29.8	30.5
70. Net underwriting gain (loss) (Line 8)	(10.9)	4.6	(6.4)	(1.1)	3.9
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 12 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	25.4	25.8	27.3	29.3	33.5
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	81.5	69.8	79.1	71.3	65.6
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	232.4	143.2	152.8	146.9	131.0
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	10,634	1,606	9,061	1,379	(1,737)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	17.4	2.8	15.3	2.4	(3.0)
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	15,286	12,641	9,015	843	(1,361)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	26.6	21.4	15.4	1.5	(2.4)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

.....
.....
.....

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P – PART 1 – SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1–2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X	315	(26)	384	(14)	33		7	772	X X X
2. 2010	80,031	7,681	72,350	50,675	3,283	4,578	281	4,728	12	1,168	56,405	X X X
3. 2011	85,098	9,483	75,615	51,941	4,164	4,349	424	4,206	2	1,188	55,906	X X X
4. 2012	95,174	12,530	82,644	57,925	6,180	5,700	425	4,299	48	1,510	61,271	X X X
5. 2013	112,276	18,560	93,716	68,172	12,755	8,170	756	3,177	401	2,024	65,607	X X X
6. 2014	118,782	35,258	83,524	75,195	26,062	7,619	1,284	2,406	283	1,744	57,591	X X X
7. 2015	127,434	36,671	90,763	78,457	22,766	7,185	1,171	3,100	279	1,698	64,526	X X X
8. 2016	135,279	43,405	91,874	82,812	26,586	6,622	1,208	4,188	469	2,237	65,359	X X X
9. 2017	146,976	53,110	93,866	78,946	26,679	5,307	1,542	4,139	777	2,566	59,394	X X X
10. 2018	165,947	71,536	94,411	56,906	23,458	3,255	1,270	4,309	665	2,384	39,077	X X X
11. 2019	194,976	81,385	113,591	33,874	8,340	1,053	409	4,104	287	1,203	29,995	X X X
12. Totals	X X X	X X X	X X X	635,218	160,247	54,222	8,756	38,689	3,223	17,729	555,903	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded			
1. Prior	938	360	63		141	213	32		41			642	X X X
2. 2010	106		42	2	93		17		19			275	X X X
3. 2011	79		62	12	50		30		20			229	X X X
4. 2012	202		115	36	51		26		24			382	X X X
5. 2013	563	32	237	83	117	12	86		35			911	X X X
6. 2014	922	77	562	346	158	23	77	44	50			1,279	X X X
7. 2015	1,243	358	918	252	215	22	175	1	65	8		1,975	X X X
8. 2016	6,307	2,966	1,450	715	521	121	387	35	75	7		4,896	X X X
9. 2017	8,443	3,290	6,938	2,791	879	243	931	85	313	141		10,954	X X X
10. 2018	20,019	10,376	17,759	8,157	1,009	318	2,480	389	456	158		22,325	X X X
11. 2019	32,303	10,900	44,123	26,668	840	352	6,410	447	1,428	466		46,271	X X X
12. Totals	71,125	28,359	72,269	39,062	4,074	1,304	10,651	1,001	2,526	780		90,139	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X	641	1
2. 2010	60,258	3,578	56,680	75,293	46,582	78,341			26,000	146	129
3. 2011	60,737	4,602	56,135	71,373	48,529	74,238			26,000	129	100
4. 2012	68,342	6,689	61,653	71,807	53,384	74,601			26,000	281	101
5. 2013	80,557	14,039	66,518	71,749	75,641	70,978			26,000	685	226
6. 2014	86,989	28,119	58,870	73,234	79,752	70,483			26,000	1,061	218
7. 2015	91,358	24,857	66,501	71,690	67,784	73,269			26,000	1,551	424
8. 2016	102,362	32,107	70,255	75,667	73,971	76,469			26,000	4,076	820
9. 2017	105,896	35,548	70,348	72,050	66,933	74,945			26,000	9,300	1,654
10. 2018	106,193	44,791	61,402	63,992	62,613	65,037			26,000	19,245	3,080
11. 2019	124,135	47,869	76,266	63,667	58,818	67,141			26,000	38,858	7,413
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	75,973	14,166

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P – PART 2 – SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	One Year	Two Year
1. Prior	28,581	27,388	28,144	28,981	28,619	28,832	29,272	29,433	30,023	30,166	143	733
2. 2010	47,513	51,977	51,615	51,386	52,031	51,794	51,724	52,070	51,861	51,945	84	(125)
3. 2011	XXX	54,995	53,203	54,010	52,924	52,559	52,387	52,183	51,785	51,911	126	(272)
4. 2012	XXX	XXX	55,944	56,071	56,903	57,243	57,545	57,608	57,220	57,377	157	(231)
5. 2013	XXX	XXX	XXX	62,303	60,608	60,847	62,412	63,698	63,129	63,707	578	9
6. 2014	XXX	XXX	XXX	XXX	53,074	50,999	51,732	53,788	56,026	56,697	671	2,909
7. 2015	XXX	XXX	XXX	XXX	XXX	58,186	56,882	61,446	63,197	63,623	426	2,177
8. 2016	XXX	XXX	XXX	XXX	XXX	XXX	60,399	61,940	62,818	66,468	3,650	4,528
9. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	61,256	59,113	66,814	7,701	5,558
10. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	60,361	57,459	(2,902)	XXX
11. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	71,487	XXX	XXX
	12. Totals										10,634	15,286

SCHEDULE P – PART 3 – SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
1. Prior	000	11,564	17,662	21,353	23,635	25,583	26,890	28,027	28,827	29,565	XXX	XXX
2. 2010	22,066	36,220	42,411	46,615	49,091	49,996	50,588	51,241	51,592	51,689	XXX	XXX
3. 2011	XXX	24,000	38,214	45,068	48,183	49,605	50,635	51,160	51,615	51,702	XXX	XXX
4. 2012	XXX	XXX	25,566	37,908	45,328	50,547	54,166	55,931	56,706	57,019	XXX	XXX
5. 2013	XXX	XXX	XXX	23,932	38,793	47,644	55,369	59,564	62,164	62,831	XXX	XXX
6. 2014	XXX	XXX	XXX	XXX	17,777	29,877	38,081	45,826	53,118	55,468	XXX	XXX
7. 2015	XXX	XXX	XXX	XXX	XXX	19,213	33,743	48,129	58,996	61,705	XXX	XXX
8. 2016	XXX	XXX	XXX	XXX	XXX	XXX	22,156	38,470	53,824	61,640	XXX	XXX
9. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,501	42,400	56,032	XXX	XXX
10. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,844	35,432	XXX	XXX
11. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26,178	XXX	XXX

SCHEDULE P – PART 4 – SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1. Prior	13,826	7,784	4,962	4,083	2,571	2,057	1,135	350	89	95
2. 2010	12,242	6,533	4,319	2,355	1,653	1,093	906	564	98	57
3. 2011	XXX	13,420	6,372	4,144	2,408	1,727	1,221	720	76	80
4. 2012	XXX	XXX	14,941	7,162	4,392	2,621	1,857	935	137	105
5. 2013	XXX	XXX	XXX	19,879	8,277	4,244	2,282	1,594	243	240
6. 2014	XXX	XXX	XXX	XXX	18,961	9,309	4,123	1,838	310	249
7. 2015	XXX	XXX	XXX	XXX	XXX	21,851	9,674	4,577	740	840
8. 2016	XXX	XXX	XXX	XXX	XXX	XXX	19,775	8,987	1,967	1,087
9. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,530	6,619	4,993
10. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	27,633	11,693
11. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	23,418

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN Allocated By States and Territories

States, Etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		Active Status (a)	2						
		Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL	E	4,722,212	3,720,088		3,777,986	1,565,047	2,588,421	
2. Alaska	AK	E	1,964,392	1,345,743			317,349	660,878	
3. Arizona	AZ	E	3,710,976	3,285,628		236,502	1,144,797	2,321,331	
4. Arkansas	AR	E	8,071,592	7,305,813		1,813,876	2,699,354	5,713,940	
5. California	CA	E	74,552,956	60,177,320		20,696,757	33,884,528	43,810,801	
6. Colorado	CO	E	5,454,876	4,444,317		29,456	918,005	3,666,826	
7. Connecticut	CT	E	3,813,632	3,376,634		24,437	1,138,365	3,070,823	
8. Delaware	DE	E	365,340	307,944			90,805	202,385	
9. District of Columbia	DC	E	542,724	333,270		33,663	52,475	146,197	
10. Florida	FL	E	34,948,616	29,384,364		6,924,250	12,325,022	16,914,649	
11. Georgia	GA	E	13,569,423	10,346,176		3,488,409	6,284,548	8,956,780	
12. Hawaii	HI	E	1,869,508	1,472,444			276,254	570,570	
13. Idaho	ID	E	2,705,216	1,639,250		2,524	172,908	1,014,011	
14. Illinois	IL	E	11,065,817	8,406,327		2,355,246	2,792,822	6,065,798	
15. Indiana	IN	E	4,638,572	3,375,614		5,102,770	1,540,411	1,706,532	
16. Iowa	IA	E	2,518,885	2,108,350		40,092	478,317	1,477,090	
17. Kansas	KS	E	1,977,481	1,611,174		83,601	382,665	952,134	
18. Kentucky	KY	E	2,442,162	2,398,113		72,500	439,583	1,834,785	
19. Louisiana	LA	E	9,819,514	9,159,702		8,283,395	5,532,227	13,229,136	
20. Maine	ME	E	615,476	588,334		1,338,138	2,595,376	1,408,221	
21. Maryland	MD	E	3,603,812	3,271,874		308,000	1,597,769	2,779,739	
22. Massachusetts	MA	E	6,156,319	4,475,778		116,089	645,263	2,329,366	
23. Michigan	MI	E	4,153,781	3,267,440		1,398,064	5,243,445	6,770,959	
24. Minnesota	MN	E	3,186,013	2,777,001		23,701	516,833	1,364,373	
25. Mississippi	MS	E	3,498,546	2,495,335		3,213,766	2,754,858	3,415,428	
26. Missouri	MO	E	6,847,743	4,995,301		177,948	1,143,659	3,128,536	
27. Montana	MT	E	717,726	674,240			589,344	1,309,993	
28. Nebraska	NE	E	1,307,019	901,222		198,965	345,939	613,355	
29. Nevada	NV	E	3,243,327	2,290,745		167,608	579,665	1,545,307	
30. New Hampshire	NH	E	519,342	413,852		179,378	27,085	55,903	
31. New Jersey	NJ	E	17,802,136	14,592,741		11,490,800	12,959,490	13,494,005	
32. New Mexico	NM	E	2,135,568	1,756,452		709,443	1,319,864	1,771,923	
33. New York	NY	E	19,031,730	15,560,605		1,654,346	8,400,540	11,447,812	
34. North Carolina	NC	E	4,099,585	3,317,468		135,127	604,935	2,157,601	
35. North Dakota	ND	E	1,274,791	1,371,991		6,949	51,249	1,431,463	
36. Ohio	OH	E	6,477,778	4,335,372		458,897	4,961,039	7,419,271	
37. Oklahoma	OK	L	6,146,360	5,990,874		3,800,197	3,355,447	4,322,097	
38. Oregon	OR	E	5,593,870	3,891,969		538,080	549,369	2,496,934	
39. Pennsylvania	PA	E	11,223,167	9,184,051		705,640	3,144,262	6,425,831	
40. Rhode Island	RI	E	1,464,752	1,415,686			1,550,278	2,017,377	
41. South Carolina	SC	E	3,472,187	2,960,700		467,948	534,570	1,446,516	
42. South Dakota	SD	E	394,441	397,647			51,798	223,299	
43. Tennessee	TN	E	4,516,439	3,386,588		306,187	882,178	2,350,705	
44. Texas	TX	E	61,525,263	54,518,848		31,731,299	38,361,468	50,764,809	
45. Utah	UT	E	1,682,061	1,756,237		47,468	173,974	1,851,655	
46. Vermont	VT	E	231,732	180,499			(70,753)	134,581	
47. Virginia	VA	E	5,772,237	4,434,542		229,716	1,000,027	2,634,966	
48. Washington	WA	E	7,382,691	6,670,163		1,508,525	2,550,694	3,711,745	
49. West Virginia	WV	E	535,124	484,272		(25,000)	17,911	519,044	
50. Wisconsin	WI	E	5,965,889	4,264,024		2,773,947	2,264,362	3,061,624	
51. Wyoming	WY	E	817,299	704,974			70,007	565,001	
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate Other Alien	OT	X X X							
59. Totals	(a) 1		390,148,098	321,525,096		116,626,690	170,807,427	259,872,526	

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

Explanation of basis of allocation of premiums by states, etc.

(a) Active Status Counts

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	1
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state	50
D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile	_____
R - Registered - Non-domiciled RRGs	_____
Q - Qualified - Qualified or accredited reinsurer	_____
N - None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLII)	6

Explanation of basis of allocation of premiums by states, etc.

Premium is allocated on insured location or insureds home state depending on type of business.

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

OVERFLOW PAGE FOR WRITE-INS

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

Assets	2	Schedule E – Part 3 – Special Deposits	E29
Cash Flow	5	Schedule F – Part 1	20
Exhibit of Capital Gains (Losses)	12	Schedule F – Part 2	21
Exhibit of Net Investment Income	12	Schedule F – Part 3	22
Exhibit of Nonadmitted Assets	13	Schedule F – Part 4	27
Exhibit of Premiums and Losses (State Page)	19	Schedule F – Part 5	28
Five-Year Historical Data	17	Schedule F – Part 6	29
General Interrogatories	15	Schedule H – Accident and Health Exhibit – Part 1	30
Jurat Page	1	Schedule H – Part 2, Part 3 and Part 4	31
Liabilities, Surplus and Other Funds	3	Schedule H – Part 5 – Health Claims	32
Notes To Financial Statements	14	Schedule P – Part 1 – Summary	33
Overflow Page For Write-ins	100	Schedule P – Part 1A – Homeowners/Farmowners	35
Schedule A – Part 1	E01	Schedule P – Part 1B – Private Passenger Auto Liability/Medical	36
Schedule A – Part 2	E02	Schedule P – Part 1C – Commercial Auto/Truck Liability/Medical	37
Schedule A – Part 3	E03	Schedule P – Part 1D – Workers' Comp (Excluding Excess Workers' Comp)	38
Schedule A – Verification Between Years	SI02	Schedule P – Part 1E – Commercial Multiple Peril	39
Schedule B – Part 1	E04	Schedule P – Part 1F – Section 1 – Medical Professional Liability	
Schedule B – Part 2	E05	– Occurrence	40
Schedule B – Part 3	E06	Schedule P – Part 1F – Section 2 – Medical Professional Liability	
Schedule B – Verification Between Years	SI02	– Claims-Made	41
Schedule BA – Part 1	E07	Schedule P – Part 1G – Special Liability (Ocean, Marine, Aircraft (All	
Schedule BA – Part 2	E08	Perils), Boiler and Machinery)	42
Schedule BA – Part 3	E09	Schedule P – Part 1H – Section 1 – Other Liability – Occurrence	43
Schedule BA – Verification Between Years	SI03	Schedule P – Part 1H – Section 2 – Other Liability – Claims-Made	44
Schedule D – Part 1	E10	Schedule P – Part 1I – Special Property (Fire, Allied Lines, Inland Marine,	
Schedule D – Part 1A – Section 1	SI05	Earthquake, Burglary & Theft)	45
Schedule D – Part 1A – Section 2	SI08	Schedule P – Part 1J – Auto Physical Damage	46
Schedule D – Part 2 – Section 1	E11	Schedule P – Part 1K – Fidelity/Surety	47
Schedule D – Part 2 – Section 2	E12	Schedule P – Part 1L – Other (Including Credit, Accident and Health)	48
Schedule D – Part 3	E13	Schedule P – Part 1M – International	49
Schedule D – Part 4	E14	Schedule P – Part 1N – Reinsurance - Nonproportional Assumed Property	50
Schedule D – Part 5	E15	Schedule P – Part 1O – Reinsurance - Nonproportional Assumed Liability	51
Schedule D – Part 6 – Section 1	E16	Schedule P – Part 1P – Reinsurance - Nonproportional Assumed Financial Lines	52
Schedule D – Part 6 – Section 2	E16	Schedule P – Part 1R – Section 1 – Products Liability – Occurrence	53
Schedule D – Summary By Country	SI04	Schedule P – Part 1R – Section 2 – Products Liability – Claims – Made	54
Schedule D – Verification Between Years	SI03	Schedule P – Part 1S – Financial Guaranty/Mortgage Guaranty	55
Schedule DA – Part 1	E17	Schedule P – Part 1T – Warranty	56
Schedule DA – Verification Between Years	SI10	Schedule P – Part 2, Part 3 and Part 4 - Summary	34
Schedule DB – Part A – Section 1	E18	Schedule P – Part 2A – Homeowners/Farmowners	57
Schedule DB – Part A – Section 2	E19	Schedule P – Part 2B – Private Passenger Auto Liability/Medical	57
Schedule DB – Part A – Verification Between Years	SI11	Schedule P – Part 2C – Commercial Auto/Truck Liability/Medical	57
Schedule DB – Part B – Section 1	E20	Schedule P – Part 2D – Workers' Comp (Excluding Excess Workers' Comp)	57
Schedule DB – Part B – Section 2	E21	Schedule P – Part 2E – Commercial Multiple Peril	57
Schedule DB – Part B – Verification Between Years	SI11	Schedule P – Part 2F – Section 1 – Medical Professional Liability	
Schedule DB – Part C – Section 1	SI12	– Occurrence	58
Schedule DB – Part C – Section 2	SI13	Schedule P - Part 2F - Medical Professional Liability - Claims - Made	58
Schedule DB - Part D - Section 1	E22	Schedule P – Part 2G – Special Liability (Ocean Marine, Aircraft (All Perils),	
Schedule DB - Part D - Section 2	E23	Boiler and Machinery)	58
Schedule DB - Verification	SI14	Schedule P – Part 4I – Special Property (Fire, Allied Lines, Inland Marine,	
Schedule DB - Part E	E24	Earthquake, Burglary and Theft)	69
Schedule DL - Part 1	E25	Schedule P – Part 4J – Auto Physical Damage	69
Schedule DL - Part 2	E26	Schedule P – Part 4K – Fidelity/Surety	69
Schedule E – Part 1 – Cash	E27	Schedule P – Part 4L – Other (Including Credit, Accident and Health)	69
Schedule E – Part 2 – Cash Equivalents	E28	Schedule P – Part 4M – International	69

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

Schedule P – Part 2H – Section 1 – Other Liability – Occurrence	58	Schedule P – Part 4O – Reinsurance - Nonproportional Assumed Liability	70
Schedule P – Part 2H – Section 2 – Other Liability – Claims – Made	58	Schedule P – Part 4P – Reinsurance - Nonproportional Assumed Financial Lines	70
Schedule P – Part 2I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	59	Schedule P – Part 4R – Section 1 – Products Liability – Occurrence	71
Schedule P – Part 2J – Auto Physical Damage	59	Schedule P – Part 4R – Section 2 – Products Liability – Claims-Made	71
Schedule P – Part 2K – Fidelity, Surety	59	Schedule P – Part 4S – Financial Guaranty/Mortgage Guaranty	71
Schedule P – Part 2L – Other (Including Credit, Accident and Health)	59	Schedule P – Part 4T – Warranty	71
Schedule P – Part 2M – International	59	Schedule P – Part 5A – Homeowners/Farmowners	72
Schedule P – Part 2N – Reinsurance - Nonproportional Assumed Property	60	Schedule P – Part 5B – Private Passenger Auto Liability/Medical	73
Schedule P – Part 2O – Reinsurance - Nonproportional Assumed Liability	60	Schedule P – Part 5C – Commercial Auto/Truck Liability/Medical	74
Schedule P – Part 2P – Reinsurance - Nonproportional Assumed Financial Lines	60	Schedule P – Part 5D – Workers' Comp (Excluding Excess Workers' Comp)	75
Schedule P – Part 2R – Section 1 – Products Liability – Occurrence	61	Schedule P – Part 5E – Commercial Multiple Peril	76
Schedule P – Part 2R – Section 2 – Products Liability – Claims-Made	61	Schedule P – Part 5F – Medical Professional Liability – Claims-Made	78
Schedule P – Part 2S – Financial Guaranty/Mortgage Guaranty	61	Schedule P – Part 5F – Medical Professional Liability – Occurrence	77
Schedule P – Part 2T – Warranty	61	Schedule P – Part 5H – Other Liability – Claims-Made	80
Schedule P – Part 3A – Homeowners/Farmowners	62	Schedule P – Part 5H – Other Liability – Occurrence	79
Schedule P – Part 3B – Private Passenger Auto Liability/Medical	62	Schedule P – Part 5R – Products Liability – Claims-Made	82
Schedule P – Part 3C – Commercial Auto/Truck Liability/Medical	62	Schedule P – Part 5R – Products Liability – Occurrence	81
Schedule P – Part 3D – Workers' Comp (Excluding Excess Workers' Comp)	62	Schedule P – Part 5T – Warranty	83
Schedule P – Part 3E – Commercial Multiple Peril	62	Schedule P – Part 6C – Commercial Auto/Truck Liability/Medical	84
Schedule P – Part 3F – Section 1 – Medical Professional Liability – Occurrence	63	Schedule P – Part 6D – Workers' Comp (Excluding Excess Workers' Comp)	84
Schedule P – Part 3F – Section 2 – Medical Professional Liability – Claims-Made	63	Schedule P – Part 6E – Commercial Multiple Peril	85
Schedule P – Part 3G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	63	Schedule P – Part 6H – Other Liability – Claims-Made	86
Schedule P – Part 3H – Section 1 – Other Liability – Occurrence	63	Schedule P – Part 6H – Other Liability – Occurrence	85
Schedule P – Part 3H – Section 2 – Other Liability – Claims-Made	63	Schedule P – Part 6M – International	86
Schedule P – Part 3I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	64	Schedule P – Part 6N – Reinsurance - Nonproportional Assumed Property	87
Schedule P – Part 3J – Auto Physical Damage	64	Schedule P – Part 6O – Reinsurance - Nonproportional Assumed Liability	87
Schedule P – Part 3K – Fidelity/Surety	64	Schedule P – Part 6R – Products Liability – Claims-Made	88
Schedule P – Part 3L – Other (Including Credit, Accident and Health)	64	Schedule P – Part 6R – Products Liability – Occurrence	88
Schedule P – Part 3M – International	64	Schedule P – Part 7A – Primary Loss Sensitive Contracts	89
Schedule P – Part 3N – Reinsurance - Nonproportional Assumed Property	65	Schedule P – Part 7B – Reinsurance Loss Sensitive Contracts	91
Schedule P – Part 3O – Reinsurance - Nonproportional Assumed Liability	65	Schedule P Interrogatories	93
Schedule P – Part 3P – Reinsurance - Nonproportional Assumed Financial Lines	65	Schedule T – Exhibit of Premiums Written	94
Schedule P – Part 3R – Section 1 – Products Liability – Occurrence	66	Schedule T – Part 2 – Interstate Compact	95
Schedule P – Part 3R – Section 2 – Products Liability – Claims-Made	66	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	96
Schedule P – Part 3S – Financial Guaranty/Mortgage Guaranty	66	Schedule Y - Part 1A - Detail of Insurance Holding Company System	97
Schedule P – Part 3T – Warranty	66	Schedule Y – Part 2 – Summary of Insurer's Transactions With Any Affiliates	98
Schedule P – Part 4A – Homeowners/Farmowners	67	Statement of Income	4
Schedule P – Part 4B – Private Passenger Auto Liability/Medical	67	Summary Investment Schedule	SI01
Schedule P – Part 4C – Commercial Auto/Truck Liability/Medical	67	Supplemental Exhibits and Schedules Interrogatories	99
Schedule P – Part 4D – Workers' Comp (Excluding Excess Workers' Comp)	67	Underwriting and Investment Exhibit Part 1	6
Schedule P – Part 4E – Commercial Multiple Peril	67	Underwriting and Investment Exhibit Part 1A	7
Schedule P – Part 4F – Section 1 – Medical Professional Liability – Occurrence	68	Underwriting and Investment Exhibit Part 1B	8
Schedule P – Part 4F – Section 2 – Medical Professional Liability – Claims-Made	68	Underwriting and Investment Exhibit Part 2	9
Schedule P – Part 4G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	68	Underwriting and Investment Exhibit Part 2A	10
Schedule P – Part 4H – Section 1 – Other Liability – Occurrence	68	Underwriting and Investment Exhibit Part 3	11
Schedule P – Part 4H – Section 2 – Other Liability – Claims-Made	68		