

**ANNUAL STATEMENT**

**OF THE**

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**IRONSHORE SPECIALTY INSURANCE COMPANY**

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**of** \_\_\_\_\_ **SCOTTSDALE** \_\_\_\_\_

**STATE OF** \_\_\_\_\_ **ARIZONA** \_\_\_\_\_

**TO THE**

**Insurance Department**

**OF THE**

**FOR THE YEAR ENDED**

**December 31, 2019**

**PROPERTY AND CASUALTY**

**2019**



25445201920100100

ANNUAL STATEMENT

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

Ironshore Specialty Insurance Company

NAIC Group Code 0111 (Current Period) 0111 (Prior Period) NAIC Company Code 25445 Employer's ID Number 94-1264187

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

Country of Domicile United States of America

Incorporated/Organized October 2, 1952 Commenced Business February 25, 1953

Statutory Home Office 8601 N. Scottsdale Road, Ste. 300 (Street and Number) Scottsdale, AZ, US 85253 (City or Town, State, Country and Zip Code)

Main Administrative Office 175 Berkeley Street (Street and Number) Boston, MA, US 02116 (City or Town, State, Country and Zip Code)

617-357-9500 x41177 (Area Code) (Telephone Number)

Mail Address 175 Berkeley Street (Street and Number or P.O. Box) Boston, MA, US 02116 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 175 Berkeley Street (Street and Number) Boston, MA, US 02116 (City or Town, State, Country and Zip Code) 617-357-9500 (Area Code) (Telephone Number)

Internet Web Site Address www.ironshore.com

Statutory Statement Contact Lindsey Pendergast (Name) 617-357-9500 x41177 (Area Code) (Telephone Number) (Extension) Statutory.Compliance@LibertyMutual.com (E-Mail Address) 857-224-1430 (Fax Number)

OFFICERS

Chairman of the Board

Mark Charles Touhey

Table with 2 columns: Name, Title. Rows include Matthew Paul Dolan (President and Chief Executive Officer), Mark Charles Touhey (Senior Vice President and Secretary), and Laurance Henry Soyer Yahia (Senior Vice President and Treasurer).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Rows include Alison Brooke Erbig (Senior Vice President and Comptroller), James Francis Kelleher (EVP and Chief Legal Officer), Neeti Bhalla Johnson (EVP and Chief Investment Officer), and Christopher Locke Peirce (EVP and Chief Financial Officer).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Name, Name, Name. Rows include Matthew Paul Dolan, Alison Brooke Erbig, Michael Joseph Fallon, Julie Marie Haase, James Michael MacPhee, Sean Bulman McSweeney, Elizabeth Julia Morahan, Francis William Robinson, Jr., and Mark Charles Touhey.

State of Massachusetts

County of Suffolk 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) Matthew Paul Dolan (Printed Name) 1. President and Chief Executive Officer (Title)
(Signature) Mark Charles Touhey (Printed Name) 2. Senior Vice President and Secretary (Title)
(Signature) Laurance Henry Soyer Yahia (Printed Name) 3. Senior Vice President and Treasurer (Title)

Subscribed and sworn to (or affirmed) before me this on this 16th day of January, 2020, by

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

## ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	327,925,493		327,925,493	278,728,863
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	287,600		287,600	384,900
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 (\$ 447,913, Schedule E - Part 1), cash equivalents (\$ 10,365,446, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	10,813,359		10,813,359	45,446,096
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
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)	339,026,452		339,026,452	324,559,859
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,654,961		1,654,961	1,422,650
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,199,046		2,199,046	2,330,173
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	167,371,394		167,371,394	119,215,399
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	314,642		314,642	
18.2 Net deferred tax asset	214,000	96,000	118,000	157,000
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				11,027,617
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	157,916,510		157,916,510	79,756,829
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	668,697,005	96,000	668,601,005	538,469,527
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	668,697,005	96,000	668,601,005	538,469,527

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Other assets	157,916,510		157,916,510	79,756,829
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	157,916,510		157,916,510	79,756,829

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Losses (Part 2A, Line 35, Column 8)		
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)		
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)		
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		686,930
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 \$ 632,427,240 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)		
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	151,784,516	95,112,919
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	6,147,726	5,843,519
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)	29,378,000	7,862,886
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	259,220,382	189,540,010
20. Derivatives		
21. Payable for securities		6,000,933
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	5,135,486	5,170,902
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	451,666,110	310,218,099
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	451,666,110	310,218,099
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	4,100,000	4,100,000
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	217,121,292	217,121,292
35. Unassigned funds (surplus)	(4,286,397)	7,030,138
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)	216,934,895	228,251,430
38. Totals (Page 2, Line 28, Col. 3)	668,601,005	538,469,529

DETAILS OF WRITE-IN LINES		
2501. Other Liabilities	5,135,486	5,170,902
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	5,135,486	5,170,902
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

## STATEMENT OF INCOME

	1	2
	Current Year	Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4)		
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)		
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)		
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	(5,953)	(9,621)
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	(5,953)	(9,621)
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	5,953	9,621
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	9,461,942	8,993,634
10. Net realized capital gains (losses) less capital gains tax of \$ 387,421 (Exhibit of Capital Gains (Losses))	1,457,440	(376,284)
11. Net investment gain (loss) (Lines 9 + 10)	10,919,382	8,617,350
<b>OTHER INCOME</b>		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income	1,132,821	2,883,188
15. Total other income (Lines 12 through 14)	1,132,821	2,883,188
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	12,058,156	11,510,159
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)	12,058,156	11,510,159
19. Federal and foreign income taxes incurred	1,820,579	7,374,025
20. Net income (Line 18 minus Line 19) (to Line 22)	10,237,577	4,136,134
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	228,251,432	297,235,999
22. Net income (from Line 20)	10,237,577	4,136,134
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0		
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	57,000	(15,347,000)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(96,000)	14,959,013
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(21,515,114)	(2,732,714)
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		(70,000,000)
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (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)	(11,316,537)	(68,984,567)
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	216,934,895	228,251,432

<b>DETAILS OF WRITE-IN LINES</b>		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 05 from overflow page		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)		
1401. Other Income (Expense)	1,132,821	2,883,188
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)	1,132,821	2,883,188
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)		

**CASH FLOW**

	1	2
<b>Cash from Operations</b>	Current Year	Prior Year
1. Premiums collected net of reinsurance	56,802,725	65,904,206
2. Net investment income	9,820,015	8,316,851
3. Miscellaneous income	1,436,208	3,290,420
4. Total (Lines 1 through 3)	68,058,948	77,511,477
5. Benefit and loss related payments	48,155,995	38,466,277
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	(5,953)	(9,621)
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	3,209,572	(42,993,815)
10. Total (Lines 5 through 9)	51,359,614	(4,537,159)
11. Net cash from operations (Line 4 minus Line 10)	16,699,334	82,048,636
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	460,900,876	118,180,115
12.2 Stocks	142,900	448,100
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		(1,224)
12.7 Miscellaneous proceeds	1	212,999
12.8 Total investment proceeds (Lines 12.1 to 12.7)	461,043,777	118,839,990
13. Cost of investments acquired (long-term only):		
13.1 Bonds	508,843,069	152,686,568
13.2 Stocks	45,600	
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	6,000,933	(5,997,751)
13.7 Total investments acquired (Lines 13.1 to 13.6)	514,889,602	146,688,817
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)	(53,845,825)	(27,848,827)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		(70,000,000)
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	2,513,754	(27,877,468)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	2,513,754	(97,877,468)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(34,632,737)	(43,677,659)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	45,446,096	89,123,755
19.2 End of year (Line 18 plus Line 19.1)	10,813,359	45,446,096

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

20.0001	2 - Net Investment Income	84,583	106,944
20.0002	12.1 - Proceeds from investments sold, matured or repaid - Bonds		48,838,546
20.0003	13.1 - Cost of Investment Acquired - Bonds	84,583	168,065,141
20.0004	16.6 Other Cash Provided		119,119,651

**NONE Underwriting and Investment Exhibit - Part 1**

**NONE Underwriting and Investment Exhibit - Part 1A**

## 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	144,619,113	41,275	789	137,464,626	7,196,551	
2. Allied lines	19,670,018	4,856	172,959	18,982,909	864,924	
3. Farmowners multiple peril						
4. Homeowners multiple peril	69,481,306			27,942,386	41,538,920	
5. Commercial multiple peril	42,718,579			42,318,072	400,507	
6. Mortgage guaranty						
8. Ocean marine	9,865		(1,645)	(6,210)	14,430	
9. Inland marine	1,521,890			(11,923,969)	13,445,859	
10. Financial guaranty						
11.1 Medical professional liability--occurrence	16,438,506			16,442,023	(3,517)	
11.2 Medical professional liability--claims-made	115,258,443			97,350,651	17,907,792	
12. Earthquake	10,592,447	2,428	46	9,616,886	978,035	
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	279,724,797	303,736	1,052,380	274,449,680	6,631,233	
17.2 Other liability—claims-made	345,171,665	1,082,882	2,682,206	340,094,903	8,841,850	
17.3 Excess workers' compensation						
18.1 Products liability—occurrence	206,993			206,993		
18.2 Products liability—claims-made	32,913,333			32,904,955	8,378	
19.1,19.2 Private passenger auto liability	21			20	1	
19.3,19.4 Commercial auto liability						
21. Auto physical damage	(5)			45	(50)	
22. Aircraft (all perils)	(23,523)			(53,279)	29,756	
23. Fidelity	8,000			8,000		
24. Surety	16,630		1,686,740	1,641,226	62,144	
26. Burglary and theft	698,443			698,336	107	
27. Boiler and machinery	1,082,897			1,071,742	11,155	
28. Credit	866,056	208,760		881,592	193,224	
29. International						
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	1,080,975,474	1,643,937	5,593,475	990,091,587	98,121,299	

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	44,850,983		44,850,983					
2. Allied lines	148,990,394	351,909	149,342,303					
3. Farmowners multiple peril								
4. Homeowners multiple peril	68,450,617		68,450,617					
5. Commercial multiple peril	41,250		41,250					
6. Mortgage guaranty								
8. Ocean marine		3,620	3,620					
9. Inland marine	3,210,875		3,210,875					
10. Financial guaranty								
11.1 Medical professional liability—occurrence	3,465,648		3,465,648					
11.2 Medical professional liability—claims-made	90,009,316		90,009,316					
12. Earthquake	170,590		170,590					
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	166,354,578	766,142	167,120,720					
17.2 Other liability—claims-made	80,058,033	849,626	80,907,659					
17.3 Excess workers' compensation								
18.1 Products liability—occurrence	2,103,012		2,103,012					
18.2 Products liability—claims-made	10,539,719		10,539,719					
19.1,19.2 Private passenger auto liability								
19.3,19.4 Commercial auto liability								
21. Auto physical damage	(47,521)		(47,521)					
22. Aircraft (all perils)	(381,097)	121,923	(259,174)					
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery	4,877		4,877					
28. Credit	14,610,000		14,610,000					
29. International								
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	632,431,274	2,093,220	634,524,494					

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	49,581,813		49,581,813		61,347,203	32,141	61,379,344		
2. Allied lines	86,183,446	490,964	86,674,410		61,243,161	297,982	61,541,143		
3. Farmowners multiple peril									
4. Homeowners multiple peril	33,254,611		33,254,611		28,364,763		28,364,763		
5. Commercial multiple peril	696,915		696,915		1,002,603	610	1,003,213		
6. Mortgage guaranty									
8. Ocean marine		380	380		2,564	7,894	10,458		
9. Inland marine	6,163,070		6,163,070		277,200		277,200		
10. Financial guaranty									
11.1 Medical professional liability—occurrence	6,329,232		6,329,232		10,565,953		10,565,953		
11.2 Medical professional liability—claims-made	77,560,411		77,560,411		116,022,296	275,779	116,298,075		
12. Earthquake	267,000		267,000		2,076,137	1,870	2,078,007		
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)									
15. Other accident and health								(a)	
16. Workers' compensation									
17.1 Other liability—occurrence	287,176,996	805,050	287,982,046		791,923,485	6,347,348	798,270,833		
17.2 Other liability—claims-made	190,286,666	11,201,690	201,488,356		531,073,491	10,991,525	542,065,016		
17.3 Excess workers' compensation									
18.1 Products liability—occurrence	2,500,014		2,500,014		9,867,085	83,418	9,950,503		
18.2 Products liability—claims-made	8,279,283		8,279,283		59,823,196	2,411	59,825,607		
19.1,19.2 Private passenger auto liability					4,446		4,446		
19.3,19.4 Commercial auto liability	(3)		(3)		(2)		(2)		
21. Auto physical damage					20,115		20,115		
22. Aircraft (all perils)	15,396,138	87,783	15,483,921		2,397,153	7,234	2,404,387		
23. Fidelity					320		320		
24. Surety	388,309	97,077	485,386		149,940	1,362,231	1,512,171		
26. Burglary and theft					1,344,367	6,032	1,350,399		
27. Boiler and machinery	98,323		98,323		439,802	252	440,054		
28. Credit	1,421,065		1,421,065		5,730,707	685,423	6,416,130		
29. International									
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	765,583,289	12,682,944	778,266,233		1,683,675,985	20,102,150	1,703,778,135		

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) 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	143,401,186			143,401,186
1.2 Reinsurance assumed	251,086			251,086
1.3 Reinsurance ceded	143,652,272			143,652,272
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)				
2. Commission and brokerage:				
2.1 Direct, excluding contingent		130,700,807		130,700,807
2.2 Reinsurance assumed, excluding contingent		1,100,418		1,100,418
2.3 Reinsurance ceded, excluding contingent		131,801,225		131,801,225
2.4 Contingent—direct		(39,829)		(39,829)
2.5 Contingent—reinsurance assumed				
2.6 Contingent—reinsurance ceded		(39,829)		(39,829)
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. Allowances to manager and agents				
4. Advertising			1,461	1,461
5. Boards, bureaus and associations			819	819
6. Surveys and underwriting reports			939	939
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries			233,722	233,722
8.2 Payroll taxes			56,278	56,278
9. Employee relations and welfare			139,805	139,805
10. Insurance			5,155	5,155
11. Directors' fees			47	47
12. Travel and travel items			11,035	11,035
13. Rent and rent items			129,785	129,785
14. Equipment			57,034	57,034
15. Cost or depreciation of EDP equipment and software			39,970	39,970
16. Printing and stationery			1,754	1,754
17. Postage, telephone and telegraph, exchange and express			7,759	7,759
18. Legal and auditing			7,693	7,693
19. Totals (Lines 3 to 18)			693,256	693,256
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 0				
20.2 Insurance department licenses and fees				
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)		1,540		1,540
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		1,540		1,540
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	(820)	(7,493)	87,396	79,083
25. Total expenses incurred	(820)	(5,953)	780,652	(a) 773,879
26. Less unpaid expenses—current year	4,317			4,317
27. Add unpaid expenses—prior year	5,137			5,137
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)		(5,953)	780,652	774,699

DETAILS OF WRITE-IN LINES				
2401. Other expenses	(820)	(7,493)	87,396	79,083
2402.				
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	(820)	(7,493)	87,396	79,083

(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)	1,289,171	1,425,666
1.1 Bonds exempt from U.S. tax	(a)	116,994	355,431
1.2 Other bonds (unaffiliated)	(a)	6,801,683	6,659,062
1.3 Bonds of affiliates	(a)		
2.1 Preferred stocks (unaffiliated)	(b)		
2.11 Preferred stocks of affiliates	(b)		
2.2 Common stocks (unaffiliated)		18,496	18,496
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)	1,753,694	1,753,694
7. Derivative instruments	(f)		
8. Other invested assets			
9. Aggregate write-ins for investment income		30,247	30,247
10. Total gross investment income		10,010,285	10,242,596
11. Investment expenses	(g)		780,653
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)			780,653
17. Net investment income (Line 10 minus Line 16)			9,461,943

DETAILS OF WRITE-IN LINES			
0901. Miscellaneous Income/(Expense)		30,247	30,247
0902. Investment Income/(Expense) – Pooling Restatement			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)		30,247	30,247
1501.	<b>NONE</b>		
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 \$ 310,556 accrual of discount less \$ 1,008,070 amortization of premium and less \$ 527,697 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 \$ 0 amortization of premium and less \$ 0 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	734,021		734,021		
1.1 Bonds exempt from U.S. tax	1,308		1,308		
1.2 Other bonds (unaffiliated)	1,109,532		1,109,532		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
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)					
10. Total capital gains (losses)	1,844,861		1,844,861		

DETAILS OF WRITE-IN LINES					
0901.	<b>NONE</b>				
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)					

## EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First lines			
3.2 Other than first lines			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
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)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	96,000		(96,000)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care 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)	96,000		(96,000)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	96,000		(96,000)

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

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

The accompanying financial statements of Ironshore Specialty Insurance Company (the “Company”) have been prepared in conformity with accounting practices prescribed or permitted by the State of Arizona Department of Insurance (the “Department”). The Department recognizes only accounting practices prescribed or permitted by the State of Arizona for determining and reporting the financial condition and results of operations of an insurance company and for determining solvency under the Arizona Insurance Law. The National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures Manual (“NAIC SAP”), has been adopted as a component of prescribed or permitted practices by the State of Arizona, with a few exceptions that do not impact the Company.

The Company does not have any prescribed or permitted accounting practices.

#### NET INCOME

	SSAP #	F/S Page	F/S Line #	2019	2018
1. Ironshore Specialty Insurance Company state basis (Page 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$10,237,577	\$4,136,136
2. State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	.....	.....	.....	.....	.....
3. State Permitted Practices that increase/(decrease) NAIC SAP: NONE	.....	.....	.....	.....	.....
4. NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$10,237,577</u>	<u>\$4,136,136</u>

#### SURPLUS

5. Ironshore Specialty Insurance Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$216,934,895	\$228,251,430
6. State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	.....	.....	.....	.....	.....
7. State Permitted Practices that increase/(decrease) NAIC SAP: NONE	.....	.....	.....	.....	.....
8. NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$216,934,895</u>	<u>\$228,251,430</u>

#### B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

#### C. Accounting Policies

Premiums are earned over the terms of the related 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. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company applies the following accounting policies, where applicable:

- Short term investments are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the Purposes and Procedures Manual of the NAIC Investment Analysis Office (SVO Manual).
- Bonds are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the SVO Manual.
- Common stocks are carried at fair value, except that investments in stocks of subsidiaries, controlled and affiliated ("SCA") companies are carried according to Note 1C(7).
- Preferred stocks are carried at cost or fair value as specified by the SVO Manual. Preferred stocks of SCA companies are carried according to Note 1C(7).

## NOTES TO FINANCIAL STATEMENTS

5. Mortgage loans are carried at unpaid principal balances, less impairments as specified by the SVO Manual.
  6. Mortgage backed/asset backed securities are carried at amortized cost or fair value based on guidance in the SVO Manual. Prepayment assumptions for mortgage backed/asset backed securities are based on market expectations. The retrospective adjustment method is used to value all mortgage backed/asset backed securities.
  7. Investments in SCA companies are carried in accordance with SSAP No. 97, *Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88*, and the SVO Manual.
  8. Investments in joint ventures, partnerships, and limited liability companies are carried in accordance with SSAP No. 48, *Joint Ventures, Partnerships and Limited Liability Companies*, and the SVO Manual.
  9. Derivative Securities, refer to Note 8.
  10. Investment income is anticipated as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, *Property Casualty Contracts - Premiums*. Refer to Note 30.
  11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and an amount, based on past experience, for losses and loss adjustment expenses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while 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 follow current standards of practice. Any adjustments to the liability are reflected in the period that they are determined.
  12. The Company did not change its capitalization policy in 2019
  13. The Company has no pharmaceutical rebate receivables.
- D. Going Concern

The Company is not aware of any conditions that would impact its ability to continue as a going concern.

### **Note 2 – Accounting Changes and Corrections of Errors**

There were no material changes in accounting principles and/or correction of errors.

### **Note 3 - Business Combinations and Goodwill**

- A. Statutory Purchase Method  
The Company did not enter into any statutory purchases during the year.
- B. Statutory Mergers  
The Company did not enter into any statutory mergers during the year.
- C. Impairment Loss  
The Company did not recognize an impairment loss during the period.

### **Note 4 – Discontinued Operations**

The Company has no discontinued operations.

### **Note 5 - Investments**

- A. Mortgage Loans, including Mezzanine Real Estate Loans  
The Company does not invest in mortgage loans.
- B. Debt Restructuring  
Not applicable.
- C. Reverse Mortgages  
The Company has no reverse mortgages.
- D. Loaned Backed Securities
  1. Prepayment speed assumptions are updated monthly with data sourced from the Bloomberg data service.

## NOTES TO FINANCIAL STATEMENTS

2. All Loaned Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate as of December 31, 2019: None
  3. Each Loaned Backed Security with a recognized other-than-temporary impairment held by the company at December 31, 2019: None
  4. All impaired Loaned Backed Securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss as of December 31, 2019:
    - a. The aggregate amount of unrealized losses:
 

1. Less than 12 Months	(\$55,725)
2. 12 Months or Longer	(\$153,437)
    - b. The aggregate related fair value of securities with unrealized losses:
 

1. Less than 12 Months	\$4,993,816
2. 12 Months or Longer	\$16,244,634
  5. The Company reviews fixed income securities for impairment on a quarterly basis. Securities are reviewed for both quantitative and qualitative considerations including, but not limited to: (a) the extent of the decline in fair value below book value, (b) the duration of the decline, (c) significant adverse changes in the financial condition or near term prospects of the investment or issuer, (d) significant change in the business climate or credit ratings of the issuer, (e) general market conditions and volatility, (f) industry factors, and (g) the past impairment of the security holding or the issuer. If the Company believes a decline in the value of a particular investment is temporary, the decline is recorded as an unrealized loss in policyholders' equity. If the decline is believed to be "other-than-temporary," and the Company believes it will not be able to collect all cash flows due on its fixed income securities, then the carrying value of the investment is written down to the expected cash flow amount and a realized loss is recorded as a credit impairment.
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions
1. The Company has not entered into any repurchase agreements during the year. Refer to Note 17B for the policy on requiring collateral to security lending.
  2. The Company has not pledged any of its assets as collateral as of December 31, 2019.
  3. Collateral Received  
  
Not applicable
  4. Securities Lending Transactions Administered by an Affiliated Agent  
  
The Company's security lending transactions are not administered by an affiliate agent.
  5. Collateral Reinvestment  
  
Not applicable.
  6. The Company has not accepted collateral that it is not permitted by contract or custom to sell or re-pledge.
  7. The Company has not accepted collateral that extends beyond one year from the reporting date for securities lending transactions.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing  
  
Not applicable.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing  
  
Not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sales  
  
Not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale  
  
Not applicable.



## NOTES TO FINANCIAL STATEMENTS

### J. Real Estate

The Company does not hold any investments in real estate.

### K. Investments in Low-Income Housing Tax Credits (“LIHTC”)

The Company does not hold investments in low-income housing tax credits.

### L. Restricted Assets

#### 1. Restricted Assets (Included Pledge)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted				
	Current Year				
	1	2	3	4	5
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -
b. Collateral held under security lending agreements	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-
e. Subjects to dollar repurchase agreements	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-
i. FHLB capital stock	287,600	-	-	-	287,600
j. On deposit with states	6,253,427	-	-	-	6,253,427
k. On deposit with other regulatory bodies	-	-	-	-	-
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-
m. Pledged as collateral not captured in other categories	40,412,787	-	-	-	40,412,787
n. Other restricted assets	-	-	-	-	-
o. Total Restricted Assets	\$46,953,814	\$ -	\$ -	\$ -	\$ 46,953,814

(a) Subset of column 1

(b) Subset of column 3

## NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted			
	6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)	8 Total Nonadmitted Restricted	9 Total Admitted Restricted (5 minus 8)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -
b. Collateral held under security lending agreements	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-
e. Subjects to dollar repurchase agreements	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-
g. Placed under option contracts	-	-	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-
i. FHLB capital stock	384,900	(97,300)	-	287,600
j. On deposit with states	6,388,387	(134,960)	-	6,253,427
k. On deposit with other regulatory bodies	-	-	-	-
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-	-	-
m. Pledged as collateral not captured in other categories	41,432,793	(1,020,006)	-	40,412,787
n. Other restricted assets	-	-	-	-
o. Total Restricted Assets	\$48,206,080	(\$1,252,266)	\$ -	\$46,953,814

Restricted Asset Category	Percentage	
	10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	-	-
b. Collateral held under security lending agreements	-	-
c. Subject to repurchase agreements	-	-
d. Subject to reverse repurchase agreements	-	-
e. Subjects to dollar repurchase agreements	-	-
f. Subject to dollar reverse repurchase agreements	-	-
g. Placed under option contracts	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-
i. FHLB capital stock	0.019	0.019
j. On deposit with states	0.411	0.411
k. On deposit with other regulatory bodies	-	-
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-
m. Pledged as collateral not captured in other categories	2.657	2.657
n. Other restricted assets	-	-
o. Total Restricted Assets	3.087	3.087

(c) Column 5 divided by Asset Page, Column 1, Line 28

(d) Column 9 divided by Asset Page, Column 3, Line 28

## NOTES TO FINANCIAL STATEMENTS

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are reported in the Aggregate)

Description of Asset	Gross Restricted				
	Current Year				
	1	2	3	4	5
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)
Ironshore Reinsurance Agreement	\$40,412,787	\$ -	\$ -	\$ -	\$40,412,787
Total	\$40,412,787	\$ -	\$ -	\$ -	\$40,412,787

Description of Asset	Gross Restricted		8	Percentage	
	6	7		9	10
	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Ironshore Reinsurance Agreement	\$41,432,793	(\$1,020,006)	\$ -	0.40	0.40
Total	\$41,432,793	(\$1,020,006)	\$ -	0.40	0.40

3. Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are reported in the Aggregate)

Not applicable.

4. Collateral Received and Reflected as Assets within the Reporting Entity's Financial Statements

Not applicable.

- M. Working Capital Finance Investments

The Company does not invest in working capital finance investments.

- N. Offsetting and Netting of Assets and Liabilities

Not applicable.

- O. 5GI Securities

Not applicable.

- P. Short Sales

Not applicable.

- Q. Prepayment Penalty and Acceleration Fees

Not applicable.

### **Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**

- A. Investments in joint ventures, partnerships and limited liability companies that exceed 10% of its admitted assets

Not Applicable

## NOTES TO FINANCIAL STATEMENTS

B. Impairments on joint ventures, partnerships or limited liability companies

Not Applicable

### Note 7 - Investment Income

A. Accrued Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2019.

### Note 8 - Derivative Instruments

The Company's investment activities do not include derivatives. However, the Company may acquire derivatives as additions to bond, common stock, or preferred stock investments. These derivatives are ancillary to the overall investment and are immaterial to the underlying investment portfolio.

### Note 9 - Income Taxes

The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

	12/31/2019		
	(1)	(2)	(3)
	Ordinary	Capital	Total (Col 1+2)
(a) Gross Deferred Tax Assets	\$ 504,000	\$ 124,000	\$ 628,000
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	504,000	124,000	628,000
(d) Deferred Tax Assets Nonadmitted	-	96,000	96,000
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	504,000	28,000	532,000
(f) Deferred Tax Liabilities	386,000	28,000	414,000
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	\$ 118,000	\$ -	\$ 118,000

	12/31/2018		
	(1)	(2)	(3)
	Ordinary	Capital	Total (Col 1+2)
(a) Gross Deferred Tax Assets	\$ 574,000	\$ 75,000	\$ 649,000
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	574,000	75,000	649,000
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	574,000	75,000	649,000
(f) Deferred Tax Liabilities	261,000	231,000	492,000
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	\$ 313,000	\$ (156,000)	\$ 157,000

	Change		
	(7)	(8)	(9)
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ (70,000)	\$ 49,000	\$ (21,000)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a – 1b)	(70,000)	49,000	(21,000)
(d) Deferred Tax Assets Nonadmitted	-	96,000	96,000
(e) Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	(70,000)	(47,000)	(117,000)
(f) Deferred Tax Liabilities	125,000	(203,000)	(78,000)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	\$ (195,000)	\$ 156,000	\$ (39,000)

## NOTES TO FINANCIAL STATEMENTS

2.

	12/31/2019		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 249,892	\$ -	\$ 249,892
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	124,945	-	124,945
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	124,945	-	124,945
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			36,451,254
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	129,163	28,000	157,163
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$ 504,000	\$ 28,000	\$ 532,000

	12/31/2018		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	374,837	-	374,837
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	374,837	-	374,837
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			35,508,105
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	199,163	75,000	274,163
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$ 574,000	\$ 75,000	\$ 649,000

	Change		
	(7) Ordinary	(8) Capital	(9) (Col 7+8) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 249,892	\$ -	\$ 249,892
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	(249,892)	-	(249,892)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	(249,892)	-	(249,892)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			943,149
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	(70,000)	(47,000)	(117,000)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$ (70,000)	\$ (47,000)	\$ (117,000)

## NOTES TO FINANCIAL STATEMENTS

3.

	2019	2018
(a) Ratio Percentage Used to Determine Recovery Period And Threshold Limitation Amount	964.2%	989.3%
(b) Amount of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above	\$ 216,816,895	\$ 228,094,430

4.

	12/31/2019		12/31/2018		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) Ordinary	(6) Capital
Impact of Tax-Planning Strategies						
(a) Determination of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage						
1. Adjusted Gross DTAs Amount From Note 9A1(c )	\$504,000	\$124,000	574,000	75,000	\$(70,000)	\$49,000
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e )	\$504,000	\$28,000	574,000	75,000	\$(70,000)	\$(47,000)
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%	0%	0%	0%

(b) Does the Company's tax-planning strategies include the use of Reinsurance: Yes \_\_\_\_\_ No X

B. The Company does not have any DTLs described in SSAP No. 101 Income Taxes, a Replacement of SSAP No. 10R and SSAP No. 10, paragraph 23.

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

	(1)	(2)	(3)
	12/31/2019	12/31/2018	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$1,820,579	\$7,374,025	\$(5,553,446)
(b) Foreign	-	-	-
(c) Subtotal	1,820,579	7,374,025	(5,553,446)
(d) Federal income tax on net capital gains	387,421	(100,025)	487,446
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income tax incurred	\$2,208,000	\$7,274,000	\$(5,066,000)
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$0	\$0	\$0
(2) Unearned premium reserve	-	-	-
(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)	504,000	574,000	(70,000)
(99) Subtotal	504,000	574,000	(70,000)
			-

## NOTES TO FINANCIAL STATEMENTS

(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
			-
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	504,000	574,000	(70,000)
			-
(e) Capital			-
			-
(1) Investments	124,000	75,000	49,000
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	124,000	75,000	49,000
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	96,000	-	96,000
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	28,000	75,000	(47,000)
(i) Admitted deferred tax assets (2d + 2h)	532,000	649,000	(117,000)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	345,000	220,000	125,000
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	41,000	41,000	-
(99) Subtotal	386,000	261,000	125,000
(b) Capital:			
(1) Investments	28,000	231,000	(203,000)
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	28,000	231,000	(203,000)
			-
(c) Deferred tax liabilities (3a99 + 3b99)	414,000	492,000	(78,000)
4. Net deferred tax assets/liabilities (2i – 3c)	\$118,000	\$157,000	\$(39,000)

D. Effective tax rates differ from the current statutory rate of 21% principally due to the effects of deferred intercompany transactions and revisions to prior year estimates.

E. The Company has no net operating loss or tax credit carry-forwards available to offset future net income subject to Federal income tax.

The amount of Federal income taxes incurred and available for recoupment in the event of future losses is \$2,504,000 from the current year and none from the preceding year.

The Company does not have deposits admitted under Section 6603 of the Internal Revenue Code.

F. The Company's Federal income tax return is consolidated with the following entities:

America First Insurance Company	Liberty Mutual Personal Insurance Company
America First Lloyd's Insurance Company	Liberty Mutual Technology Group, Inc.
American Economy Insurance Company	Liberty Northwest Insurance Corporation
American Fire and Casualty Company	Liberty Personal Insurance Company
American States Insurance Company	Liberty RE (Bermuda) Limited
American States Insurance Company of Texas	Liberty Sponsored Insurance (Vermont), Inc.
American States Lloyds Insurance Company	Liberty Surplus Insurance Corporation
American States Preferred Insurance Company	LIH-RE of America Corporation
Barrier Ridge LLC	LIU Specialty Insurance Agency Inc.

## NOTES TO FINANCIAL STATEMENTS

Berkeley Holding Company Associates, Inc.	LM General Insurance Company
Berkeley Management Corporation	LM Insurance Corporation
Capitol Court Corporation	LM Property and Casualty Insurance Company
Colorado Casualty Insurance Company	LMCRT-FRE-01 IC
Consolidated Insurance Company	LMHC Massachusetts Holdings Inc.
Diversified Settlements, Inc.	Managed Care Associates Inc.
Emerald City Insurance Agency, Inc.	Mid-American Fire & Casualty Company
Employers Insurance Company of Wausau	Nationale Borg Reinsurance N.V.
Excelsior Insurance Company	North Pacific Insurance Company
Excess Risk Reinsurance Inc.	Ocasco Budget, Inc.
F.B. Beattie & Co., Inc.	OCI Printing, Inc.
First National Insurance Company of America	Ohio Casualty Corporation
First State Agency Inc.	Ohio Security Insurance Company
General America Corporation	Open Seas Solutions, Inc.
General America Corporation of Texas	Oregon Automobile Insurance Company
General Insurance Company of America	Peerless Indemnity Insurance Company
Golden Eagle Insurance Corporation	Peerless Insurance Company
Gulf States AIF, Inc.	Pilot Insurance Services, Inc.
Hawkeye-Security Insurance Company	Rianoc Research Corporation
Indiana Insurance Company	S.C. Bellevue, Inc.
Insurance Company of Illinois	SAFECARE Company, Inc.
Ironshore Holdings (US) Inc.	Safeco Corporation
Ironshore Indemnity Inc.	Safeco General Agency, Inc.
Liberty Specialty Markets Bermuda Limited	Safeco Insurance Company of America
Ironshore Management Inc.	Safeco Insurance Company of Illinois
Ironshore Services Inc.	Safeco Insurance Company of Indiana
Ironshore Specialty Insurance Company	Safeco Insurance Company of Oregon
Ironshore Surety Holdings Inc.	Safeco Lloyds Insurance Company
LEXCO Limited	Safeco National Insurance Company
Liberty-USA Corporation	Safeco Properties, Inc.
Liberty Energy Canada, Inc.	Safeco Surplus Lines Insurance Company
Liberty Financial Services, Inc.	San Diego Insurance Company
Liberty Hospitality Group, Inc.	SCIT, Inc.
Liberty Insurance Corporation	St. James Insurance Company Ltd.
Liberty Insurance Holdings, Inc.	The First Liberty Insurance Corporation
Liberty Insurance Underwriters Inc.	The Midwestern Indemnity Company
Liberty International Europe Inc.	The National Corporation
Liberty International Holdings Inc.	The Netherlands Insurance Company
Liberty Life Holdings Inc.	The Ohio Casualty Insurance Company
Liberty Lloyds of Texas Insurance Company	Wausau Business Insurance Company
Liberty Management Services, Inc.	Wausau General Insurance Company
Liberty Mexico Holdings Inc.	Wausau Underwriters Insurance Company
Liberty Mutual Agency Corporation	West American Insurance Company
Liberty Mutual Credit Risk Transfer PCC Inc.	Winmar Company, Inc.
Liberty Mutual Fire Insurance Company	Winmar of the Desert, Inc.
Liberty Mutual Group Asset Management Inc.	Winmar Oregon, Inc.
Liberty Mutual Group Inc.	Winmar-Metro, Inc.
Liberty Mutual Holding Company Inc.	Workgrid Software, Inc.
Liberty Mutual Insurance Company	

The method of federal income tax allocation is subject to a written agreement. Allocation is based upon separate return calculations with credit applied for losses as appropriate. The Company has the enforceable right to recoup prior year payments in the event of future losses.

- G. The Company does not expect the Federal and Foreign income tax loss contingencies, as determined in accordance with SSAP No. 5R, Liabilities, Contingencies and Impairments of Assets, with the modifications provided in SSAP No. 101, Income Taxes – A Replacement of SSAP No. 10R and SSAP No. 10, to significantly increase within twelve months of the reporting date.
- H. Repatriation Transition Tax (RTT)
- Not applicable
- I. Alternative Minimum Tax (AMT) Credit
- Not applicable



## NOTES TO FINANCIAL STATEMENTS

### **Note 10 - Information Concerning Parent, Subsidiaries, Affiliates, and Other Related Parties**

- A. All of the outstanding shares of capital stock of the Company are held by Ironshore Holdings (U.S.) Inc. (“IHUS”) a holding company incorporated in Delaware. IHUS is wholly owned by Liberty Mutual Insurance Company (“LMIC”), a Massachusetts insurance company. The ultimate parent of LMIC is Liberty Mutual Holding Company Inc. a Massachusetts company.
- B. Transactions between the Company and its affiliates are listed on Schedule Y Part 2.
- C. There have been no material transactions with the Company’s affiliates during 2019.
- D. At December 31, 2019, the Company reported a net \$259,220,382 due to affiliates. In general, the terms of the intercompany arrangements require settlement at least quarterly.
- E. The Company has not made any guarantees or initiated any undertakings for the benefit of affiliates which result in a material contingent exposure of the Company’s or affiliates’ assets or liabilities.
- F. Refer to Note 26 for information regarding the Inter-Company Reinsurance Agreement.

The Company is a party to a management services agreement (the “Agreement”) with Liberty Mutual Insurance Company (“LMIC”). Under the Agreement, LMIC may provide the Company with office space, supplies, equipment, telephone and wire services, the use of computers and similar machines and services of personnel employed by LMIC and LMGI. Services provided include, but are not limited to, risk underwriting, claims processing, claims adjustments, policyholder services, contract management and administration. LMIC is reimbursed for the cost of all services which it provides under the Agreement.

The Company is a party to a cash management agreement with Liberty Mutual Insurance Company (“LMIC”) whereby LMIC provides services to the Company.

The Company is a party to an investment management agreement with Liberty Mutual Group Asset Management Inc. (“LMGAM”). Under the agreements, LMGAM provides services to the Company.

The Company is party to a Federal Tax Sharing Agreement between LMHC and affiliates (Refer to Note 9F).

- G. The Company is a member of a holding company structure as illustrated in Schedule Y Part 1.
- H. The Company does not own shares of any upstream intermediate or ultimate parent, either directly or indirectly via a downstream subsidiary, controlled or affiliated company.
- I. The Company does not own investments in subsidiary, controlled or affiliated entities.
- J. The Company did not recognize any impairment write down for its SCA companies during the statement period.
- K. The Company does not use CARVM in calculating its investment in its foreign subsidiaries.
- L. The Company does not hold any investments in downstream non-insurance holding companies.
- M. All SCA Investments
  - The company does not hold investments in Non-Insurance SCA’s.
- N. Investment in Insurance SCAs

### **Note 11 - Debt**

- A. Debt (Including Capital Notes)

The Company has no debt, including capital notes.

- B. FHLB (Federal Home Loan Bank) Agreements

1. The Company is a member of the Federal Home Loan Bank (FHLB) of Chicago. There were no outstanding borrowings as of December 31, 2019. The Company has determined the actual maximum borrowing capacity as \$150,000,000 per Board of Directors consent.

- 2. FHLB Capital Stock

- a. Aggregate Totals

- 1. Current year

## NOTES TO FINANCIAL STATEMENTS

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
Membership Stock – Class A	\$ -	\$ -	\$ -
Membership Stock – Class B	287,600	287,600	-
Activity Stock	-	-	-
Excess Stock	-	-	-
Aggregate Total	287,600	287,600	-
Actual Borrowing Capacity as Determined by the Insurer	\$150,000,000	XXX	XXX

## 2. Prior Year-end

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
Membership Stock – Class A	\$ -	\$ -	\$ -
Membership Stock – Class B	384,900	384,900	-
Activity Stock	-	-	-
Excess Stock	-	-	-
Aggregate Total	384,900	384,900	-
Actual Borrowing Capacity as Determined by the Insurer	\$150,000,000	XXX	XXX

## b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	1	2	Eligible for Redemption			
			3	4	5	6
	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 1 Year	3 to 5 Years
Membership Stock	-	-	-	-	-	-
Class A	-	-	-	-	-	-
Class B	287,600	287,600	-	-	-	-

## 3. Collateral Pledged to FHLB

## a. Amount Pledged as of Reporting Date

## 1. Current Year Total General and Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$0	\$0	\$0

## 2. Current Year Total General Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$0	\$0	\$0

## 3. Current Year Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$0	\$0	\$0

## 4. Prior Year-end Total General Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$0	\$0	\$0

## NOTES TO FINANCIAL STATEMENTS

b. Maximum Amount Pledged During Reporting Period

1. Current Year Total General and Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$0	\$0	\$0

2. Current Year Total General Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$0	\$0	\$0

3. Current Year Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$0	\$0	\$0

4. Prior Year-end Total General Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$0	\$0	\$0

4. Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

	(1)	(2)	(3)	(4)
	Total 2+3	General Account	Protected Cell Accounts	Funding Agreements Reserves Established
Debt	\$ -	\$ -	\$ -	XXX
Funding Agreements	-	-	-	-
Other	-	-	-	XXX
Aggregate Total	\$ -	\$ -	\$ -	\$0

2. Prior Year-end

	(1)	(2)	(3)	(4)
	Total 2+3	General Account	Protected Cell Accounts	Funding Agreements Reserves Established
Debt	\$ -	\$ -	\$ -	XXX
Funding Agreements	-	-	-	-
Other	-	-	-	XXX
Aggregate Total	\$ -	\$ -	\$ -	\$0

b. Maximum Amount During Reporting Period (Current Year)

	(1)	(2)	(3)
	Total 2+3	General Account	Protected Cell Accounts
Debt	\$ -	\$ -	\$ -
Funding Agreements	-	-	-
Other	-	-	-
Aggregate Total	\$ -	\$ -	\$ -

c. FHLB - Prepayment Obligations

	Does the Company have prepayment obligations under the following arrangements (yes/no)?
Debt	NO
Funding Agreements	N/A
Other	N/A

## NOTES TO FINANCIAL STATEMENTS

C. There were no outstanding borrowings as of December 31, 2019.

### **Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

The Company does not have any direct employees and therefore, does not have any direct obligations for a defined benefit plan, deferred compensation arrangements, compensated absences or other postretirement benefit plans. Services for the operation of the Company are provided under provisions of the management services agreements, as described in Note 10F

### **Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

1. The Company has 54,000 shares authorized, and 41,000 shares issued and outstanding as of December 31, 2019. All shares have a stated par value of \$100.

2. Preferred Stock

Not applicable.

3. There are no dividend restrictions.

4. The Company did not pay any dividends to its parent during 2019.

5. The maximum amount of dividends which can be paid by Arizona-domiciled insurance companies to shareholders without the prior approval of the Insurance Commissioner is the lesser of (a) 10% of surplus or (b) net income. The Company cannot pay a dividend in 2020 without the prior approval of the Insurance Commissioner, as its unassigned surplus is negative.

6. The Company does not have restricted unassigned surplus.

7. The Company had no advances to surplus.

8. The Company does not hold stock for special purposes.

9. The Company does not hold special surplus funds.

10. The portion of unassigned funds (surplus) represented by cumulative net unrealized gains and (losses) is \$0.

11. Surplus Notes

Not applicable.

12. Quasi-reorganization (dollar impact)

Not applicable.

13. Quasi-reorganization (effective date)

Not applicable.

### **Note 14 - Contingencies**

A. Contingent Commitments

Refer to Note 10E.

B. Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments and premium-based assessments are presumed probable when the premium on which the assessments are expected to be based are written. In the case of loss-based assessments, the event that obligates the entity is an entity incurring the losses on which the assessments are expected to be based.

## NOTES TO FINANCIAL STATEMENTS

The Company has no net guaranty fund or other assessment liabilities to report. Refer to Note 26.

C. Gain Contingencies

Not applicable

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

The Association did not have claims related extra contractual obligation losses or bad faith losses stemming from lawsuits in the current period

E. Product Warranties

The Company does not write product warranty business.

F. Joint and Several Liabilities

The Company is not a participant in any joint and several liabilities.

G. All Other Contingencies

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes, and other matters are not considered material in relation to the financial position of the Company.

As disclosed in Note 9 F, the Company is a member of a controlled group for federal income tax purposes, and that group includes LMGI. LMGI is the plan sponsor of the Liberty Mutual Retirement Benefit Plan, a qualified plan under federal law. Pursuant to federal law, if LMGI has not made the minimum required contributions with respect to the Liberty Mutual Retirement Benefit Plan, the Company, jointly and severally with all other members of the controlled group, would be contingently liable to make such contributions.

The Company routinely assesses the collectability of its premium receivable balances. The Company does not believe the amounts in excess of non-admitted amounts are material.

### **Note 15 - Leases**

A. Lessee Leasing Arrangements

The Company has no net lease obligations. Refer to Note 26.

B. Leasing as a Significant Part of Lessor's Business Activities

Leasing is not a significant part of the Company's business activities.

### **Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

The Company is not exposed to financial instruments with off-balance sheet risk or concentration of credit risk.

### **Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

A. Transfers of Receivables Reported as Sales

The Company did not have any transfers of receivables reported as sales.

B. Transfers and Servicing of Financial Assets

Refer to Note 5E.

C. Wash Sales

1. The Company did not have any wash sale transactions during the year.
2. Not applicable.

### **Note 18 – Gain or (Loss) to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans**

A. Administrative Services Only (ASO) Plans

Not applicable

## NOTES TO FINANCIAL STATEMENTS

B. Administrative Services Contract (ASC) Plans

Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

**Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

The Company utilized third parties that produced direct premiums written equal to or greater than 5% of surplus. Information regarding these third parties is as follows:

Name and Address of General Agent or Third-Party Administrator	FEIN	Exclusive Contract	Type of Business Written	Type of Authority Granted	Total Direct Premiums Written/Produced By
NBIS Construction & Transport 2859 Paces Ferry Road, Suite 800 Atlanta, GA 30339	36-4347239	No	Construction & Transport	U – Underwriting P- Premium Collection B- Binding Authority C- Claims Payment C - Claims Payment CA – Claims Adjustment	\$ 9,802,763

**Note 20 - Fair Value Measurements**

A. Inputs Used for Assets and Liabilities Measured at Fair Value

1. Fair Value Measurements by Levels 1, 2 and 3

Fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company primarily uses the market approach which generally utilizes market transaction data for identical or similar instruments. Included in various investment related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stock, when carried at the lower of cost or market.

The hierarchy level assigned to each security in the Company's portfolio is based on the Company's assessment of the transparency and reliability of the inputs used in the valuation of each instrument at the measurement date. The highest priority is given to unadjusted quoted prices in active active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Securities are classified based on the lowest level of input that is significant to the fair value measurement. The Company recognizes transfers between levels at the end of each reporting period. The three hierarchy levels are defined as follows:

- Level 1 — Valuations based on unadjusted observable quoted market prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 — Valuations based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets or liabilities at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.
- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement and involve measurement judgment. The unobservable inputs reflect the Company's estimates of the assumptions that market participants would use in valuing the assets and liabilities.

The following table summarizes the Company's assets and liabilities that are measured at fair value at December 31, 2019:

Description for each class of asset or liability	Net Asset Value				Total
	(Level 1)	(Level 2)	(Level 3)	(NAV)	
<b>a. Assets at fair value</b>					
<i>Bonds</i>					
U.S. Government & Agency Securities	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. MBS/ABS of Gov. & Corp. Agencies	-	-	-	-	-
U.S. State and Municipal	-	-	-	-	-
Corporate and Other	-	-	-	-	-

## NOTES TO FINANCIAL STATEMENTS

Foreign Government Securities	-	-	-	-	-
<i>Total Bonds</i>	-	-	-	-	-
<i>Preferred Stocks</i>					
Industrial and Miscellaneous (Unaffiliated)	-	-	-	-	-
<i>Total Preferred Stocks</i>	-	-	-	-	-
<i>Common Stocks</i>					
Industrial and Miscellaneous	-	-	287,600	-	287,600
<i>Total Common Stocks</i>	-	-	287,600	-	287,600
Derivative Assets	-	-	-	-	-
<b>Total assets at fair value</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$287,600</b>	<b>\$ -</b>	<b>\$287,600</b>
					<b>0</b>
<b>b. Liabilities at fair value</b>					
Derivative Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities at fair value</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The Company did not have significant transfers between Levels 1 and 2 during the period ended December 31, 2019.

### 2. Rollforward of Level 3 Items

The following tables set forth the fair values of assets basis classified as Level 3 within the fair value hierarchy:

	Balance as of 12/31/2018	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus
U.S. Government & Agency Securities	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. MBS/ABS of Gov. & Corp. Agencies	-	-	(10,112,500)	-	-
U.S. State and Municipal	-	-	-	-	-
Corporate and Other	-	-	-	-	-
Foreign Government Securities	-	-	-	-	-
<b>Total Bonds</b>	<b>-</b>	<b>-</b>	<b>(10,112,500)</b>	<b>-</b>	<b>-</b>
Preferred Stock	-	-	-	-	-
Common Stock	384,900	-	-	-	-
<b>Total</b>	<b>384,900</b>	<b>-</b>	<b>(10,112,500)</b>	<b>-</b>	<b>-</b>
Net Derivatives	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Purchases	Issuances	Sales	Settlements	Balance as of 12/31/2019
U.S. Government & Agency Securities		\$ -	\$ -	\$ -	\$ -
U.S. MBS/ABS of Gov. & Corp. Agencies	(10,112,500)	-	-	-	-
U.S. State and Municipal	-	-	-	-	-
Corporate and Other	-	-	-	-	-
Foreign Government Securities	-	-	-	-	-
<b>Total Bonds</b>	<b>(10,112,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Preferred Stock	-	-	-	-	-
Common Stock	45,600	-	(142,900)	-	287,600
<b>Total</b>	<b>(10,066,900)</b>	<b>-</b>	<b>(142,900)</b>	<b>-</b>	<b>287,600</b>
Net Derivatives	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 3. Policy on Transfers Into and Out of Level 3

The Company holds NAIC designated 6 fixed maturity securities at the lower of amortized cost or fair value defined by SSAP No. 26, Bonds and NAIC designated 4-6 preferred stocks at the lower of cost or fair value as defined by SSAP No. 32, Investments in Preferred Stock. Market fluctuations cause securities to change from being held at cost or amortized cost to fair value or vice versa. These changes result in a transfer in or out of Level 3. In addition, the Company also transfers securities into or out of level 3 as a result of re-evaluation of the observability of pricing inputs.

## NOTES TO FINANCIAL STATEMENTS

### 4. Inputs and Techniques Used for Fair Value

#### Fixed Maturities

At each valuation date, the Company uses various valuation techniques to estimate the fair value of its fixed maturities portfolio. The primary method for valuing the Company's securities is through independent third-party valuation service providers. For positions where valuations are not available from independent third-party valuation service providers, the Company utilizes broker quotes and internal pricing methods to determine fair values. The Company obtains a single non-binding price quote from a broker familiar with the security who, similar to the Company's valuation service providers, may consider transactions or activity in similar securities, as applicable, among other information. The brokers providing price quotes are generally from the brokerage divisions of leading financial institutions with market making, underwriting and distribution expertise regarding the security subject to valuation. The evaluation and prioritization of these valuation sources is systematic and predetermined resulting in a single quote or price for each financial instrument. The following describes the techniques generally used to determine the fair value of the Company's fixed maturities by asset class:

#### U.S. Government and Agency Securities

U.S. government and agency securities consist primarily of bonds issued by the U.S. Treasury and mortgage pass-through agencies such as the Federal Home Loan Bank, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. As the fair values of the Company's U.S. Treasury securities are based on active markets and unadjusted market prices, they are classified within Level 1. The fair value of U.S. government agency securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, reported trades, bids, offers and credit spreads. Accordingly, the fair value of U.S. government agency securities is classified within Level 2.

#### Mortgage-Backed Securities

The Company's portfolio of residential mortgage-backed securities ("MBS") and commercial MBS are originated by both agencies and non-agencies, the majority of which are pass-through securities issued by U.S. government agencies. The fair value of MBS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of MBS is primarily classified within Level 2.

#### Asset-Backed Securities

Asset-backed securities ("ABS") include mostly investment-grade bonds backed by pools of loans with a variety of underlying collateral, including automobile loan receivables, credit card receivables, and collateralized loan obligation securities originated by a variety of financial institutions. The fair value of ABS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of ABS is primarily classified within Level 2.

#### Municipal Securities

The Company's municipal portfolio is comprised of bonds issued by U.S. domiciled state and municipal entities. The fair value of municipal securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, binding broker quotes, issuer ratings, reported trades and credit spreads. Accordingly, the fair value of municipal securities is primarily classified within Level 2.

#### Corporate debt and other

Corporate debt securities consist primarily of investment-grade debt of a wide variety of corporate issuers and industries. The fair value of corporate and other securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, new issuances, issuer ratings, reported trades of identical or comparable securities, bids, offers and credit spreads. Accordingly, the fair value of corporate and other securities is primarily classified within Level 2. In the event third-party vendor valuation is not available, prices are determined using non-binding price quotes from a broker familiar with the security. In this instance, the valuation inputs are generally unobservable and the fair value is classified within Level 3.

#### Foreign government securities

Foreign government securities include bonds issued or guaranteed by foreign governments. The fair value of foreign government securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, binding broker quotes, issuer ratings, reported trades of identical or comparable securities and credit spreads. Accordingly, the fair value of foreign government securities is primarily classified within Level 2. In the event third-party vendor valuation is not available, prices are determined using non-binding price quotes from a broker familiar with the security. In this instance, the valuation inputs are generally unobservable and the fair value is classified within Level 3.



## NOTES TO FINANCIAL STATEMENTS

### Common and Preferred Stocks

Common stocks are recorded at fair value and preferred stocks are reported at cost or fair value, depending on their NAIC designation. Common stocks with fair values based on quoted market prices in active markets are classified in Level 1. Common stocks with fair values determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active are classified in Level 2. The fair value of preferred stock is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active. Accordingly, the fair value of preferred stock is primarily classified within Level 2.

### Other Invested Assets

Other invested assets include limited partnership investments, other equity method investments and other alternative investments, which are not subject to these disclosures and therefore are excluded from the table in this note.

### Derivatives

Derivatives can be exchange-traded or traded over-the-counter ("OTC"). OTC derivatives are valued using market transactions and other market evidence whenever possible, including market based inputs to models, model calibration to market clearing transactions, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. When models are used, the selection of a particular model to value an OTC derivative depends on the contractual terms of, and specific risks inherent in the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures of volatility, prepayment rates and correlations of such inputs. For OTC derivatives that trade in liquid markets, such as generic forwards, swaps and options, model inputs can generally be corroborated by observable market data by correlation or other means, and model selection does not involve significant management judgement. The fair value of derivatives using models with observable inputs are classified as Level 2 within the fair value hierarchy and the fair value of derivatives using models with unobservable inputs are classified as Level 3 within the fair value hierarchy.

#### B. Other Fair Value Disclosures

Not applicable.

#### C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)
Cash, Cash Equivalents and Short Term	\$10,813,359	\$10,813,359	\$447,913	\$ -	\$ -
Bonds	\$334,522,579	\$327,925,493	\$98,198,620	\$236,323,959	-
Preferred Stock	-	-	-	-	-
Common Stock	287,600	287,600	-	-	287,600
Securities Lending	-	-	-	-	-
Mortgage Loans	-	-	-	-	-
Surplus Notes	-	-	-	-	-
Derivative Assets	-	-	-	-	-
Total Assets	\$345,623,538	\$339,026,453	\$98,646,533	\$236,323,959	\$287,600
Derivative Liabilities	-	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -

Type of Financial Instrument	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash, Cash Equivalents and Short Term	\$10,365,446	\$0
Bonds	-	-
Preferred Stock	-	-
Common Stock	-	-
Securities Lending	-	-
Mortgage Loans	-	-
Surplus Notes	-	-
Derivative Assets	-	-
Total Assets	\$10,365,446	-
Derivative Liabilities	-	-
Total Liabilities	\$0	-

#### D. Reasons Not Practical to Estimate Fair Value

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### E. Instruments Measured at Net Asset Value (NAV)

The Company elected to use NAV for all money market mutual funds in lieu of fair value as NAV is more readily available. These funds are backed by high quality, very liquid short-term instruments and the probability is remote that the funds would be sold for a value other than NAV.

### **Note 21 - Other Items**

#### A. Unusual or Infrequent Items

The Company has no unusual or infrequent items to report.

#### B. Troubled Debt Restructuring: Debtors

Not applicable

#### C. Other Disclosures

##### 1. Interrogatory 6.1

The Company cedes 100% of its business to Liberty Mutual Insurance Company, the lead company in the Liberty Mutual Pool. Liberty Mutual Insurance Company purchases external catastrophe reinsurance coverage.

##### Interrogatory 6.2

As a member of the Liberty Intercompany Pool, the Pool employs industry recognized catastrophe modeling software to estimate the Probable Maximum Loss. For property exposures, we utilize RMS's RiskLink v16.0 and AIR's Touchstone v4.2 software. For workers' compensation, Liberty Mutual utilizes RiskLink v16.0 from RMS.

##### Interrogatory 6.3

The Company cedes 100% of its business to Liberty Mutual Insurance Company, the lead company in the Liberty Mutual Pool. Liberty Mutual Insurance Company purchases external catastrophe reinsurance coverage.

#### D. Business Interruption Insurance Recoveries

The Company does not purchase business interruption coverage.

#### E. State Transferable and Non-transferable Tax Credit

The Company does not hold state transferable and/or non-transferable tax credits.

#### F. Subprime-Mortgage-Related Risk Exposure

1. The Company has not purchased securities characterized by the market as subprime. The Company looks at such factors as average FICO scores, loan to value ratios, and levels of documentation when evaluating securities.

2. The Company does not have any direct exposure through investments in subprime mortgage loans.

3. The Company has direct exposure through their investment in residential mortgage-backed securities.

4. The Company does not have any underwriting exposure to sub-prime mortgage risk.

#### G. Insurance Linked Securities (ILS) Contracts

The Company did not receive proceeds as the issuer, ceding insurer or counterparty of insurance linked securities

#### H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

Not applicable

### **Note 22 - Events Subsequent**

The Company evaluated subsequent events through February 21, 2020, the date the annual statement was available to be issued.

There were no events subsequent to December 31, 2019 that would require disclosure.

## NOTES TO FINANCIAL STATEMENTS

The Company did not receive any assessments under the Affordable Care Act.

### **Note 23 - Reinsurance**

#### A. Unsecured Reinsurance Recoverable

Excluding amounts arising pursuant to the Liberty Mutual Amended and Restated Intercompany Reinsurance Agreement, the following are the unsecured reinsurance recoverable or ceded unearned premium of an individual reinsurer which exceed 3% of policyholder's surplus.

Reinsurer	NAIC No.	Federal ID No.	Recoverable Amount
<b>Liberty Mutual Group:</b>			
Liberty Mutual Insurance Company	23043	04-1543470	
Liberty Mutual Europe Limited		AA-1120855	
Lloyd's Syndicate 4000		AA-1126005	
Lloyd's Syndicate 4472		AA-1126006	
Liberty Specialty Markets Bermuda		CR-3190197	
Ironshore Indemnity Inc	23647	41-0121640	
Total Liberty Mutual Group			\$263,614,000
<b>Swiss Re Group:</b>			
Swiss Reinsurance America Corporation	25364	13-1675535	
Swiss Reinsurance Company Limited		AA-1460146	
Swiss National Insurance Company Ltd		AA-1460130	
Total Swiss Re Group			117,113,000
Transatlantic Reinsurance Company	19453	13-5616275	115,191,000
<b>Munich Re Group:</b>			
Munich Reinsurance America, Inc	10227	13-4924125	
Munich Reinsurance Company		AA-1340165	
Munich Reins Co UK Branch		AA-1120011	
Hartford Steam Boiler Inspec & Ins Co CT	29890	06-1240885	
Total Munich Re Group			76,318,000
<b>Partner Re Group:</b>			
Partner Reinsurance Company of the U.S.	38636	13-3031176	
PartnerRe America Insurance Co	11835	04-1590940	
Partner Reinsurance Company Ltd		AA-3190686	
Partner Reinsurance Europe Limited		AA-1780078	
Total Partner Re Group			71,446,000
<b>Markel Group:</b>			
Markel Global Reinsurance Company	10829	06-1481194	
Markel Insurance Company	38970	36-3101262	
Lloyd's Syndicate 3000		AA-1129000	
Total Markel Group			68,361,000
<b>Renaissance Re Group:</b>			
Renaissance Reinsurance U.S. Inc	10357	52-1952955	
Renaissance Reinsurance Ltd		AA-3190339	
Total Renaissance Re Group			42,014,000
<b>Sompo Group:</b>			
Endurance Reinsurance Corporation of Ame	11551	35-2293075	
Endurance Specialty Insurance Limited		AA-3194130	
Lloyd's Syndicate 4444		AA-1126004	
Lloyd's Syndicate 0958		AA-1126958	
Total Sompo Group			24,905,000
<b>Everest Re Group:</b>			
Everest Reinsurance Company	26921	22-2005057	

## NOTES TO FINANCIAL STATEMENTS

Everest Reinsurance (Bermuda), Ltd		AA-3194101	
Total Everest Re Group			16,598,000
Hannover Group:			
Hannover Rueckversicherung AG		AA-1340125	
Hannover Re (Bermuda) Ltd		AA-3190060	
Total Hannover Group			15,800,000
Arch Re Group:			
Arch Reinsurance Company	10348	06-1430254	
Arch Reinsurance Ltd		AA-3194126	
Total Arch Re Group			13,213,000
Berkshire Hathaway Group:			
National Indemnity Company	20087	47-0355979	
General Reinsurance Corporation	22039	13-2673100	
Total Berkshire Hathaway Group			13,061,000
Sirius Group:			
Sirius America Insurance Company	38776	13-2997499	
Sirius Bermuda Ins Co Ltd		AA-3191321	
Sirius International Ins Corp (publ)		AA-1440076	
Total Sirius Group			8,620,000
Total:			\$846,254,000

### B. Reinsurance Recoverable in Dispute

There are no reinsurance recoverable in dispute from an individual reinsurer which exceeds 5% of the Company's surplus. In addition, the aggregate reinsurance recoverable in dispute do not exceed 10% of the Company's surplus.

### C. Reinsurance Assumed & Ceded

- The following table sets forth the maximum return premium and commission equity due the reinsurers or the Company if all of the Company's assumed and ceded reinsurance were canceled as of December 31, 2019.

	Assumed		Ceded		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$907,000	\$57,461	\$576,438,196	\$60,862,564	\$(575,531,196)	\$(60,805,103)
b. All Other	\$6,389,878	\$404,820	\$55,989,044	\$14,569,940	\$(49,599,166)	\$(14,165,120)
c. TOTAL	\$7,296,878	\$462,281	\$632,427,240	\$75,432,504	\$(625,130,362)	\$(74,970,223)
d. Direct Unearned Premium Reserve	\$625,130,362					

- Certain contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2018 are as follows:

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ (464,314)	\$ -	\$ (464,314)	\$ -
b. Sliding Scale Adjustments Other Profit Commission	\$ -	\$ -	\$ -	\$ -
c. Arrangements	\$ -	\$ -	\$ -	\$ -
d. TOTAL	\$ (464,314)	\$ -	\$ (464,314)	\$ -

- The Company does not use protected cells as an alternative to traditional reinsurance.

### D. Uncollectible Reinsurance

The Company did not write off any uncollectible balances in the current year.

## NOTES TO FINANCIAL STATEMENTS

### E. Commutation of Ceded Reinsurance

The Company did not commute any reinsurance treaties in the current year.

### F. Retroactive Reinsurance

The Company has 1 assumed and 1 ceded retroactive contracts that transferred liabilities for losses that had already occurred. The impact of the intercompany pooling agreement is also shown.

	<u>Assumed</u>	<u>Ceded</u>
a. Reserves Transferred:		
(1) Initial Reserves	\$ -	\$ -
(2) Adjustments - Prior Year(s)	\$ -	\$ -
(3) Adjustments - Current Year	\$ -	\$ -
(4) Current Total	\$ -	\$ -
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ -	\$ 87,657,155
(2) Adjustments - Prior Year(s)	\$ -	\$ -
(3) Adjustments - Current Year	\$ -	\$ -
(4) Current Total	\$ -	\$ 87,657,155
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ -	\$ -
(2) Current Year	\$ -	\$ -
(3) Current Total	\$ -	\$ -
d. Special Surplus from Retroactive Reinsurance		
(1) Initial Surplus Gain or Loss	\$ -	\$ (87,657,155)
(2) Adjustments - Prior Year(s)	\$ -	\$ -
(3) Adjustments - Current Year	\$ -	\$ -
(4) Current Year Restricted Surplus	\$ -	\$ -
(5) Cumulative Total Transferred to Unassigned Funds	\$ -	\$ (87,657,155)

e. All cedents and reinsurers involved in all transactions included in summary totals above:

<u>Company</u>	<u>Assumed Amount</u>	<u>Ceded Amount</u>
National Indemnity Company, 20087	\$ -	\$ 193,707,155
Liberty Mutual Insurance Company, 23043	-	(193,737,155)
Total	\$ -	\$ -

f. List total Paid Loss/Loss Adjustment Expense amounts recoverable and amounts more than 90 days overdue, and collateral held as respects amounts recoverable from unauthorized reinsurers:

There are no Paid Loss/Loss Adjustment Expense amounts recoverable.

There are no reinsurance contracts covering losses that have occurred prior to the inception of the contract that have not been accounted for in conformity with the NAIC Accounting Practices and Procedures Manual.

### G. Reinsurance Accounted for as a Deposit

The Company entered into a reinsurance agreement determined to be of a deposit type nature on January 1, 2009. Upon inception of the contract, the company recorded a deposit asset of \$8,240,525. As of December 31, 2019, the Company has a remaining deposit balance of (\$1,333).

### H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

The Company has not entered into any agreements which have been approved by their domiciliary regulator and have qualified pursuant to SSAP No. 62R, *Property and Casualty Reinsurance* to receive P&C Run-off Accounting Treatment.

### I. Certified Reinsurers Downgraded or Status Subject to Revocation.

1. Reporting Entity Ceding to Certified Reinsurer Downgraded or Status Subject to Revocation.  
Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 2. Reporting Entity's Certified Reinsurer Rating Downgrade or Status Subject to Revocation.

Not applicable.

### J. Asbestos and Pollution Counterparty Reporting Exception

The Counterparty reporting party does not apply to the Company.

### **Note 24 - Retrospectively rated Contracts and Contracts Subject to Redetermination**

The Company does not have net accrued retrospective premiums. Refer to Note 26.

The Company did not receive any assessments under the Affordable Care Act.

### **Note 25 - Change in Incurred Losses and Loss Adjustment Expenses**

The Company has no net exposure to changes in incurred losses and loss adjustment expenses. Refer to Note 26.

### **Note 26 - Intercompany Pooling Arrangements**

Effective July 1, 2017 the Company is a member of the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement consisting of the affiliated companies below. All underwriting assets and liabilities of the Company were ceded to the Lead Company and subsequently retroceded to the pool members in accordance with each company's pool participation percentage, as noted below. Operational underwriting results prior to the effective date of the Company becoming a pool participant remained as results of operations on its income statement for the year ended December 31, 2017.

		NAIC Company Number	Pooling Companies	Line of Business
Lead Company:	Liberty Mutual Insurance Company ("LMIC")	23043	50.00%	All Lines
Affiliated	Peerless Insurance Company ("PIC")	24198	20.00%	All Lines
Pool	Employers Insurance Company of Wausau ("EICOW")	21458	8.00%	All Lines
Companies:	Liberty Mutual Fire Insurance Company ("LMFIC")	23035	8.00%	All Lines
	The Ohio Casualty Insurance Company ("OCIC")	24074	8.00%	All Lines
	Safeco Insurance Company of America ("SICOA")	24740	6.00%	All Lines
	American Economy Insurance Company ("AEIC")	19690	0.00%	All Lines
	America First Insurance Company ("AFIC")	12696	0.00%	All Lines
	America Fire and Casualty Company ("AFCIC")	24066	0.00%	All Lines
	America First Lloyd's Insurance Company ("AFLIC")	11526	0.00%	All Lines
	American States Insurance Company ("ASIC")	19704	0.00%	All Lines
	American States Insurance Company of Texas ("ASICT")	19712	0.00%	All Lines
	American States Lloyd's Insurance Company ("ASLCO")	31933	0.00%	All Lines
	American States Preferred Insurance Company ("ASPCO")	37214	0.00%	All Lines
	Colorado Casualty Insurance Company ("CCIC")	41785	0.00%	All Lines
	Consolidated Insurance Company ("CIC")	22640	0.00%	All Lines
	Excelsior Insurance Company ("EIC")	11045	0.00%	All Lines
	First National Insurance Company of America ("FNICA")	24724	0.00%	All Lines
	The First Liberty Insurance Corporation ("FST")	33588	0.00%	All Lines
	General Insurance Company of America ("GICA")	24732	0.00%	All Lines
	Golden Eagle Insurance Corporation ("GEIC")	10836	0.00%	All Lines
	Hawkeye-Security Insurance Company ("HSIC")	36919	0.00%	All Lines
	Insurance Company of Illinois ("ICIL")	26700	0.00%	All Lines
	Indiana Insurance Company ("IIC")	22659	0.00%	All Lines
	Ironshore Indemnity Inc. ("III")	23647	0.00%	All Lines
	Ironshore Specialty Insurance Company ("ISIC")	25445	0.00%	All Lines
	Liberty Insurance Corporation ("LIC")	42404	0.00%	All Lines
	Liberty Insurance Underwriters, Inc. ("LIU")	19917	0.00%	All Lines
	Liberty County Mutual Insurance Company ("LCMIC")	19544	0.00%	All Lines
	LM General Insurance Company ("LMGIC")	36447	0.00%	All Lines
	Liberty Lloyd's of Texas Insurance Company ("LLOT")	11041	0.00%	All Lines
	LM Insurance Corporation ("LMC")	33600	0.00%	All Lines

## NOTES TO FINANCIAL STATEMENTS

	Liberty Mutual Mid-Atlantic Insurance Company ("LMMAIC")	14486	0.00%	All Lines
	Liberty Mutual Personal Insurance Company ("LMPICO")	12484	0.00%	All Lines
	Liberty Northwest Insurance Corporation ("LNW")	41939	0.00%	All Lines
	Liberty Personal Insurance Company ("LPIC")	11746	0.00%	All Lines
	Liberty Surplus Insurance Corporation ("LSI")	10725	0.00%	All Lines
	Mid-American Fire & Casualty Company ("MAFCC")	23507	0.00%	All Lines
	Montgomery Mutual Insurance Company ("MMIC")	14613	0.00%	All Lines
	The Midwestern Indemnity Company ("MWIC")	23515	0.00%	All Lines
	National Insurance Association ("NIA")	27944	0.00%	All Lines
	The Netherlands Insurance Company ("NIC")	24171	0.00%	All Lines
	North Pacific Insurance Company ("NPIC")	23892	0.00%	All Lines
	Ohio Security Insurance Company ("OSIC")	24082	0.00%	All Lines
	Oregon Automobile Insurance Company ("OAIC")	23922	0.00%	All Lines
	Peerless Indemnity Insurance Company ("PIIC")	18333	0.00%	All Lines
	Safeco Insurance Company of Illinois ("SICIL")	39012	0.00%	All Lines
	Safeco Insurance Company of Indiana ("SICIN")	11215	0.00%	All Lines
	Safeco Insurance Company of Oregon ("SICOR")	11071	0.00%	All Lines
	Safeco Lloyds Insurance Company ("SLICO")	11070	0.00%	All Lines
	Safeco National Insurance Company ("SNIC")	24759	0.00%	All Lines
	Safeco Surplus Lines Insurance Company ("SSLIC")	11100	0.00%	All Lines
	Wausau Business Insurance Company ("WBIC")	26069	0.00%	All Lines
	Wausau General Insurance Company ("WGIC")	26425	0.00%	All Lines
	Wausau Underwriters Insurance Company ("WUIC")	26042	0.00%	All Lines
100% Quota Share Affiliated Companies:	West American Insurance Company ("WAIC")	44393	0.00%	All Lines
	LM Property and Casualty Insurance Company ("LMPAC")	32352	0.00%	All Lines

Under the terms of the Reinsurance Agreements, the sequence of transactions is as follows:

- a. Except for WBIC, WGIC and WUIC, each Affiliated Pool Company cedes its underwriting activity to the Lead Company. WBIC, WGIC and WUIC cede 100% of its direct underwriting activity to EICOW.
- b. After recording the assumed affiliate transactions noted above, the Lead Company records 100% of its external assumed and ceded reinsurance activity.
- c. The Lead Company's remaining underwriting activity, after processing all internal and external reinsurance, is retroceded to the pool members in accordance with each company's pool participation percentage, as noted above.
- d. There were no members that are parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.
- e. There were no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the Lead Company and corresponding entries on the assumed and ceded reinsurance schedules of other pooled participants.
- f. The write-off of uncollectible reinsurance is pooled and the provision for reinsurance is recognized by the entity placing the outbound external reinsurance.
- g. Amounts due (to)/from affiliated entities participating in the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement as of December 31, 2019:

<u>Affiliate</u>	<u>Amount</u>
Liberty Mutual Insurance Company	\$ 15,627,578

### **Note 27 - Structured Settlements**

- A. The Company has no net exposure to contingent liabilities from the purchase of annuities. Refer to Note 26.
- B. Not applicable.

### **Note 28 - Health Care Receivables**

Not applicable.

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## NOTES TO FINANCIAL STATEMENTS

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### **Note 29 - Participating Policies**

Not applicable.

### **Note 30 - Premium Deficiency Reserves**

1. Liability carried for premium deficiency reserves	\$	-
2. Date of the most recent evaluation of this liability		12/31/2019
3. Was anticipated investment income utilized in the calculation?		No

### **Note 31 - High Dollar Deductible Policies**

Not applicable.

### **Note 32 - Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses**

The Company has no net loss and loss adjustment expense reserves. Refer to Note 26.

### **Note 33 - Asbestos/Environmental Reserves**

The Company has no net exposure to asbestos and environmental claims. Refer to Note 26.

### **Note 34 - Subscriber Savings Accounts**

The Company is not a reciprocal insurance company.

### **Note 35 - Multiple Peril Crop Insurance**

Not applicable.

### **Note 36 - Financial Guaranty Insurance Contracts**

Not applicable.





## 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. 0.00 %

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?

Ernst & Young, LLP  
 200 Clarendon Street  
 Boston, MA 02116  
 .....

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?  
 Stephanie Neyenhouse FCAS, MAAA  
 175 Berkeley Street, Boston, MA 02116  
 Vice President and Chief Actuary, Liberty Mutual Group Inc.  
 .....

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	0
12.13 Total book/adjusted carrying value	\$ 0

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
0			0
0			0
0			0

## 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	\$ <u>0</u>
20.12 To stockholders not officers	\$ <u>0</u>
20.13 Trustees, supreme or grand (Fraternal only)	\$ <u>0</u>

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	\$ <u>0</u>
20.22 To stockholders not officers	\$ <u>0</u>
20.23 Trustees, supreme or grand (Fraternal only)	\$ <u>0</u>

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	\$ <u>0</u>
21.22 Borrowed from others	\$ <u>0</u>
21.23 Leased from others	\$ <u>0</u>
21.24 Other	\$ <u>0</u>

## 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
- 22.2 If answer is yes:
- |  |    |   |
|--|----|---|
| 22.21 Amount paid as losses or risk adjustment | \$ | 0 |
| 22.22 Amount paid as expenses                  | \$ | 0 |
| 22.23 Other amounts paid                       | \$ | 0 |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes  No
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

## 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  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)  
 The Company participates in a Securities Lending Program to generate additional income, whereby certain fixed income and mortgage backed securities are loaned for a period of time from the Company's portfolio to qualifying third parties, via a lending agent. The company does not participate in term loans; therefore, the company does not have contractual collateral transactions that extend beyond one year from the reporting date. Borrowers of these securities provide collateral equal to or in excess of
- 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
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
- 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
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes  No  N/A
- 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
- 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                   | \$ | 0 |
| 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 0 |
| 24.103 Total payable for securities lending reported on the liability page                                       | \$ | 0 |
- 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  No

## GENERAL INTERROGATORIES

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

	25.21 Subject to repurchase agreements	\$ <u>0</u>
	25.22 Subject to reverse repurchase agreements	\$ <u>0</u>
	25.23 Subject to dollar repurchase agreements	\$ <u>0</u>
	25.24 Subject to reverse dollar repurchase agreements	\$ <u>0</u>
	25.25 Placed under option agreements	\$ <u>0</u>
	25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ <u>0</u>
	25.27 FHLB Capital Stock	\$ <u>287,600</u>
	25.28 On deposit with states	\$ <u>6,253,427</u>
	25.29 On deposit with other regulatory bodies	\$ <u>0</u>
	25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ <u>40,412,787</u>
	25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ <u>0</u>
	25.32 Other	\$ <u>0</u>

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	.....	0
.....	.....	0
.....	.....	0

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 [X]

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 [X]
	26.42 Permitted accounting practice	Yes [ ] No [X]
	26.43 Other accounting guidance	Yes [ ] No [X]

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 [X]

- 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. \$ 0

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

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
Liberty Mutual Group Asset Management Inc. ....	A .....
.....	.....

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
N/A .....	Liberty Mutual Group .....	N/A .....	N/A .....	DS .....
.....	.....	.....	.....	.....

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
.....	.....	0
.....	.....	0
.....	.....	0

## GENERAL INTERROGATORIES

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		0

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
		0	
		0	
		0	

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	327,925,489	334,499,156	6,573,667
30.2 Preferred stocks	0	0	0
30.3 Totals	327,925,489	334,499,156	6,573,667

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

The primary source for reported fair values is our pricing vendor, Interactive Data Corporation, followed by backfill from Reuters, Bloomberg, Barclays, Merrill Lynch, and Markit for Term Loan securities. Lastly, management determines fair value based on quoted market prices of similar financial instruments or by using industry recognized valuation techniques.

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 ]

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.



## GENERAL INTERROGATORIES

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?

\$ \_\_\_\_\_ 0

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
.....	\$ ..... 0
.....	\$ ..... 0
.....	\$ ..... 0

37.1 Amount of payments for legal expenses, if any?

\$ \_\_\_\_\_ 0

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
.....	\$ ..... 0
.....	\$ ..... 0
.....	\$ ..... 0

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

\$ \_\_\_\_\_ 0

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
.....	\$ ..... 0
.....	\$ ..... 0
.....	\$ ..... 0

## 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	\$ _____		\$ _____	
2.3 Premium Ratio (2.1 / 2.2)				
2.4 Reserve Numerator	\$ _____		\$ _____	
2.5 Reserve Denominator	\$ _____		\$ 44,490	
2.6 Reserve Ratio (2.4 / 2.5)				

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

3.2 If yes, state the amount of calendar year premiums written on:  
     3.21 Participating policies \$ \_\_\_\_\_  
     3.22 Non-participating policies \$ 1,080,975,475

4. For Mutual reporting entities and Reciprocal Exchanges only:  
 4.1 Does the reporting entity issue assessable policies? Yes [ ] No [X]  
 4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [X]  
 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 [X]  
 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:  
 See Note 21C1  
 .....

## 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:  
See Note 21C1  
.....  
.....
- 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?  
See Note 21C1  
.....  
.....
- 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 [X]
- 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  
The Company cedes 100% of its net business to Liberty Mutual Insurance Company, the lead company in the Liberty Mutual Pool. Liberty Mutual Insurance Company purchases external catastrophe reinsurance coverage on behalf of the Liberty Mutual Pool.  
.....  
.....
- 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 [X] No [ ]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. \_\_\_\_\_ 2
- 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 [X] 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 [X]
- 8.2 If yes, give full information  
0  
.....  
.....
- 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 [X]
- 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 [X]
- 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 [X]
- 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 [X]  
(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 [X]  
(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 [X]

## 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
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes  No
- 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
- 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
- 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
- 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. \_\_\_\_\_ 1
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes  No
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
 For quota share, premium and losses are allocated to the legal entity that recorded the gross premium or loss in an amount equal to the gross premium or loss times the quota share percentage. For excess of loss, premium and loss are allocated to each legal entity in direct proportion to its relative percentage of the entire subject premium base or subject loss to the treaty. The Company is party to a multi-cedant retroactive  
 .....
- 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  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:  
 No  
 .....  
 .....
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes  No
- 15.2 If yes, give full information  
 .....  
 .....
- 16.1 Does the reporting entity write any warranty business? Yes  No   
 If yes, disclose the following information for each of the following types of warranty coverage:
- |                  |    | 1<br>Direct Losses<br>Incurred | 2<br>Direct Losses<br>Unpaid | 3<br>Direct Written<br>Premium | 4<br>Direct Premium<br>Unearned | 5<br>Direct Premium<br>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
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
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)	794,834,962	704,597,071	680,217,499	701,312,563	667,181,045
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	177,324,259	194,148,984	86,598,032	83,325,450	103,702,863
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	113,267,479	77,843,850	75,985,529	72,884,352	64,555,062
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	2,786,186	19,021,823	15,648,410	6,381,621	9,049,606
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	1,088,212,886	995,611,728	858,449,470	863,903,986	844,488,576
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
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)		(1)	43,960,063	97,915,782	97,086,274
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)		1	3,430,015	4,469,207	7,142,040
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)		2	2,353,430	6,492,717	6,327,220
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)			1,014,057	791,954	1,456,961
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)		2	50,757,565	109,669,660	112,012,495
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	5,953	9,621	(24,762,120)	(26,427,401)	12,534,421
14. Net investment gain (loss) (Line 11)	10,919,382	8,617,350	25,542,357	20,176,996	15,795,075
15. Total other income (Line 15)	1,132,821	2,883,188	(86,468,453)	2,000,385	984,453
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	1,820,579	7,374,025	(56,224,545)	(3,828,493)	8,421,979
18. Net income (Line 20)	10,237,577	4,136,134	(29,463,671)	(421,527)	20,891,970
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	668,601,005	538,469,527	491,600,608	1,082,888,614	987,115,477
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	2,199,046	2,330,173		37,903,122	47,863,772
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)	451,666,110	310,218,099	194,364,613	733,573,532	653,165,124
22. Losses (Page 3, Line 1)				234,509,670	214,069,494
23. Loss adjustment expenses (Page 3, Line 3)				47,129,781	38,634,594
24. Unearned premiums (Page 3, Line 9)				65,739,046	73,904,243
25. Capital paid up (Page 3, Lines 30 & 31)	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000
26. Surplus as regards policyholders (Page 3, Line 37)	216,934,895	228,251,430	297,235,997	349,315,083	333,950,354
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	16,699,334	82,048,636	(135,897,841)	(24,375,001)	70,690,299
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	216,934,895	228,251,430	297,235,997	349,315,083	333,950,354
29. Authorized control level risk-based capital	22,486,300	23,057,143	52,782,550	115,243,822	104,773,829
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	96.7	85.9	58.3	83.3	83.7
31. Stocks (Lines 2.1 & 2.2)	0.1	0.1	0.4	12.8	12.3
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)	3.2	14.0	41.2	3.9	3.4
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)			0.1		0.6
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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
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
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24)			(14,923,233)	6,235,945	1,251,255
52. Dividends to stockholders (Line 35)					(15,600,000)
53. Change in surplus as regards policyholders for the year (Line 38)	(11,316,537)	(68,984,567)	(52,079,085)	15,364,729	8,134,902
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
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)	354,146,074	332,369,117	239,640,849	274,353,813	218,912,784
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	197,527,230	110,378,957	50,088,442	45,723,754	22,187,894
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	68,241,190	102,376,015	45,515,286	38,589,955	36,525,520
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	14,610,000		(827,766)	3,359,982	8,057,849
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	634,524,494	545,124,089	334,416,811	362,027,504	285,684,047
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
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)			18,979,020	36,297,606	30,730,445
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)			2,029,353	4,066,002	2,319,236
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)			2,825,682	6,006,061	6,249,479
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)			(162,156)	73,041	1,303,004
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)			23,671,899	46,442,710	40,602,164
<b>Operating Percentages (Page 4)</b> (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)			69.2	56.8	54.6
68. Loss expenses incurred (Line 3)			24.6	25.9	22.0
69. Other underwriting expenses incurred (Line 4)			52.4	39.8	13.6
70. Net underwriting gain (loss) (Line 8)			(46.2)	(22.4)	9.9
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)		(144640450.0)	225.7	40.9	14.5
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)			93.8	82.7	76.6
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)			17.1	31.4	33.5
<b>One Year Loss Development (\$000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)				5,616	(3,304)
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)				1.7	(1.0)
<b>Two Year Loss Development (\$000 omitted)</b>					
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)				1,988	2,780
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)				0.6	0.9

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								X X X	
2. 2010											X X X	
3. 2011											X X X	
4. 2012											X X X	
5. 2013											X X X	
6. 2014											X X X	
7. 2015							1	1			X X X	
8. 2016							2	2			X X X	
9. 2017	1,709	1,709					41	41			X X X	
10. 2018	1,958	1,958									X X X	
11. 2019	17	17									X X X	
12. Totals	X X X	X X X	X X X				44	44			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		Other Unpaid				
	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													X X X
2. 2010													X X X
3. 2011													X X X
4. 2012													X X X
5. 2013													X X X
6. 2014			5	5			1	1					X X X
7. 2015			19	19			2	2					X X X
8. 2016			56	56			14	14					X X X
9. 2017	485	485	(9)	(9)			12	12					X X X
10. 2018			50	50			14	14					X X X
11. 2019			19	19			2	2					X X X
12. Totals	485	485	140	140			45	45					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		
2. 2010											
3. 2011											
4. 2012											
5. 2013											
6. 2014	6	6									
7. 2015	22	22									
8. 2016	72	72									
9. 2017	529	529		30.954	30.954						
10. 2018	64	64		3.269	3.269						
11. 2019	21	21		123.529	123.529						
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X		

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.



**NONE Schedule P - Part 2, 3, 4 - Summary**

## 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	12,309,635	13,193,524		6,567,089	5,501,362	17,509,120	
2. Alaska	AK	E	1,812,847	1,734,785		238,212	(8,039,278)	3,132,723	
3. Arizona	AZ	D	12,886,253	12,653,777		3,757,752	10,599,149	18,969,229	
4. Arkansas	AR	E	3,797,932	3,785,449		319,000	3,349,519	7,353,691	
5. California	CA	E	145,958,812	127,985,118		90,788,966	111,287,623	426,597,633	
6. Colorado	CO	E	30,656,241	23,437,299		17,303,934	27,581,171	51,188,498	
7. Connecticut	CT	E	12,395,363	11,676,246		13,155,400	9,391,018	41,655,315	
8. Delaware	DE	E	2,234,051	2,026,039		186,240	335,709	4,656,888	
9. District of Columbia	DC	E	4,222,627	4,544,740		(2,350,287)	(3,250,559)	(5,260,844)	
10. Florida	FL	E	113,291,444	118,403,032		147,415,570	142,471,156	174,183,580	
11. Georgia	GA	E	29,839,094	27,033,665		14,746,518	11,354,243	46,768,088	
12. Hawaii	HI	E	6,797,127	7,745,725		1,328,234	(2,955,563)	15,540,301	
13. Idaho	ID	E	3,425,602	2,966,930		2,371,997	4,508,414	7,362,814	
14. Illinois	IL	E	44,593,581	40,550,632		26,016,075	63,613,958	144,343,705	
15. Indiana	IN	E	14,048,039	12,869,244		3,042,104	2,619,992	34,284,985	
16. Iowa	IA	E	15,904,719	10,109,844		1,216,094	7,722,946	15,383,411	
17. Kansas	KS	E	7,008,741	5,783,101		1,452,709	3,348,253	11,327,355	
18. Kentucky	KY	E	5,143,658	5,328,806		2,380,527	5,066,212	12,714,619	
19. Louisiana	LA	E	22,192,809	20,135,507		5,184,242	5,804,676	37,230,532	
20. Maine	ME	E	1,298,670	1,476,495		12,966,488	1,358,589	3,691,239	
21. Maryland	MD	E	10,890,985	12,453,156		3,759,900	3,396,604	37,834,193	
22. Massachusetts	MA	E	41,844,273	36,775,533		6,386,271	12,427,361	53,111,646	
23. Michigan	MI	E	12,793,154	10,472,511		2,039,893	9,019,886	21,240,451	
24. Minnesota	MN	E	11,750,226	11,513,965		2,941,554	15,451,243	40,556,395	
25. Mississippi	MS	E	6,282,034	6,232,405		509,438	2,785,327	9,404,973	
26. Missouri	MO	E	17,373,508	16,151,954		4,125,598	9,283,271	30,882,095	
27. Montana	MT	E	2,024,461	2,195,559		1,291,631	1,358,983	5,586,032	
28. Nebraska	NE	E	2,954,355	2,887,257		912,553	272,149	6,092,694	
29. Nevada	NV	E	6,522,322	6,541,973		3,833,152	5,823,169	20,509,403	
30. New Hampshire	NH	E	2,904,111	1,961,298		3,003,440	995,230	4,642,423	
31. New Jersey	NJ	E	37,438,349	34,244,251		18,659,751	14,045,262	98,745,675	
32. New Mexico	NM	E	3,336,004	3,124,185		669,372	1,175,270	7,120,028	
33. New York	NY	E	66,805,302	58,413,257		24,900,872	29,530,777	149,593,925	
34. North Carolina	NC	E	18,842,619	19,075,416		45,600,321	28,605,385	69,129,027	
35. North Dakota	ND	E	3,883,256	3,859,930		7,431,994	5,710,496	8,295,325	
36. Ohio	OH	E	20,341,643	22,508,296		28,610,111	31,538,374	38,768,408	
37. Oklahoma	OK	E	15,130,399	14,804,525		3,304,918	5,221,631	30,879,948	
38. Oregon	OR	E	7,163,537	6,698,322		1,122,836	7,928,999	23,457,529	
39. Pennsylvania	PA	E	42,589,627	38,752,058		33,866,633	(1,035,819)	85,856,609	
40. Rhode Island	RI	E	2,992,890	3,156,679		(6,677,970)	(5,707,193)	18,890,457	
41. South Carolina	SC	E	13,176,323	16,511,157		9,757,802	18,949,472	22,011,934	
42. South Dakota	SD	E	911,865	874,486		3,516	154,372	807,162	
43. Tennessee	TN	E	19,366,012	15,808,611		1,619,833	3,380,415	26,571,061	
44. Texas	TX	E	154,023,006	136,101,865		69,719,835	161,543,635	395,274,033	
45. Utah	UT	E	8,332,013	7,541,280		2,135,725	4,624,052	17,367,810	
46. Vermont	VT	E	853,108	1,214,375		512,866	426,473	1,627,995	
47. Virginia	VA	E	20,443,163	17,852,504		1,254,490	6,489,191	38,963,306	
48. Washington	WA	E	18,851,653	16,710,957		7,664,435	20,010,763	55,313,635	
49. West Virginia	WV	E	5,994,446	4,735,613		383,307	1,679,717	8,341,703	
50. Wisconsin	WI	E	9,664,194	8,684,134		1,894,611	2,485,356	20,322,583	
51. Wyoming	WY	E	1,645,795	1,413,792		12,973	293,965	1,828,936	
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	E	271,454	232,652		2,213,817	58,935	214,870	
55. U.S. Virgin Islands	VI	E	785,911	615,520		1,868,788	134,247	1,181,292	
56. Northern Mariana Islands	MP	N					1,402	1,402	
57. Canada	CAN	N				15,466	(104,930)	277,189	
58. Aggregate Other Alien	OT	X X X	2,976,239	6,736,342		(1,005,317)	2,151,500	29,924,263	
59. Totals	(a) 1		1,080,975,482	1,000,295,796		632,431,279	801,773,560	2,449,259,292	

DETAILS OF WRITE-INS									
58001. GBR United Kingdom	X X X		1,078,654			23,466	(3,141)	7,147,272	
58002. BMU Bermuda	X X X		861,117	1,781,086			238,786	2,463,086	
58003. IRL Ireland	X X X		271,650	742,617		15,780	(171,997)	644,150	
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X		764,818	4,212,639		(1,044,563)	2,087,852	19,669,755	
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X		2,976,239	6,736,342		(1,005,317)	2,151,500	29,924,263	

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

(a) Active Status Counts

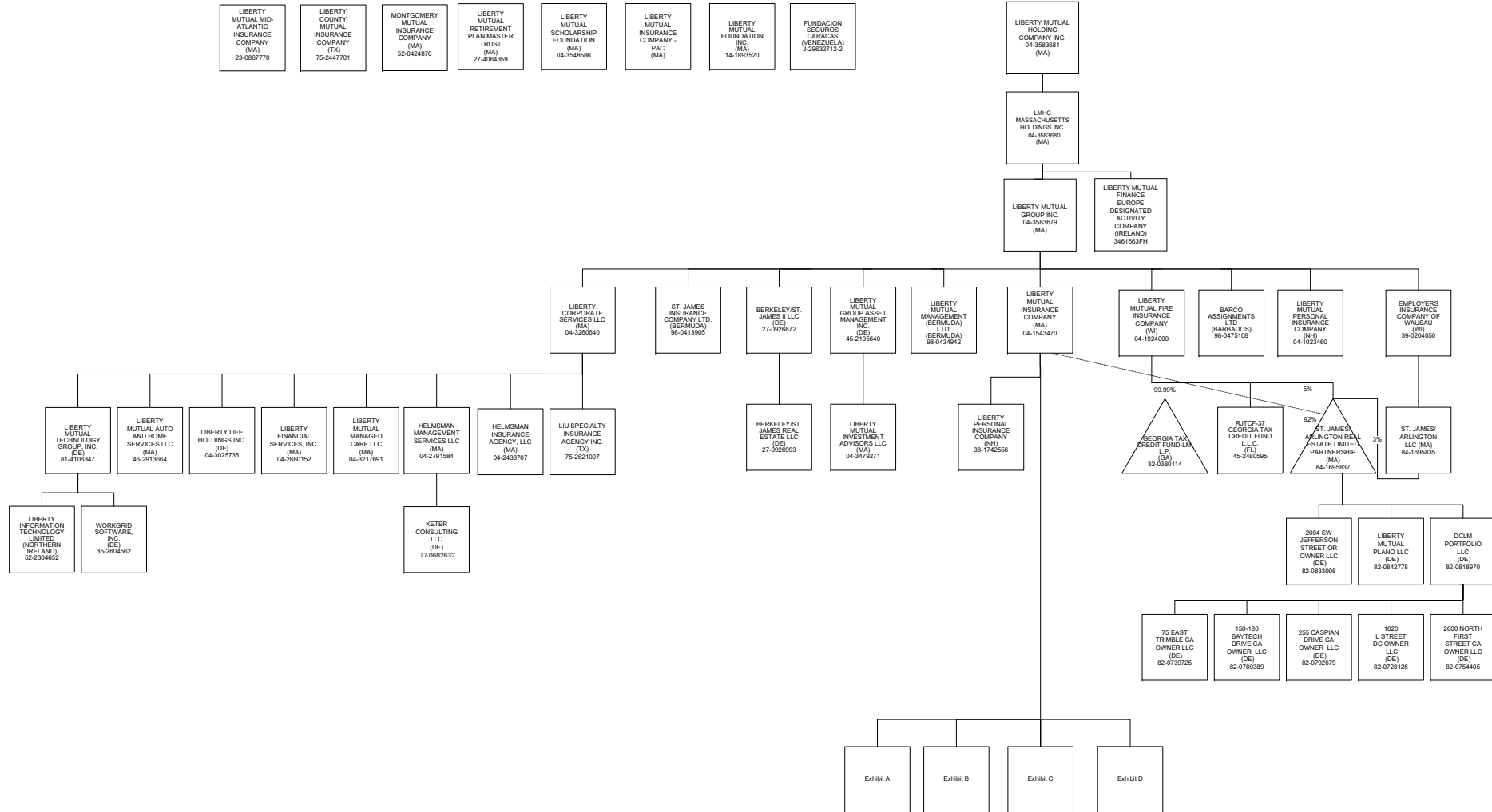
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	52
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state	1
D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile	4
R - Registered - 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)	

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

*Location of coverage - Fire, Allied Lines, Homeowners Multi Peril, Commercial Multi Peril, Earthquake, Boiler and Machinery	*Location of Court or Obligor - Surety
*States employee's main work place - Worker's Compensation	*Address of Assured - Other Accident and Health
*Location of Principal place of garaging of each individual car - Auto Liability, Auto Physical Damage	*Location of Properties covered - Burglary and Theft
*Principal Location of business or location of coverage - Liability other than Auto, Fidelity, Warranty	*Principal Location of Assured - Ocean Marine, Credit
*Point of origin of shipment or principal location of assured - Inland Marine	*Primary residence of Assured - Aircraft (all perils)
*State in which employees regularly work - Group Accident and Health	

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

## PART 1 - ORGANIZATIONAL CHART

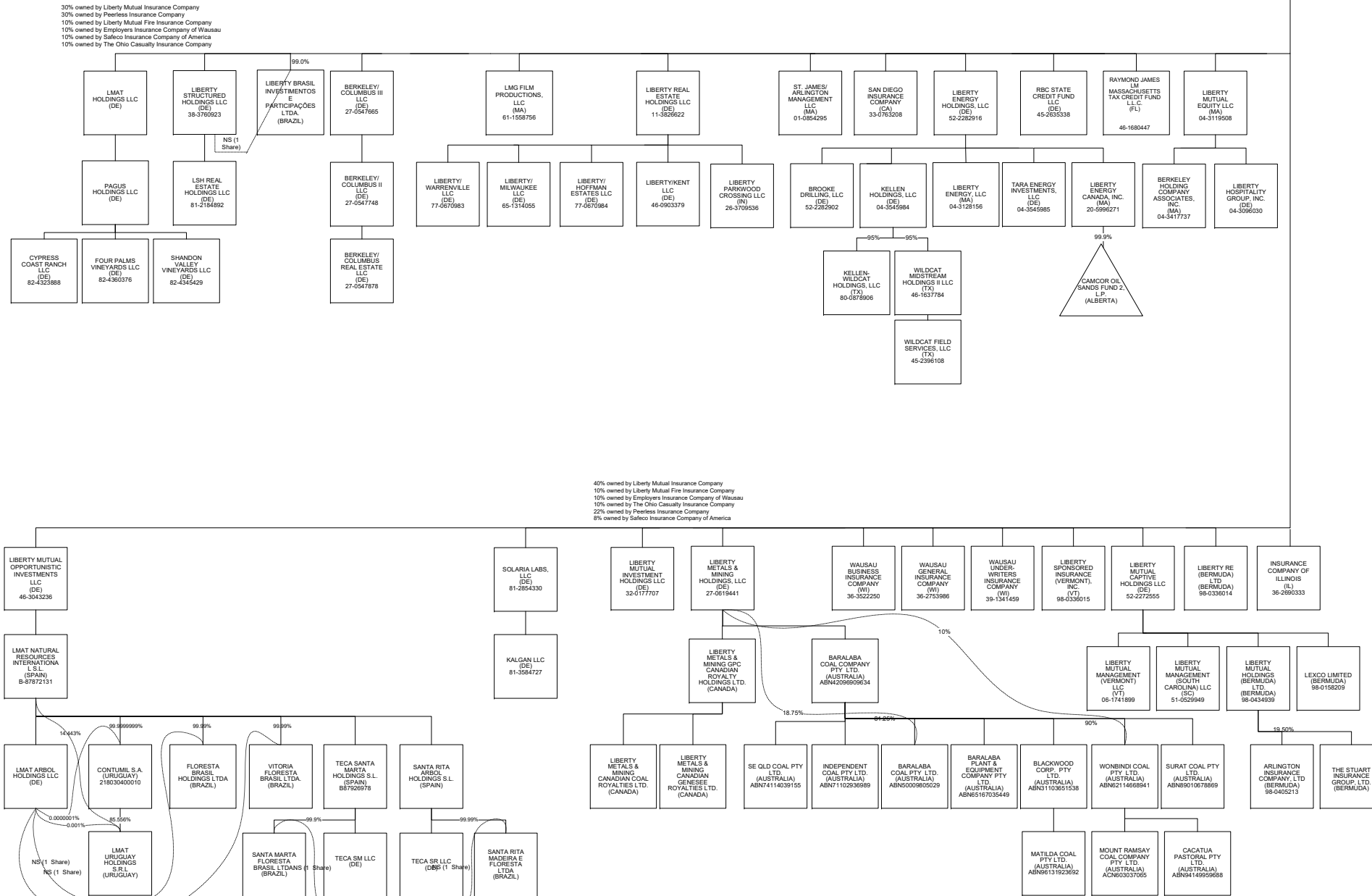




# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

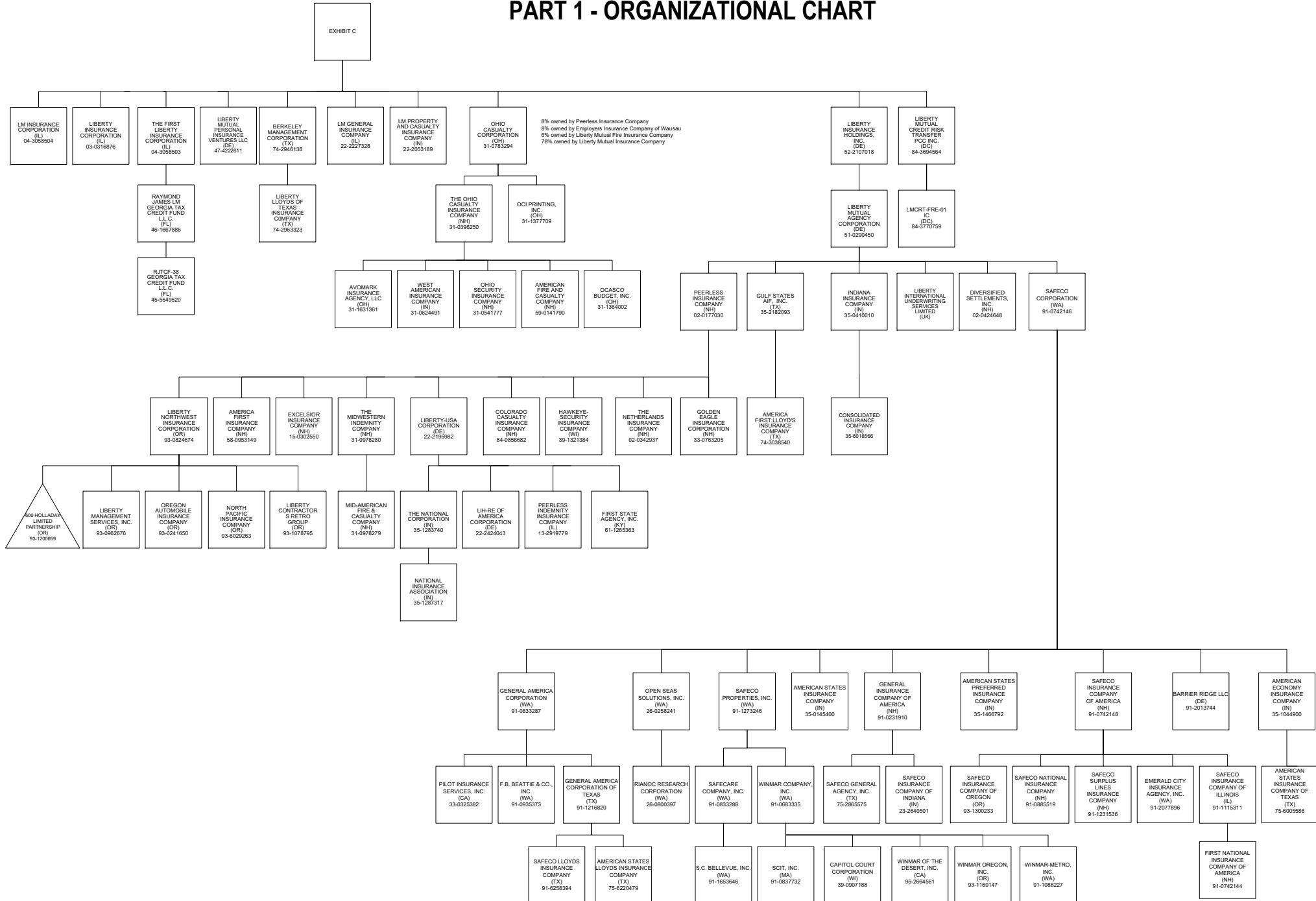
## PART 1 - ORGANIZATIONAL CHART

EXHIBIT B



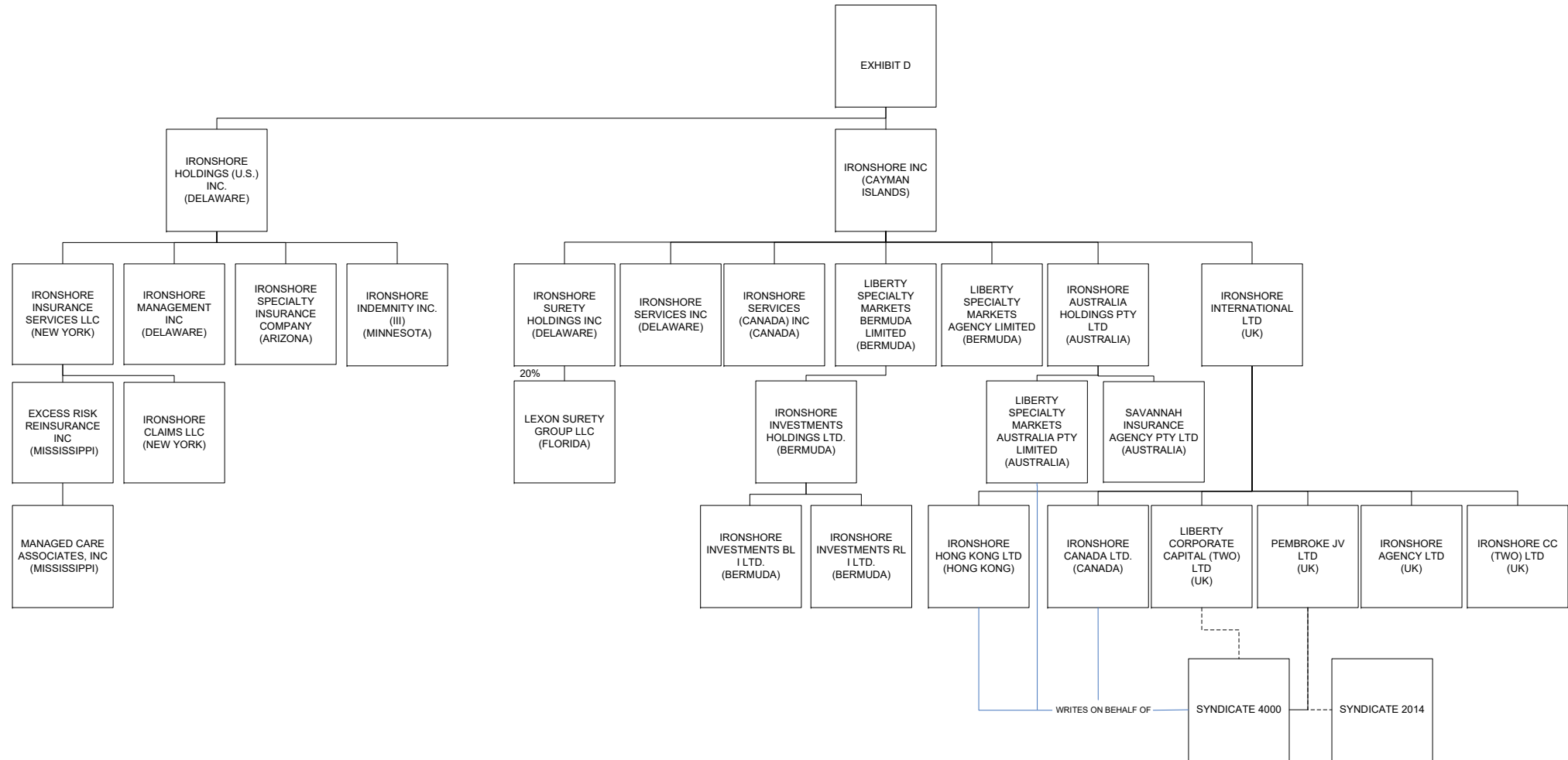
# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 - ORGANIZATIONAL CHART



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

## PART 1 - ORGANIZATIONAL CHART



## OVERFLOW PAGE FOR WRITE-INS

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## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

REMAINING WRITE-INS AGGREGATED AT LINE 58 FOR OTHER ALIEN	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
58004. PER Peru	XXX	125,066	73,194			22,877	33,880		
58005. GBR England	XXX	102,575	1,598,876			14,953	14,953		
58006. CYM Cayman Islands	XXX	102,313	101,975			18,575	197,769		
58007. NLD Netherlands	XXX	101,368	422,102		21,458	198,464	666,601		
58008. MEX Mexico	XXX	99,653	279,524			62,526	(411,094)		
58009. ZZZ Other Alien	XXX	89,842	102,876			(129,011)	13,706		
58010. AUS Australia	XXX	34,525	539,221		885,802	629,853	641,869		
58011. ISR Israel	XXX	22,000	57,823		392	52,328	161,560		
58012. DOM Dominican Republic	XXX	19,688	50,470			17,814	22,435		
58013. PAN Panama	XXX	15,554	117,068			(49,363)	123,565		
58014. CHE Switzerland	XXX	13,146	13,062		109	13,651	384,591		
58015. VNM Viet Nam	XXX	11,379	11,379		496	14,630	52,329		
58016. CRI Costa Rica	XXX	8,928	24,715			2,393,047	2,396,338		
58017. HUN Hungary	XXX	8,067	8,067		(89,341)	(93,038)	19,908		
58018. ARE United Arab Emirates	XXX	5,245			61,422	(19,338)	247,019		
58019. ECU Ecuador	XXX	5,235	5,235		(970)	(835)	333,816		
58020. SWE Sweden	XXX	4,925	158,391		17,836	44,462	702,274		
58021. TUN Tunisia	XXX	996	996		1,832	2,271	17,423		
58022. NOR Norway	XXX	972	972			(217,116)	257,640		
58023. AFG Afghanistan	XXX					669	1,112		
58024. DZA Algeria	XXX				(3,714)	(24,414)	109,324		
58025. AGO Angola	XXX					3,610	7,370		
58026. AZE Azerbaijan	XXX					(4,829)	1,454		
58027. BHS Bahamas	XXX		10,206			4,480	7,814		
58028. BHR Bahrain	XXX				438	1,624	11,753		
58029. BGD Bangladesh	XXX					(1,406)	3,540		
58030. BRA Brazil	XXX		8,347		13,892	(122,738)	(434,584)		
58031. BRN Brunei	XXX					2,014	2,014		
58032. BGR Bulgaria	XXX					1,175	1,750		
58033. KHM Cambodia	XXX					799	1,175		
58034. CHL Chile	XXX					47,513	73,903		
58035. CHN China	XXX				188,681	175,282	515,758		
58036. COL Colombia	XXX		39,650		(908)	(19,069)	41,028		
58037. HRV Croatia	XXX					553	1,013		
58038. UAE Dubai	XXX		5,245			1,516	1,516		
58039. EGY Egypt	XXX				9	(9,710)	26,566		
58040. ETH Ethiopia	XXX					3,949	18,608		
58041. FJI Fiji	XXX					1,895	2,810		
58042. FIN Finland	XXX				(8,394)	(8,569)	5,030		
58043. FRA France	XXX				6,902	(18,765)	38,738		
58044. GEO Georgia	XXX					(1,994)	1,954		
58045. DEU Germany	XXX				(123,751)	812,947	2,292,328		
58046. GTM Guatemala	XXX		24,646			5,695	11,643		
58047. GGY Guernsey	XXX					97,072	97,072		
58048. ISL Iceland	XXX					3,227	63,865		
58049. IND India	XXX					3,800	6,189		
58050. IDN Indonesia	XXX				(3,201)	493	27,502		
58051. JPN Japan	XXX		5,516		81,720	113,387	67,759		
58052. JOR Jordan	XXX				(11,111)	(26,679)	36,692		
58053. KOR Korea, Republic of	XXX				31,500	(28,640)	73,277		
58054. KWT Kuwait	XXX				(9,424)	(10,353)	57,368		
58055. LBY Libya	XXX					7,885	11,223		
58056. LUX Luxembourg	XXX		365,600			268,025	1,022,824		
58057. MYS Malaysia	XXX		64,326		(2,078,044)	(2,118,193)	8,495,633		
58058. MAR Morocco	XXX					8,070	16,373		
58059. MMR Myanmar (Burma)	XXX					1,766	1,766		
58060. NAM Namibia	XXX					983	1,510		
58061. ANT Netherland Antilles	XXX					1,429	1,429		
58062. NZL New Zealand	XXX					1,126	6,761		
58063. NGA Nigeria	XXX					(33,461)	(20,695)		
58064. OMN Oman	XXX				450	2,560	4,329		
58065. PAK Pakistan	XXX					2,380	4,058		
58066. PRY Paraguay	XXX		19,661			7,482	8,644		
58067. PHL Philippines	XXX				(7,180)	(17,896)	13,110		
58068. PRT Portugal	XXX					1,303	2,292		
58069. QAT Qatar	XXX				15,500	(37,405)	65,470		
58070. RUS Russia	XXX				(3)	(27,956)	(27,954)		
58071. RWA Rwanda	XXX					784	1,204		
58072. SAU Saudi Arabia	XXX		77,873			7,567	96,421		
58073. SVK Slovakia	XXX					91	154		
58074. ZAF South Africa	XXX					888	6,018		
58075. KOR South Korea	XXX					33,142	33,142		
58076. ESP Spain	XXX				(15)	2,416	6,624		
58077. LKA Sri Lanka	XXX				(797)	(3,136)	2,725		
58078. TWN Taiwan	XXX				(1,049)	39,186	40,235		
58079. THA Thailand	XXX				(24,438)	(82,266)	58,075		
58080. TTO Trinidad and Tobago	XXX				(4,746)	(7,821)	7,216		
58081. TUR Turkey	XXX					(38,832)	66,636		
58082. UKR Ukraine	XXX					(1,560)	2,817		



**OVERFLOW PAGE FOR WRITE-INS**

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

	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
<b>REMAINING WRITE-INS AGGREGATED AT LINE 58 FOR OTHER ALIEN</b>									
58083. URY Uruguay	X X X					(24,869)	(4,233)		
58084. VGB British Virgin Islands	X X X		28,010			94,777	423,647		
58085. ARG Argentina	X X X	(487)	3,785		297	(288)	7,468		
58086. LBN Lebanon	X X X	(961)	(961)			2,073	3,202		
58087. SGP Singapore	X X X	(5,211)	(5,211)		(6,213)	16,318	261,708		
Total (Lines 58004 through 58150) (Page 94, Line 58998)	X X X	764,818	4,212,639		(1,044,563)	2,087,852	19,669,755		

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