





42404202020100100

ANNUAL STATEMENT

For the Year Ended December 31, 2020
OF THE CONDITION AND AFFAIRS OF THE

Liberty Insurance Corporation

NAIC Group Code 0111 (Current Period) 0111 (Prior Period) NAIC Company Code 42404 Employer's ID Number 03-0316876
Organized under the Laws of Illinois, State of Domicile or Port of Entry IL
Country of Domicile United States of America
Incorporated/Organized October 21, 1988 Commenced Business November 3, 1988
Statutory Home Office 2815 Forbs Avenue, Suite 200 (Street and Number), Hoffman Estates, IL, US 60192 (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 x41420 (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.libertymutualgroup.com
Statutory Statement Contact Simone Thomas (Name) 617-357-9500 x41420 (Area Code) (Telephone Number) (Extension)
Statutory.Compliance@LibertyMutual.com (E-Mail Address) 603-430-1653 (Fax Number)

OFFICERS

Chairman of the Board
Mark Charles Touhey

Table with 2 columns: Name, Title. Row 1: James Michael MacPhee, President and Chief Executive Officer. Row 2: Mark Charles Touhey, Executive Vice President and Secretary. Row 3: Edward Jose Pena #, Executive Vice President and Treasurer.

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Row 1: Alison Brooke Erbig, Executive Vice President and Comptroller, Neeti Bhalla Johnson, EVP and Chief Investment Officer. Row 2: James Francis Kelleher, EVP and Chief Legal Officer, Christopher Locke Peirce, EVP and Chief Financial Officer.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Name, Name, Name. Row 1: Matthew Paul Dolan, Alison Brooke Erbig, Michael Joseph Fallon, Stacie Ann Graham. Row 2: Julie Marie Haase, Stephen Douglas Hylka, Christopher Bradley Johnston, James Michael MacPhee. Row 3: Sean Bulman McSweeney, Elizabeth Julia Morahan, Francis William Robinson, Jr., 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) James Michael MacPhee (Printed Name) 1. President and Chief Executive Officer (Title)
(Signature) Mark Charles Touhey (Printed Name) 2. Executive Vice President and Secretary (Title)
(Signature) Edward Jose Pena # (Printed Name) 3. Executive Vice President and Treasurer (Title)

Subscribed and sworn to (or affirmed) before me this on this 19th day of January, 2021, 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)	193,304,559		193,304,559	221,330,564
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
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 (\$ 52,362, Schedule E - Part 1), cash equivalents (\$ 4,845,104, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	4,897,466		4,897,466	7,798,863
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	1,645,034		1,645,034	2,186,877
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)	4,103,698		4,103,698	5,491,750
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	203,950,757		203,950,757	236,808,054
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,097,442		1,097,442	1,287,100
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
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				40,130
18.2 Net deferred tax asset				
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	87,412		87,412	488
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	2		2	
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	205,135,613		205,135,613	238,135,772
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	205,135,613		205,135,613	238,135,772

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	2		2	
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)	2		2	

## 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))	286,737	
7.2 Net deferred tax liability	2,478,000	2,510,000
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 \$ 756,381,699 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)		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)		
14. Amounts withheld or retained by company for account of others	129,403	59,405
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 3 Column 78)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	38,528	248,323
20. Derivatives		
21. Payable for securities	182,029	
22. Payable for securities lending	4,103,698	5,491,750
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	7,218,395	8,309,478
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	7,218,395	8,309,478
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	3,500,000	3,500,000
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	156,162,500	156,162,500
35. Unassigned funds (surplus)	38,254,718	70,163,795
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)	197,917,218	229,826,295
38. Totals (Page 2, Line 28, Col. 3)	205,135,613	238,135,773

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

## STATEMENT OF INCOME

	1	2
	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. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)		
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)		
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	5,833,641	6,500,067
10. Net realized capital gains (losses) less capital gains tax of \$ 989,070 (Exhibit of Capital Gains (Losses))	3,720,788	101,874
11. Net investment gain (loss) (Lines 9 + 10)	9,554,429	6,601,941
<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	281	1,441
15. Total other income (Lines 12 through 14)	281	1,441
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	9,554,710	6,603,382
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)	9,554,710	6,603,382
19. Federal and foreign income taxes incurred	770,930	867,919
20. Net income (Line 18 minus Line 19) (to Line 22)	8,783,780	5,735,463
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	229,826,294	249,604,355
22. Net income (from Line 20)	8,783,780	5,735,463
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (21,206)	(522,723)	37,446
25. Change in net unrealized foreign exchange capital gain (loss)	1,699	87,428
26. Change in net deferred income tax	10,795	(677,962)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)		
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders	(40,182,627)	(24,960,436)
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)	(31,909,076)	(19,778,061)
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	197,917,218	229,826,294

<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)	281	1,441
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)	281	1,441
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		(89,192)
2. Net investment income	6,243,086	7,039,543
3. Miscellaneous income	70,279	52,123
4. Total (Lines 1 through 3)	6,313,365	7,002,474
5. Benefit and loss related payments		
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions		
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	1,433,133	667,030
10. Total (Lines 5 through 9)	1,433,133	667,030
11. Net cash from operations (Line 4 minus Line 10)	4,880,232	6,335,444
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	105,866,789	90,418,630
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	25,330,449	9,104,421
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	131,197,238	99,523,051
13. Cost of investments acquired (long-term only):		
13.1 Bonds	111,886,809	94,517,892
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	23,942,396	12,377,744
13.6 Miscellaneous applications	(182,029)	2,502,090
13.7 Total investments acquired (Lines 13.1 to 13.6)	135,647,176	109,397,726
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)	(4,449,938)	(9,874,675)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	40,182,627	24,960,436
16.6 Other cash provided (applied)	36,850,936	28,568,546
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(3,331,691)	3,608,110
<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)	(2,901,397)	68,879
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	7,798,863	7,729,984
19.2 End of year (Line 18 plus Line 19.1)	4,897,466	7,798,863

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

20.0001	2 - Net Investment Income	13,274	10,386
20.0002	12.1 - Proceeds from investments sold, matured or repaid - Bonds	42,489,506	24,643,368
20.0003	13.1 - Cost of Investment Acquired - Bonds	3,967,478	10,386
20.0004	16.6 Cash provided (applied) - Other cash provided (applied)	(38,535,303)	(24,643,368)

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 – PREMIUMS EARNED

	1	2	3	4
Line of Business	Net Premiums Written per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year- per Col. 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year- per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability—occurrence				
11.2 Medical professional liability—claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability—occurrence				
17.2 Other liability—claims-made				
17.3 Excess workers' compensation				
18.1 Products liability—occurrence				
18.2 Products liability—claims-made				
19.1,19.2 Private passenger auto liability				
19.3,19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-nonproportional assumed property				
32. Reinsurance-nonproportional assumed liability				
33. Reinsurance-nonproportional assumed financial lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS				

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)				

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1A – RECAPITULATION OF ALL PREMIUMS

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

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

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



## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1B – PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non- Affiliates	4 To Affiliates	5 To Non- Affiliates	
1. Fire						
2. Allied lines	159,068			159,068		
3. Farmowners multiple peril						
4. Homeowners multiple peril	987,458,551			987,458,551		
5. Commercial multiple peril	383,678			383,678		
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	12,711,807			12,711,807		
10. Financial guaranty						
11.1 Medical professional liability--occurrence						
11.2 Medical professional liability--claims-made						
12. Earthquake	3,457,973			3,457,973		
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation	395,527,603			395,527,603		
17.1 Other liability—occurrence	165,948,544			165,948,544		
17.2 Other liability—claims-made	411,334			411,334		
17.3 Excess workers' compensation	22,380,799			22,380,799		
18.1 Products liability—occurrence	6,882,893			6,882,893		
18.2 Products liability—claims-made						
19.1,19.2 Private passenger auto liability	3,287,749			3,287,749		
19.3,19.4 Commercial auto liability	48,838,333			48,838,333		
21. Auto physical damage	12,312,229			12,312,229		
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-nonproportional assumed property	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	1,659,760,561			1,659,760,561		

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) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ X ] No [ ]

If yes: 1. The amount of such installment premiums \$ 398,241,036

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ 410,911,247

## 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								
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril	763,711,362		763,711,362					
5. Commercial multiple peril	407,713		407,713					
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine	5,527,380		5,527,380					
10. Financial guaranty								
11.1 Medical professional liability—occurrence								
11.2 Medical professional liability—claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation	217,287,333		217,287,333					
17.1 Other liability—occurrence	160,744,987		160,744,987					
17.2 Other liability—claims-made	227,420		227,420					
17.3 Excess workers' compensation	8,959,299		8,959,299					
18.1 Products liability—occurrence	2,909,674		2,909,674					
18.2 Products liability—claims-made								
19.1,19.2 Private passenger auto liability	12,243,275		12,243,275					
19.3,19.4 Commercial auto liability	35,094,209		35,094,209					
21. Auto physical damage	5,686,869		5,686,869					
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-nonproportional assumed property	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	1,212,799,521		1,212,799,521					

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)							

## 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									
2. Allied lines					4,621		4,621		
3. Farmowners multiple peril									
4. Homeowners multiple peril	239,863,795		239,863,795		194,892,221		194,892,221		
5. Commercial multiple peril	1,611,988		1,611,988		2,256,321		2,256,321		
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine	96,030		96,030		(97,679)		(97,679)		
10. Financial guaranty									
11.1 Medical professional liability—occurrence									
11.2 Medical professional liability—claims-made									
12. Earthquake					308,349		308,349		
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation	1,087,295,803		1,087,295,803		1,852,207,106		1,852,207,106		
17.1 Other liability—occurrence	249,415,121		249,415,121		408,313,491		408,313,491		
17.2 Other liability—claims-made	2,566,235		2,566,235		605,972		605,972		
17.3 Excess workers' compensation	208,513,450		208,513,450		217,803,901		217,803,901		
18.1 Products liability—occurrence	4,138,201		4,138,201		20,397,413		20,397,413		
18.2 Products liability—claims-made									
19.1,19.2 Private passenger auto liability	17,526,587		17,526,587		13,908,195		13,908,195		
19.3,19.4 Commercial auto liability	29,735,144		29,735,144		52,797,214		52,797,214		
21. Auto physical damage					573,910		573,910		
22. Aircraft (all perils)									
23. Fidelity									
24. Surety					(1,330)		(1,330)		
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
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	1,840,762,354		1,840,762,354		2,763,969,705		2,763,969,705		
<b>DETAILS OF WRITE-IN LINES</b>									
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	95,987,964			95,987,964
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	95,987,964			95,987,964
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)				
2. Commission and brokerage:				
2.1 Direct, excluding contingent		74,833,278		74,833,278
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent		74,833,278		74,833,278
2.4 Contingent—direct		(2,005,777)		(2,005,777)
2.5 Contingent—reinsurance assumed				
2.6 Contingent—reinsurance ceded		(2,005,777)		(2,005,777)
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			656	656
5. Boards, bureaus and associations			499	499
6. Surveys and underwriting reports			241	241
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries			150,450	150,450
8.2 Payroll taxes			33,755	33,755
9. Employee relations and welfare			74,603	74,603
10. Insurance			693	693
11. Directors' fees			27	27
12. Travel and travel items			2,344	2,344
13. Rent and rent items			52,887	52,887
14. Equipment			35,233	35,233
15. Cost or depreciation of EDP equipment and software			22,369	22,369
16. Printing and stationery			1,652	1,652
17. Postage, telephone and telegraph, exchange and express			3,864	3,864
18. Legal and auditing			2,884	2,884
19. Totals (Lines 3 to 18)			382,157	382,157
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)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)				
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses			68,301	68,301
25. Total expenses incurred			450,458	(a) 450,458
26. Less unpaid expenses—current year				
27. Add unpaid expenses—prior year				
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)			450,458	450,458

DETAILS OF WRITE-IN LINES				
2401. Other expenses			68,301	68,301
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)			68,301	68,301

(a) Includes management fees of \$ 450,459 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) 2,454,044	2,160,363
1.1 Bonds exempt from U.S. tax	(a) 737,557	741,043
1.2 Other bonds (unaffiliated)	(a) 3,268,381	3,369,288
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
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) 33,944	33,944
7. Derivative instruments	(f)	
8. Other invested assets	8,073	8,073
9. Aggregate write-ins for investment income	(28,611)	(28,611)
10. Total gross investment income	6,473,388	6,284,100
11. Investment expenses		(g) 450,458
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)		450,458
17. Net investment income (Line 10 minus Line 16)		5,833,642

DETAILS OF WRITE-IN LINES		
0901. Miscellaneous Income/(Expense)	(28,611)	(28,611)
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)	(28,611)	(28,611)
1501.		
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 \$ 208,699 accrual of discount less \$ 568,934 amortization of premium and less \$ 83,725 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 \$ 450,459 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	3,119,579		3,119,579		
1.1 Bonds exempt from U.S. tax	154,072		154,072	(387)	
1.2 Other bonds (unaffiliated)	1,436,206		1,436,206		
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				(543,542)	1,699
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	4,709,857		4,709,857	(543,929)	1,699

DETAILS OF WRITE-IN LINES					
0901.					
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			
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)			
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)			

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

**1. Summary of Significant Accounting Policies and Going Concern**

**A. Accounting Practices**

Effective January 1, 2001, and subject to any deviations prescribed or permitted by the State of Illinois, the accompanying financial statements of Liberty Insurance Corporation (the "Company") have been prepared in conformity with the National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual ("APP Manual").

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

**NET INCOME**

	SSAP #	F/S Page	F/S Line #	2020	2019
(1) Liberty Insurance Corporation state basis (Page 4, Line 20, Columns 1 & 2)	X X X	X X X	X X X	8,783,780	5,735,463
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					

Details of Depreciation of Fixed Assets		SSAP #	F/S Page	F/S Line #	2020	2019
.....						
Totals (Lines 01A0201 through 01A0225)					0	0

(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:

Details of Depreciation of Home Office Property		SSAP #	F/S Page	F/S Line #	2020	2019
.....						
Totals (Lines 01A0301 through 01A0325)					0	0

(4) NAIC SAP	(1 - 2 - 3 = 4)	X X X	X X X	X X X	8,783,780	5,735,463
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**SURPLUS**

	SSAP #	F/S Page	F/S Line #	2020	2019
(5) Liberty Insurance Corporation state basis (Page 3, Line 37, Columns 1 & 2)	X X X	X X X	X X X	197,917,218	229,826,295
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					

e.g., Goodwill, net, Fixed Assets, Net		SSAP #	F/S Page	F/S Line #	2020	2019
.....						
Totals (Lines 01A0601 through 01A0625)					0	0

(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:

Home Office Property		SSAP #	F/S Page	F/S Line #	2020	2019
.....						
Totals (Lines 01A0701 through 01A0725)					0	0

(8) NAIC SAP	(5 - 6 - 7 = 8)	X X X	X X X	X X X	197,917,218	229,826,295
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**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 Policy**

## NOTES TO FINANCIAL STATEMENTS

"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:

1. 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).
2. Bonds are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the SVO Manual.
3. 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).
4. 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).
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 2020.
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.

2. **Accounting Changes and Corrections of Errors**

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

3. **Business Combinations and Goodwill**

A. **Statutory Purchase Method**

The Company did not enter into any statutory purchases during the year.

B. **Statutory Merger**

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.

4. **Discontinued Operations**

The Company has no discontinued operations

A. **Discontinued Operations Disposed of or Classified as Held for Sale**  
Not Applicable

B. **Change in Plan of Sale of Discontinued Operation**  
  
Not Applicable

C. **Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal**  
  
Not Applicable



## NOTES TO FINANCIAL STATEMENTS

D. Equity Interest Retained in the Discontinued Operation After Disposal

Not Applicable

**5. Investments**

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not Applicable

B. Debt Restructuring

Not Applicable

C. Reverse Mortgages

Not Applicable

D. Loan-Backed Securities

(1) Prepayment speed assumptions are updated monthly with data sourced from the Bloomberg data service.

	(1)	(2)	(3)
	Amortized Co Basis Before Other-than- Temporary Impairment	Other-than- Temporary Impairment Recognized in L	Fair Value 1 - 2
OTTI recognized 1st Quarter			
a. Intent to sell	\$ 0	0	0
b. Inability or lack of intent to retain the investment in the security for a p recover the amortized cost basis	\$ 0	0	0
c. Total 1st Quarter	\$ 0	0	0
OTTI recognized 2nd Quarter			
d. Intent to sell	\$ 0	0	0
e. Inability or lack of intent to retain the investment in the security for a p recover the amortized cost basis	\$ 0	0	0
f. Total 2nd Quarter	\$ 0	0	0
OTTI recognized 3rd Quarter			
g. Intent to sell	\$ 0	0	0
h. Inability or lack of intent to retain the investment in the security for a p recover the amortized cost basis	\$ 0	0	0
i. Total 3rd Quarter	\$ 0	0	0
OTTI recognized 4th Quarter			
j. Intent to sell	\$ 0	0	0
k. Inability or lack of intent to retain the investment in the security for a p recover the amortized cost basis	\$ 0	0	0
l. Total 4th Quarter	\$ 0	0	0
m. Annual Aggregate Total	\$ X X X	0	

(1)	(2)	(3)	(4)	(5)	(6)	(7)
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-than- Temporary Impairment	Amortized Cost After Other- Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
\$ Total	X X X	X X X	0	X X X	X X X	X X X

NOTE: Each CUSIP should be listed separately each time an OTTI is recognized

For Securities with amortized cost or adjusted amortized cost:

Column 2 minus Column 3 should equal Column 4

Column 2 minus Column 4 should equal Column 5

(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, 2020:

## NOTES TO FINANCIAL STATEMENTS

a. The aggregate Amount of unrealized losses:

	(1)
Less than 12 months .....	\$ (387)
12 Months or Longer .....	\$ 0

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

Less than 12 months .....	\$ 999,612
12 Months or Longer .....	\$ 0

(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 for securities lending.

(2) The Company has not pledged any of its assets as collateral as of December 31, 2020.

(3) Collateral Received

a. Aggregate Amount Collateral Received

1. Securities Lending

	Fair Value
Open .....	\$ 4,103,698
30 Days or Less .....	\$ 0
31 to 60 Days .....	\$ 0
61 to 90 Days .....	\$ 0
Greater Than 90 Days .....	\$ 0
Sub-Total .....	\$ 4,103,698
Securities Received .....	\$ 3,007,202
Total Collateral Received .....	\$ 7,110,900

2. Dollar Repurchase Agreement

	Fair Value
Open .....	\$ 0
30 Days or Less .....	\$ 0
31 to 60 Days .....	\$ 0
61 to 90 Days .....	\$ 0
Greater Than 90 Days .....	\$ 0
Sub-Total .....	\$ 0
Securities Received .....	\$ 0
Total Collateral Received .....	\$ 0

b. The fair value of that collateral and of the portion that it has sold or repledged .....

\$ 7,110,900

c. All collateral is received in the form of cash and/or securities equal to or in excess of 102% of the loaned value and are maintained in a separate custody account. Cash collateral is reinvested into short-term investments as outlined in the terms of the investment agreement. Per the terms of the investment agreement the Company has the right and ability to redeem any eligible securities on short notice.

d. 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

a. Aggregate Amount Collateral Reinvested

## NOTES TO FINANCIAL STATEMENTS

### 1. Securities Lending

	Amortized Cost	Fair Value
Open	\$ 0	0
30 Days or Less	\$ 1,353,349	1,353,349
31 to 60 Days	\$ 1,838,104	1,838,104
61 to 90 Days	\$ 912,244	912,244
91 to 120 Days	\$ 0	0
121 to 180 Days	\$ 0	0
181 to 365 Days	\$ 0	0
1 to 2 years	\$ 0	0
2 to 3 year	\$ 0	0
Greater Than 3 years	\$ 0	0
Sub-Total	\$ 4,103,697	4,103,697
Securities Received	\$ 0	0
Total Collateral Reinvested	\$ 4,103,697	4,103,697

### 2. Dollar Repurchase Agreement

Open	\$ 0	0
30 Days or Less	\$ 0	0
31 to 60 Days	\$ 0	0
61 to 90 Days	\$ 0	0
91 to 120 Days	\$ 0	0
121 to 180 Days	\$ 0	0
181 to 365 Days	\$ 0	0
1 to 2 years	\$ 0	0
2 to 3 year	\$ 0	0
Greater Than 3 years	\$ 0	0
Sub-Total	\$ 0	0
Securities Received	\$ 0	0
Total Collateral Reinvested	\$ 0	0

- b. The reporting entity's sources of cash that it uses to return the cash collateral is dependent on the liquidity of the current market conditions. Under current conditions, the reporting entity could liquidate all or a portion of its cash collateral reinvestment securities in order to meet the collateral calls that could come due under a worst-case scenario.

(6) The Company has not accepted collateral that it is not permitted by contract or custom to sell or re-pledge.

(7) Collateral for securities lending transactions that extend beyond one year from the reporting date:

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 Sale

Not Applicable

#### I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

#### J. Real Estate

The Company does not hold any investments in real estate.

#### K. Investment in Low Income Housing Tax credits ("LIHTC")

- There are three years remaining of unexpired tax credits. The required holding period for the LIHTC investment is fifteen years.
- There were \$788,327 of LIHTC and other tax benefits recognized during the year.
- The balance of the investment recognized in the statement of financial position for the current year is \$1,274,358.
- The Company's LIHTC property is required to meet regulatory benchmarks to comply with the LIHTC program which include the review of tenant files. Oversight of the projects is administered by the State Housing agencies.
- The carrying value of the Company's investment in LIHTC did not exceed 10% of its admitted assets.
- The Company did not recognize any impairment loss on its LIHTC investment during the year.
- The Company did not write-down its LIHTC investment or reclassify the LIHTC during the year due to the forfeiture or ineligibility of tax credits.

#### L. Restricted Assets

## NOTES TO FINANCIAL STATEMENTS

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)
	1 Total General Account (G/A)	2 G/A Supporting S/A Activity (a)	3 Total Separate Account (S/A) Restricted Ass	4 S/A Assets Supporting G/A Activity (b)	5 Total (1 plus 3)		
a. Subject to contractual obligation for which liability is not shown	\$ 0	0	0	0	0	0	0
b. Collateral held under security lending agreements	\$ 4,103,698	0	0	0	4,103,698	5,491,750	-1,388,052
c. Subject to repurchase agreements	\$ 0	0	0	0	0	0	0
d. Subject to reverse repurchase agreements	\$ 0	0	0	0	0	0	0
e. Subject to dollar repurchase agreements	\$ 0	0	0	0	0	0	0
f. Subject to dollar reverse repurchase agreements	\$ 0	0	0	0	0	0	0
g. Placed under option contracts	\$ 0	0	0	0	0	0	0
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$ 0	0	0	0	0	0	0
i. FHLB capital stock	\$ 0	0	0	0	0	0	0
j. On deposit with states	\$ 7,086,387	0	0	0	7,086,387	7,126,630	-40,243
k. On deposit with other regulatory bodies	\$ 9,143,860	0	0	0	9,143,860	9,088,555	55,305
l. Pledged as collateral to FHLB (including assets backing funding agreements)	\$ 0	0	0	0	0	0	0
m. Pledged as collateral not captured in other categories	\$ 0	0	0	0	0	0	0
n. Other restricted Assets	\$ 0	0	0	0	0	0	0
<b>o. Total Restricted Assets</b>	<b>\$ 20,333,945</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,333,945</b>	<b>21,706,935</b>	<b>-1,372,990</b>

(a) Subset of Column 1

(b) Subset of Column 3

Restricted Asset Category	Current Year			
	8	9	Percentage	
	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	10	11
			Gross (Admitted Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Tot Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ 0	0	0.000	0.000
b. Collateral held under security lending agreements	\$ 0	4,103,698	2.000	2.000
c. Subject to repurchase agreements	\$ 0	0	0.000	0.000
d. Subject to reverse repurchase agreements	\$ 0	0	0.000	0.000
e. Subject to dollar repurchase agreements	\$ 0	0	0.000	0.000
f. Subject to dollar reverse repurchase agreements	\$ 0	0	0.000	0.000
g. Placed under option contracts	\$ 0	0	0.000	0.000
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$ 0	0	0.000	0.000
i. FHLB capital stock	\$ 0	0	0.000	0.000
j. On deposit with states	\$ 0	7,086,387	3.454	3.454
k. On deposit with other regulatory bodies	\$ 0	9,143,860	4.457	4.457
l. Pledged as collateral to FHLB (including assets backing funding agreements)	\$ 0	0	0.000	0.000
m. Pledged as collateral not captured in other categories	\$ 0	0	0.000	0.000
n. Other restricted Assets	\$ 0	0	0.000	0.000
<b>o. Total Restricted Assets</b>	<b>\$ 0</b>	<b>20,333,945</b>	<b>9.911</b>	<b>9.911</b>

(a) Column 5 divided by Assets Page, Column 1, Line 28

(b) Column 9 divided by Assets Page, Column 1, Line 28

## NOTES TO FINANCIAL STATEMENTS

- (2) Details of Assets Pledged as Collateral Not Captured in Other Categories  
 (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in Aggregate)

	Gross (Admitted & Nonadmitted) Restricted								
	Current Year								
Description of Assets	1	2	3	4	5	6	7		
	Total General Account (G/A)	G/A Supportin S/A Activity (a)	Total Separate Account (S/A) Restricted Ass	S/A Assets Supporting G/ Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ Decrease (5 minus 6)		
Total (c)	0	0	0	0	0	0	0		

	Percentage		
	8	9	10
Description of Assets	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Total (c)	0	0.000	0.000

- (a) Subset of column 1  
 (b) Subset of column 3  
 (c) Total Line for Column 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively

- (3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristic Reinsurance and Derivatives, Are Reported in the Aggregate)

	Gross (Admitted & Nonadmitted) Restricted								
	Current Year								
Description of Assets	1	2	3	4	5	6	7		
	Total General Account (G/A)	G/A Supportin S/A Activity (a)	Total Separate Account (S/A) Restricted Ass	S/A Assets Supporting G/ Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ Decrease (5 minus 6)		
Total (c)	0	0	0	0	0	0	0		

	Percentage		
	8	9	10
Description of Assets	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Total (c)	0	0.000	0.000

- (a) Subset of column 1  
 (b) Subset of column 3  
 (c) Total Line for Column 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively

## NOTES TO FINANCIAL STATEMENTS

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statement.

		1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted*)	4 % of BACV to Total Admitted Assets**
<b>Collateral Assets</b>					
<b>General Account:</b>					
a. Cash, Cash Equivalents and Short-Term Investments	\$	0	0	0.000	0.000
b. Schedule D, Part 1	\$	0	0	0.000	0.000
c. Schedule D, Part 2, Section 1	\$	0	0	0.000	0.000
d. Schedule D, Part 2, Section 2	\$	0	0	0.000	0.000
e. Schedule B	\$	0	0	0.000	0.000
f. Schedule A	\$	0	0	0.000	0.000
g. Schedule BA, Part 1	\$	0	0	0.000	0.000
h. Schedule DL, Part 1	\$	4,103,698	4,103,698	2.000	2.000
i. Other	\$	0	0	0.000	0.000
<b>j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)</b>	<b>\$</b>	<b>4,103,698</b>	<b>4,103,698</b>	<b>2.000</b>	<b>2.000</b>
<b>Separate Account:</b>					
k. Cash, Cash Equivalents and Short-Term Investments	\$	0	0	0.000	0.000
l. Schedule D, Part 1	\$	0	0	0.000	0.000
m. Schedule D, Part 2, Section 1	\$	0	0	0.000	0.000
n. Schedule D, Part 2, Section 2	\$	0	0	0.000	0.000
o. Schedule B	\$	0	0	0.000	0.000
p. Schedule A	\$	0	0	0.000	0.000
q. Schedule BA, Part 1	\$	0	0	0.000	0.000
r. Schedule DL, Part 1	\$	0	0	0.000	0.000
s. Other	\$	0	0	0.000	0.000
<b>t. Total Collateral Assets (k+l+m+n+o+p+q+r+s)</b>	<b>\$</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>

\* j = Column 1 divided by Asset Page, Line 26 (Column 1)  
t = Column 1 divided by Asset Page, Line 27 (Column 1)

\*\* j = Column 1 divided by Asset Page, Line 26 (Column 3)  
t = Column 1 divided by Asset Page, Line 27 (Column 3)

	<u>1</u>	<u>2</u>
	Amount	% of Liability to Total Liabilities*
u. Recognized Obligation to Return Collateral Assets (General Account)	\$ 4,103,698	2.000
v. Recognized Obligation to Return Collateral Asset (Separate Account)	\$ 0	0.000

\* u = Column 1 divided by Liability Page, Line 26 (Column 1)  
v = Column 1 divided by Liability Page, Line 27 (Column 1)

M. Working Capital Finance Investments  
Not Applicable

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

	General Account	Separate Account
(1) Number of CUSIPs	6	0
(2) Aggregate Amount of Investment Income	126,803	0

**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

The Company's investment in joint ventures, partnerships, or limited liability companies does not exceed 10% of its admitted assets.

## NOTES TO FINANCIAL STATEMENTS

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

The Company's limited partnership investment is reported in accordance with SSAP No. 48. These limited partnerships are valued by the equity method using traditional private equity valuation measures. Interim poor performance which indicates a probable inability to recover the carrying amount of the assets leads to impairment losses being recognized by management. The Company did not realize any impairment losses during the year.

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, 2020.

8. **Derivative Instruments**

A. Derivatives under SSAP No. 86—Derivatives

- (1) 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.

9. **Income Taxes**

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

	12/31/2020			12/31/2019		
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	(Col 1 + 2) Total	Ordinary	Capital	(Col 4 + 5) Total
a. Gross Deferred Tax Assets	\$ 299,000	1,227,000	1,526,000	425,000	820,000	1,245,000
b. Statutory Valuation Allowance Adjustments	\$ 0	0	0	0	0	0
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 299,000	1,227,000	1,526,000	425,000	820,000	1,245,000
d. Deferred Tax Assets Nonadmitted	\$ 0	0	0	0	0	0
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 299,000	1,227,000	1,526,000	425,000	820,000	1,245,000
f. Deferred Tax Liabilities	\$ 783,000	3,221,000	4,004,000	869,000	2,886,000	3,755,000
g. Net Admitted Deferred Tax Assets / (Net Deferred Tax Liability) (1e - 1f)	\$ (484,000)	(1,994,000)	(2,478,000)	(444,000)	(2,066,000)	(2,510,000)

	Change		
	(7)	(8)	(9)
	(Col 1 - 4) Ordinary	(Col 2 - 5) Capital	(Col 7 + 8) Total
a. Gross Deferred Tax Assets	\$ (126,000)	407,000	281,000
b. Statutory Valuation Allowance Adjustments	\$ 0	0	0
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ (126,000)	407,000	281,000
d. Deferred Tax Assets Nonadmitted	\$ 0	0	0
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ (126,000)	407,000	281,000
f. Deferred Tax Liabilities	\$ (86,000)	335,000	249,000
g. Net Admitted Deferred Tax Assets / (Net Deferred Tax Liability) (1e - 1f)	\$ (40,000)	72,000	32,000

## NOTES TO FINANCIAL STATEMENTS

(2)	12/31/2020			12/31/2019		
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	(Col 1 + 2) Total	Ordinary	Capital	(Col 4 + 5) Total
Admission Calculation Components SSAP No. 101						
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 0	0	0	0	0	0
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)	\$ 4,000	0	4,000	134,000	0	134,000
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ 4,000	0	4,000	134,000	0	134,000
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	29,904,885	X X X	X X X	34,606,643
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.	\$ 295,000	1,227,000	1,522,000	291,000	820,000	1,111,000
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total ( 2(a) + 2(b) + 2(c) )	\$ 299,000	1,227,000	1,526,000	425,000	820,000	1,245,000

(2)	Change		
	(1)	(2)	(3)
	(Col 1 - 4) Ordinary	(Col 2 - 5) Capital	(Col 7 + 8) Total
Admission Calculation Components SSAP No. 101			
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 0	0	0
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)	\$ (130,000)	0	(130,000)
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ (130,000)	0	(130,000)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	(4,701,758)
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.	\$ 4,000	407,000	411,000
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total ( 2(a) + 2(b) + 2(c) )	\$ (126,000)	407,000	281,000

(3)	2020	2019
	a. Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.	39586.800%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 197,917,217.000	229,826,295.000

(4)	12/31/2020		12/31/2019		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	(Col 1 - 3) Ordinary	(Col 2 - 4) 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)	\$ 299,000	1,227,000	425,000	820,000	(126,000)	407,000
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact of Tax Planning Strategies	0.000	0.000	0.000	0.000	0.000	0.000
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 299,000	1,227,000	425,000	820,000	(126,000)	407,000
4. Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Attributable To The Impact of Tax Planning Strategies	0.000	0.000	0.000	0.000	0.000	0.000

b. Does the Company's Tax-planning Strategies include the use of reinsurance? NO

B. Regarding deferred tax liabilities that are not recognized:

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:



## NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)
	12/31/2020	12/31/2019	(Col 1 - 2) Change
(1) Current Income Tax			
a. Federal	\$ 770,930	867,919	(96,989)
b. Foreign	\$ 0	0	0
c. Subtotal	\$ 770,930	867,919	(96,989)
d. Federal Income Tax on net capital gains	\$ 989,070	27,081	961,989
e. Utilization of capital loss carry-forwards	\$ 0	0	0
f. Other	\$ 0	0	0
g. Federal and foreign income taxes incurred	\$ 1,760,000	895,000	865,000
(2) Deferred Tax Assets:			
a. Ordinary			
1. Discounting of unpaid losses	\$ 0	0	0
2. Unearned premium reserve	\$ 0	0	0
3. Policyholder reserves	\$ 0	0	0
4. Investments	\$ 295,000	290,000	5,000
5. Deferred acquisition costs	\$ 0	0	0
6. Policyholder dividends accrual	\$ 0	0	0
7. Fixed assets	\$ 0	0	0
8. Compensation and benefits accrual	\$ 0	0	0
9. Pension accrual	\$ 0	0	0
10. Receivables - nonadmitted	\$ 0	0	0
11. Net operating loss carry-forward	\$ 0	0	0
12. Tax credit carry-forward	\$ 4,000	134,000	(130,000)
13 Other (including items <5% of total ordinary tax assets)	\$ 0	1,000	(1,000)
99. Subtotal	\$ 299,000	425,000	(126,000)
b. Statutory valuation allowance adjustment	\$ 0	0	0
c. Nonadmitted	\$ 0	0	0
d. Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 299,000	425,000	(126,000)
e. Capital:			
(1) Investments	\$ 1,227,000	820,000	407,000
(2) Net capital loss carry-forward	\$ 0	0	0
(3) Real estate	\$ 0	0	0
(4) Other (including items <5% of total capital tax assets)	\$ 0	0	0
99 Subtotal	\$ 1,227,000	820,000	407,000
f. Statutory valuation allowance adjustment	\$ 0	0	0
g. Nonadmitted	\$ 0	0	0
h. Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 1,227,000	820,000	407,000
i. Admitted deferred tax assets (2d + 2h)	\$ 1,526,000	1,245,000	281,000
(3) Deferred Tax Liabilities:			
a. Ordinary			
1. Investments	\$ 719,000	699,000	20,000
2. Fixed assets	\$ 63,000	63,000	0
3. Deferred and uncollected premium	\$ 0	0	0
4. Policyholder reserves	\$ 0	0	0
5. Other (including items <5% of total ordinary tax liabilities)	\$ 1,000	107,000	(106,000)
99. Subtotal	\$ 783,000	869,000	(86,000)
b. Capital:			
1. Investments	\$ 3,221,000	2,886,000	335,000
2. Real Estate	\$ 0	0	0
3. Other (including items <5% of total capital tax liabilities)	\$ 0	0	0
99. Subtotal	\$ 3,221,000	2,886,000	335,000
c. Deferred tax liabilities (3a99 + 3b99)	\$ 4,004,000	3,755,000	249,000
(4) Net deferred tax assets/liabilities (2i - 3c)	\$ (2,478,000)	(2,510,000)	32,000

D. Effective tax rates differ from the current statutory rate of 21% principally due to the effects of tax exempt income and deferred intercompany transactions.

## NOTES TO FINANCIAL STATEMENTS

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

(1) The Company has general business credit carry-forwards which expire as follows:

Year Generated	Amount	Expiration
2019	\$4,000	2039

(2) The amount of Federal income taxes incurred and available for recoupment in the event of future losses is \$1,678,000 from the current year and \$956,000 from the preceding year.

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

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.

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.
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.

## NOTES TO FINANCIAL STATEMENTS

Liberty Mutual Group Inc.	Winmar-Metro, Inc.
Liberty Mutual Holding Company Inc.	Workgrid Software, Inc.
Liberty Mutual Insurance Company	

- 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  
Not applicable.
- I. Alternative Minimum Tax Credit

	<u>Amount</u>
(1) Gross AMT Credit Recognized as:	
a. Current year recoverable	\$ 0
b. Deferred tax asset (DTA)	\$ 0
(2) Beginning Balance of AMT Credit Carryforward	\$ 115,000
(3) Amounts Recovered	\$ 115,000
(4) Adjustments	\$ 0
(5) Ending Balance of AMT Credit Carryforward (5=2-3-4)	\$ 0
(6) Reduction for Sequestration	\$ 0
(7) Nonadmitted by Reporting Entity	\$ 0
(8) Reporting Entity Ending Balance (8=5-6-7)	\$ 0

Note: The disclosure for Nonadmitted by Reporting Entity (Line 7) intends to capture any nonadmittance of the AMT Tax Credit by the reporting entity prior to DTA admittance limitations reflected in SSAP No. 101.

Reporting Entity Ending Balance (Line 8) reflects the amount of AMT Credit recognized by the reporting entity. This amount may be further reduced by D limitations required in SSAP No. 101.

### 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. All the outstanding shares of capital stock of the Company are held by Liberty Mutual Insurance Company ("LMIC"), a Massachusetts insurance company. LMIC is wholly owned by Liberty Mutual Group Inc. The ultimate parent of LMIC is Liberty Mutual Holding Company Inc. ("LMHC"), 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 2020.
- D. At December 31, 2020, the Company reported a net \$48,884 due from 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, written or otherwise, for the benefit of affiliates or other related parties.
- 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 the 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"), and an investment management agreement with Liberty Mutual Investment Advisors LLC ("LMIA"). Under these agreements, LMGAM and LMIA provide services to the Company.

The Company is a party to an "Agent-Company Agreement" with Helmsman Insurance Agency LLC ("Helmsman") whereby Helmsman is appointed a property-casualty insurance agent of the Company and provides usual and customary services of an insurance agent on all insurance contracts placed by Helmsman with the Company.

The Company is a 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.

## NOTES TO FINANCIAL STATEMENTS

- I. The Company does not own investments in subsidiary, controlled or affiliated companies.
- 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

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
.....				
Total SSAP No. 97 8A Entities	X X X	0	0	0
b. SSAP No. 97 8b(ii) Entities				
.....				
Total SSAP No. 97 8b(ii) Entities	X X X	0	0	0
c. SSAP No. 97 8b(iii) Entities				
.....				
01. Georgia Tax Credit Fund LM L.P.	24.995	1,274,358	1,274,358	0
.....				
Total SSAP No. 97 8b(iii) Entities	X X X	1,274,358	1,274,358	0
d. SSAP No. 97 8b(iv) Entities				
.....				
Total SSAP No. 97 8b(iv) Entities	X X X	0	0	0
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b + c + d)	X X X	1,274,358	1,274,358	0
f. Aggregate Total (a + e)	X X X	1,274,358	1,274,358	0

(2) NAIC Filing Response Information

SCA Entity (Should be same entities as shown in M(1) above.)	Type of NAIC Filing *	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y / N	NAIC Disallow Entities Valuation Method, Resubmission Required Y / N	Code **
a. SSAP No. 97 8a Entities						
.....						
Total SSAP No. 97 8A Entities	X X X	X X X	0	X X X	X X X	X X X
b. SSAP No. 97 8b(ii) Entities						
.....						
Total SSAP No. 97 8b(ii) Entities	X X X	X X X	0	X X X	X X X	X X X
c. SSAP No. 97 8b(iii) Entities						
.....						
Total SSAP No. 97 8b(iii) Entities	X X X	X X X	0	X X X	X X X	X X X
d. SSAP No. 97 8b(iv) Entities						
.....						
Total SSAP No. 97 8b(iv) Entities	X X X	X X X	0	X X X	X X X	X X X
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b + c + d)	X X X	X X X	0	X X X	X X X	X X X
f. Aggregate Total (a + e)	X X X	X X X	0	X X X	X X X	X X X

\* S1 - Sub-1, S2 - Sub 2 or RDF - Resubmission of Disallowed

\*\* I - Immaterial or M - Material

N. Investment in Insurance SCAs

Not Applicable

O. SCA Loss Tracking

Not Applicable

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## NOTES TO FINANCIAL STATEMENTS

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## A. Debt (Including Capital Notes)

The Company has no debt, including capital notes.

## B. FHLB (Federal Home Loan Bank) Agreements

Not Applicable

## C. There were no outstanding borrowings as of December 31, 2020

**12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

## A. Defined 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.

**13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

## A. The Company has 30,000 shares authorized, and 25,000 shares issued and outstanding as of December 31, 2020. All shares have a stated par value of \$140.

## B. Preferred Stock

Not applicable.

## C. There are no dividend restrictions.

## D. The Company paid dividends to its parent in 2020 of:

## E. The maximum amount of dividends which can be paid by Illinois-domiciled insurance companies to shareholders without the prior approval of the Insurance Director is the greater of (a) 10% of surplus or (b) net income, subject to the availability of accumulated undistributed earnings. The Company cannot pay a dividend in 2021 without the prior approval of the Insurance Commissioner, as its full year dividends paid exceeds the max dividend as calculated according to state guidance.

## F. The Company does not have restricted unassigned surplus.

## G. The Company had no advances to surplus.

## H. The Company does not hold stock for special purposes.

## I. The Company does not hold special surplus funds.

J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses: ..... \$ (3,508,187) after applicable deferred taxes of (\$11,014)

## K. The company issued the following surplus debentures or similar obligations:

Not Applicable

## L. The impact of any restatement due to prior quasi-reorganizations is as follows:

Not Applicable

## M. Quasi-reorganization (effective date)

Not applicable

**14. Liabilities, Contingencies and Assessments**

## A. Contingent Commitments

Refer to Note 10E

(1) Total SSAP No. 97 - Investments in Subsidiary, Control Partnerships and Limited Liability Companies contingent \$ 0

## B. Assessments

## NOTES TO FINANCIAL STATEMENTS

- (1) 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.

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

Claims related ECO and bad faith losses paid during the reporting period \$ 2,091,028

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period: (a) 0-25 claims (b) 26-50 claims (c) 51-100 claims (d) 101-500 claims (e) More than 500 claims

Answer (A, B, C, D, or E):

B

Indicate whether claim count information is disclosed (f) per claim or (g) per claimant

Answer (F or G):

F

E. Product Warranties

Not Applicable

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.

15. Leases.

A. Lessee Leasing Arrangements

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

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

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

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.

Not Applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

## NOTES TO FINANCIAL STATEMENTS

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

(2) Not applicable

**B. Transfers and Servicing of Financial Assets**

(1) 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 102% of the market value of the loaned securities. Acceptable collateral may be in the form of cash or U.S. Government securities, such as Treasuries and Agency Bonds. The market value of the loaned securities is monitored and additional collateral is obtained if the market value of the collateral falls below 102% of the market value of the loaned securities. Additionally, the lending agent indemnifies the Company against borrower defaults. Cash collateral is carried as an asset with an offsetting liability on the balance sheet, as the collateral is unrestricted and the Company can exercise discretion as to how the collateral is invested. The loaned securities remain a recorded asset of the Company. At December 31, 2020 the total fair value of securities on loan was \$6,946,804 with corresponding collateral value of \$7,110,900 of which \$4,103,698 represents cash collateral that was reinvested.

**C. Wash Sales:**

Not Applicable

**18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

Not Applicable

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

The Company has no direct premiums written or produced through managing general agents or third party administrators.

**20. Fair Value Measurements**

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

Pursuant to the guidance in SSAP No. 100, Fair Value Measurements, the Company carries no assets or liabilities on its balance sheet measured at fair value.

**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)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
01 Cash, Cash Equivalents & Short Term	\$ 4,897,465	4,897,465	52,361	4,139,878	0	705,226	0
02 Bonds	\$ 206,775,246	193,304,559	34,552,052	170,676,787	1,546,406	0	0
03 Preferred Stock	\$ 0	0	0	0	0	0	0
04 Common Stock	\$ 0	0	0	0	0	0	0
05 Securities Lending	\$ 4,103,725	4,103,698	0	4,103,725	0	0	0
06 Mortgage Loans	\$ 0	0	0	0	0	0	0
07 Surplus Notes	\$ 0	0	0	0	0	0	0
09 Net Derivatives	\$ 0	0	0	0	0	0	0
<b>Total</b>	<b>\$ 215,776,436</b>	<b>202,305,722</b>	<b>34,604,413</b>	<b>178,920,390</b>	<b>1,546,406</b>	<b>705,226</b>	<b>0</b>

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

Not Applicable

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

(1) 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.

**21. Other items**

**A. Unusual or Infrequent Items**

The Company has no unusual or infrequent items to report.

**B. Troubled Debt Restructuring**

Not Applicable

**C. Other Disclosures**

## NOTES TO FINANCIAL STATEMENTS

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 v15.0 and AIR's Touchstone v3.1 software. For workers' compensation, Liberty Mutual utilizes RiskLink v15.0 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.

2. Florida Special Disability Trust Fund

- a. The Company took a credit in the determination of its loss reserves of \$305,700 in 2020 and \$306,200 in 2019.
- b. The Company received payments from the Special Disability Trust Fund of \$0 in 2020 and \$14,149 in 2019.
- c. The amount the Company was assessed by the Special Disability Trust Fund was \$78,842 in 2020 and \$90,226 in 2019.

D. Business Interruption Insurance Recoveries

The Company does not purchase business interruption coverage.

E. State Transferable Tax Credits

(1) Description of State Transferrable Tax Credits

Carrying value of transferable and non-transferable state tax credits gross of any related state tax liabilities and total unused transferable and non-transferable state tax credits by state and in total

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) Direct exposure through investments in subprime mortgage loans.

	1	2	3	4	5
	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Value of Land and Buildings	Other-Than- Temporary Impairment Losses Recognized	Default Rate
a. Mortgages in the process of foreclosure	0	0	0	0	0
b. Mortgages in good standing	0	0	0	0	0
c. Mortgages with restructure terms	0	0	0	0	0
d. Total	0	0	0	0	



## NOTES TO FINANCIAL STATEMENTS

(3) Direct exposure through other investments.

	1	2	3	4
	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than- Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	0	0	0	0
b. Commercial mortgage-backed securities	0	0	0	0
c. Collateralized debt obligations	0	0	0	0
d. Structured securities	0	0	0	0
e. Equity investment in SCAs *	0	0	0	0
f. Other assets	0	0	0	0
g. Total	0	0	0	0

\*ABC Company's subsidiary XYZ Company has investments in subprime mortgages. These investments comprise \_\_\_\_% of the companies invested assets. 0.000

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

	1	2	3	4
	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at End of Current Period	IBNR Reserves at End of Current Period
a. Mortgage Guaranty Coverage	0	0	0	0
b. Financial Guaranty Coverage	0	0	0	0
c. Other Lines (specify):	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
d. Total	0	0	0	0

G. Insurance-Linked Securities (ILS) Contracts

Not Applicable

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

**22. Events Subsequent**

The Company evaluated subsequent events through February 21, 2021, the date the annual statement was available to be issued.

There were no events subsequent to December 31, 2020 that would require disclosure.

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

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	_____	_____
Not Applicable		

**23. Reinsurance**

A. Unsecured Reinsurance Recoverables

Excluding amounts arising pursuant to the Intercompany Reinsurance Agreements, there are no unsecured reinsurance recoverables with an individual reinsurer which exceed 3% of policyholder's surplus.

B. Reinsurance Recoverable in Dispute

## NOTES TO FINANCIAL STATEMENTS

Not Applicable

C. REINSURANCE ASSUMED AND CEDED

(1) Report the maximum amount of return commission which would have been due reinsurers....

	Assumed		Ceded		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
	(1)	(2)	(3)	(4)	(5)	(6)
a. Affiliates	\$ 0	0	756,381,699	0	(756,381,699)	0
b. All Other	\$ 0	0	0	0	0	0
c. TOTAL	\$ 0	0	756,381,699	0	(756,381,699)	0
d. Direct Unearned Premium Reserve	\$ 756,381,699					

Line (c) of Column 3 must Equal page 3, Line 9, first inside amt.

(2) Additional or return commission ... on any form of profit sharing arrangements

The Company has no contingent commissions, sliding scale, or other profit sharing commissions for direct, assumed or ceded business.

(3) Reinsurance

Protected Cell Name	Covered Exposure	Ultimate Exposure Amt	Fair Value of Assets 12/31	Initial Contract Date	Maturity Date
(99) Totals Lines 23C0301 through 23C0305		0	0		

D. UNCOLLECTIBLE REINSURANCE

Not Applicable

E. COMMUTATION OF CEDED REINSURANCE

Not Applicable

F. RETROACTIVE REINSURANCE

Not Applicable

G. Reinsurance Accounted for as a Deposit

The Company has not entered into any reinsurance agreements that have been accounted for as deposits as of December 31, 2020.

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

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 Reinsurer Rating Downgraded or Status Subject to Revocation

(1) Reporting Entity Ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation

b. The Company does not transact business with Certified Reinsurers.

(2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation

b. The Company is not a Certified Reinsurer.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not Applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

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

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

25. Changes in Incurred Losses and Loss Adjustment Expenses

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

26. Intercompany Pooling Arrangements

The Company is a member of the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement consisting of the following affiliated companies:

## NOTES TO FINANCIAL STATEMENTS

		NAIC Company Number	Pooling Companies	Line of Business
Lead Company:	Liberty Mutual Insurance Company ("LMIC")	23043	50%	All Lines
Affiliated	Peerless Insurance Company ("PIC")	24198	20%	All Lines
Pool Companies:	Employers Insurance Company of Wausau ("EICOW")	21458	8%	All Lines
	Liberty Mutual Fire Insurance Company ("LMFIC")	23035	8%	All Lines
	The Ohio Casualty Insurance Company ("OCIC")	24074	8%	All Lines
	Safeco Insurance Company of America ("SICOA")	24740	6%	All Lines
	American Economy Insurance Company ("AEIC")	19690	0%	All Lines
	America First Insurance Company ("AFIC")	12696	0%	All Lines
	America Fire and Casualty Company ("AFCIC")	24066	0%	All Lines
	America First Lloyd's Insurance Company ("AFLIC")	11526	0%	All Lines
	American States Insurance Company ("ASIC")	19704	0%	All Lines
	American States Insurance Company of Texas ("ASICT")	19712	0%	All Lines
	American States Lloyd's Insurance Company ("ASLCO")	31933	0%	All Lines
	American States Preferred Insurance Company ("ASPC")	37214	0%	All Lines
	Colorado Casualty Insurance Company ("CCIC")	41785	0%	All Lines
	Consolidated Insurance Company ("CIC")	22640	0%	All Lines
	Excelsior Insurance Company ("EIC")	11045	0%	All Lines
	First National Insurance Company of America ("FNICA")	24724	0%	All Lines
	The First Liberty Insurance Corporation ("FST")	33588	0%	All Lines
	General Insurance Company of America ("GICA")	24732	0%	All Lines
	Golden Eagle Insurance Corporation ("GEIC")	10836	0%	All Lines
	Hawkeye-Security Insurance Company ("HSIC")	36919	0%	All Lines
	Insurance Company of Illinois ("ICIL")	26700	0%	All Lines
	Indiana Insurance Company ("IIC")	22659	0%	All Lines
	Ironshore Indemnity Inc. ("III")	23647	0%	All Lines
	Ironshore Specialty Insurance Company ("ISIC")	25445	0%	All Lines
	Liberty Insurance Corporation ("LIC")	42404	0%	All Lines
	Liberty Insurance Underwriters, Inc. ("LIU")	19917	0%	All Lines
	Liberty County Mutual Insurance Company ("LCMIC")	19544	0%	All Lines
	LM General Insurance Company ("LMGIC")	36447	0%	All Lines
	Liberty Lloyd's of Texas Insurance Company ("LLOT")	11041	0%	All Lines
	LM Insurance Corporation ("LMC")	33600	0%	All Lines
	Liberty Mutual Mid-Atlantic Insurance Company ("LMM")	14486	0%	All Lines
	Liberty Mutual Personal Insurance Company ("LMPICO")	12484	0%	All Lines
	Liberty Northwest Insurance Corporation ("LNW")	41939	0%	All Lines
	Liberty Personal Insurance Company ("LPIC")	11746	0%	All Lines
	Liberty Surplus Insurance Corporation ("LSI")	10725	0%	All Lines
	Mid-American Fire & Casualty Company ("MAFCC")	23507	0%	All Lines
	Montgomery Mutual Insurance Company ("MMIC")	14613	0%	All Lines
	The Midwestern Indemnity Company ("MWIC")	23515	0%	All Lines
	National Insurance Association ("NIA")	27944	0%	All Lines
	The Netherlands Insurance Company ("NIC")	24171	0%	All Lines
	North Pacific Insurance Company ("NPIC")	23892	0%	All Lines
	Ohio Security Insurance Company ("OSIC")	24082	0%	All Lines
	Oregon Automobile Insurance Company ("OAIC")	23922	0%	All Lines
	Peerless Indemnity Insurance Company ("PIIC")	18333	0%	All Lines
	Safeco Insurance Company of Illinois ("SICIL")	39012	0%	All Lines
	Safeco Insurance Company of Indiana ("SICIN")	11215	0%	All Lines
	Safeco Insurance Company of Oregon ("SICOR")	11071	0%	All Lines
	Safeco Lloyds Insurance Company ("SLICO")	11070	0%	All Lines
	Safeco National Insurance Company ("SNIC")	24759	0%	All Lines
	Safeco Surplus Lines Insurance Company ("SSLIC")	11100	0%	All Lines
	Wausau Business Insurance Company ("WBIC")	26069	0%	All Lines
	Wausau General Insurance Company ("WGIC")	26425	0%	All Lines
	Wausau Underwriters Insurance Company ("WUIC")	26042	0%	All Lines
100% Quota Share	West American Insurance Company ("WAIC")	44393	0%	All Lines
Affiliated Companies:	LM Property and Casualty Insurance Company ("LMPA")	32352	0%	All Lines

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.

- 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.

## NOTES TO FINANCIAL STATEMENTS

- 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. The Company has no amounts due (to)/from affiliated entities participating in the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement as of December 31, 2020.

**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.

**28. Health Care Receivables**

Not Applicable

**29. Participating Policies**

Not Applicable

**30. Premium Deficiency Reserves**

- |  |    |   |     |   |  |
|--|----|---|-----|---|--|
| 01. Liability carried for premium deficiency reserves              | \$ | <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">(1)</td> </tr> <tr> <td style="text-align: right;">0</td> </tr> </table> | (1) | 0 |  |
| (1)  |    |   |     |   |  |
| 0  |    |   |     |   |  |
| 02. Date of the most recent evaluation of this liability           |    | 12/31/2020  |     |   |  |
| 03. Was anticipated investment income utilized in the calculation? |    | Yes [ ] No [X]  | No  |   |  |

**31. High Deductible**

Not Applicable

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

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

**33. Asbestos/Environmental Reserves**

- A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos?

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

**34. Subscriber Savings Accounts**

Not Applicable

**35. Multiple Peril Crop Insurance**

Not Applicable

**36. Financial Guaranty Insurance**

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 Lette	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	\$		0
20.12 To stockholders not officers	\$		0
20.13 Trustees, supreme or grand (Fraternal only)	\$		0

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

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	\$		0
21.22 Borrowed from others	\$		0
21.23 Leased from others	\$		0
21.24 Other	\$		0



## GENERAL INTERROGATORIES

- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]
- 22.2 If answer is yes:
- |  |  |    |   |
|--|--|----|---|
|  | 22.21 Amount paid as losses or risk adjustment | \$ | 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 [X] 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 [X] No [ ]
- 24.02 If no, give full and complete information, relating thereto:  
 .....  
 .....  
 .....
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
 See Note 17  
 .....  
 .....  
 .....
- 24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk Based Capital Instructions. \$ 7,110,900
- 24.05 For the reporting entity's securities lending program report amount of collateral for other programs. \$ 0
- 24.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [ ] N/A [ ]
- 24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [ ] N/A [ ]
- 24.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [ ] N/A [ ]
- 24.09 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- |  |    |           |
|--|----|-----------|
| 24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2                   | \$ | 4,103,698 |
| 24.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 4,103,698 |
| 24.093 Total payable for securities lending reported on the liability page                                       | \$ | 4,103,698 |
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No [ ]

## GENERAL INTERROGATORIES

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

	25.21 Subject to repurchase agreements	\$ <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>0</u>
	25.28 On deposit with states	\$ <u>7,086,387</u>
	25.29 On deposit with other regulatory bodies	\$ <u>9,143,860</u>
	25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ <u>0</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

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

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

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

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

	26.41 Special accounting provision of SSAP No. 108	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
	26.42 Permitted accounting practice	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
	26.43 Other accounting guidance	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

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

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

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

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  No

## GENERAL INTERROGATORIES

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase	1 Chase Manhattan Plaza, New York, NY 10005

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 [X]

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
Liberty Mutual Investment Advisors, LLC	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 [X]

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 [X]

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
Liberty Mutual Group Asset Management Inc.	N/A	N/A	N/A	DS
Liberty Mutual Investment Advisors, LLC	N/A	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 [X]

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	193,304,998	206,775,246	13,470,248
30.2 Preferred stocks	0	0	0
30.3 Totals	193,304,998	206,775,246	13,470,248

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 ]

## GENERAL INTERROGATORIES

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

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

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

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

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

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

36. By rolling/renewing short-term or cash-equivalent investments with continued reporting on Schedule DA, part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a - 36.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [X] No [ ] N/A [ ]

## OTHER

37.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$ \_\_\_\_\_ 0

37.2 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

38.1 Amount of payments for legal expenses, 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 payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ ..... 0
.....	\$ ..... 0
.....	\$ ..... 0

39.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ \_\_\_\_\_ 0

39.2 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. \$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0

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. \$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ 0

1.62 Total incurred claims \$ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned \$ 0

1.65 Total incurred claims \$ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ 0

1.72 Total incurred claims \$ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned \$ 0

1.75 Total incurred claims \$ 0

1.76 Number of covered lives 0

2. Health Test:

	1		2	
	Current Year		Prior Year	
2.1 Premium Numerator	\$ <u>0</u>		\$ <u>0</u>	
2.2 Premium Denominator	\$ <u>0</u>		\$ <u>0</u>	
2.3 Premium Ratio (2.1 / 2.2)	<u>0.00</u>		<u>0.00</u>	
2.4 Reserve Numerator	\$ <u>0</u>		\$ <u>0</u>	
2.5 Reserve Denominator	\$ <u>0</u>		\$ <u>0</u>	
2.6 Reserve Ratio (2.4 / 2.5)	<u>0.00</u>		<u>0.00</u>	

3.1 Did the reporting entity issue participating policies during the calendar year? Yes [X] No [ ]

3.2 If yes, provide the amount of premium written for participating and/or non-participating policies during the calendar year

3.21 Participating policies \$ 573,348,157

3.22 Non-participating policies \$ 1,086,412,404

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? 0 %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ 0

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 business to Liberty Mutual Insurance Company, the lead company in the Liberty Mutual Pool. Liberty Mutual Insurance Company purchases external catastrophe reinsurance coverage.  
.....  
.....
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. \_\_\_\_\_ 0
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [ ]
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]
- 8.2 If yes, give full information  
.....  
.....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
(c) Aggregate stop loss reinsurance coverage;  
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [ ] No [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 [X] No [ ]



## GENERAL INTERROGATORIES

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [ ] No [ ] N/A [X]

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes [ ] No [X]

11.2 If yes, give full information

.....

.....

.....

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses	\$ <u>0</u>
12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$ <u>0</u>

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? \$ 0

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 [X] 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	<u>0.00</u> %
12.42 To	<u>0.00</u> %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]

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

12.61 Letters of Credit	\$ <u>0</u>
12.62 Collateral and other funds	\$ <u>0</u>

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 0

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 0

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No [ ]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
 Premiums and recoverables were allocated pursuant to allocation agreements, including the intercompany pooling agreement.

.....

.....

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 [X]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [X] No [ ]

14.5 If the answer to 14.4 is no, please explain:

N/A

.....

.....

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

15.2 If yes, give full information

.....

.....

.....

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

		1	2	3	4	5
		Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
16.11 Home	\$	0	0	0	0	0
16.12 Products	\$	0	0	0	0	0
16.13 Automobile	\$	0	0	0	0	0
16.14 Other*	\$	0	0	0	0	0

\* 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	\$ <u>          0</u>
17.12 Unfunded portion of Interrogatory 17.11	\$ <u>          0</u>
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ <u>          0</u>
17.14 Case reserves portion of Interrogatory 17.11	\$ <u>          0</u>
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ <u>          0</u>
17.16 Unearned premium portion of Interrogatory 17.11	\$ <u>          0</u>
17.17 Contingent commission portion of Interrogatory 17.11	\$ <u>          0</u>

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. \$           0

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. \$           0

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
	2020	2019	2018	2017	2016
<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)	643,277,255	764,114,475	812,478,902	834,429,782	857,022,724
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	28,641,077	41,633,505	47,408,133	47,272,150	64,502,483
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	987,842,229	1,782,447,260	2,036,648,770	1,872,896,347	1,682,078,063
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	1,659,760,561	2,588,195,240	2,896,535,805	2,754,598,279	2,603,603,270
<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)					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)					
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)					
14. Net investment gain (loss) (Line 11)	9,554,429	6,601,941	6,074,352	4,194,397	6,245,649
15. Total other income (Line 15)	281	1,441	9,723	1,321	(8,069)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	770,930	867,919	(3,999,266)	1,064,417	5,098,795
18. Net income (Line 20)	8,783,780	5,735,463	10,083,341	3,131,301	1,138,785
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	205,135,611	238,135,772	256,038,541	260,149,633	241,964,759
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)					
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)	7,218,393	8,309,478	6,434,185	15,075,475	1,180,700
22. Losses (Page 3, Line 1)					
23. Loss adjustment expenses (Page 3, Line 3)					
24. Unearned premiums (Page 3, Line 9)					
25. Capital paid up (Page 3, Lines 30 & 31)	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	197,917,218	229,826,295	249,604,356	245,074,159	240,784,059
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	4,880,232	6,335,444	7,597,687	10,536,347	1,852,319
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	197,917,217	229,826,295	249,604,356	245,074,159	240,784,059
29. Authorized control level risk-based capital	499,958	440,718	649,505	707,760	632,965
<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)	94.8	93.5	95.1	92.2	94.5
31. Stocks (Lines 2.1 & 2.2)					
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)	2.4	3.3	3.0	1.3	3.4
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	0.8	0.9	1.0	1.2	1.6
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)	2.0	2.3	0.9	5.3	0.5
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		1,717,307	2,161,528	2,621,182	3,073,155
48. Total of above Lines 42 to 47		1,717,307	2,161,528	2,621,182	3,073,155
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)		0.7		1.1	1.3

## FIVE – YEAR HISTORICAL DATA (Continued)

	1	2	3	4	5
	2020	2019	2018	2017	2016
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24)	(522,723)	37,446	(429,092)	(575,405)	(309,375)
52. Dividends to stockholders (Line 35)	(40,182,627)	(24,960,436)			
53. Change in surplus as regards policyholders for the year (Line 38)	(31,909,076)	(19,778,061)	4,530,197	4,290,099	1,127,383
<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)	437,466,197	481,843,994	535,151,973	523,965,579	510,667,268
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	11,214,249	17,047,591	14,566,332	17,769,142	54,782,440
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	764,119,075	1,108,471,971	1,100,909,626	1,062,126,840	921,768,195
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	1,212,799,521	1,607,363,556	1,650,627,931	1,603,861,561	1,487,217,903
<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)					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)					
<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)					
68. Loss expenses incurred (Line 3)					
69. Other underwriting expenses incurred (Line 4)					
70. Net underwriting gain (loss) (Line 8)					
<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)					
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)					
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)					
<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)					
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)					
<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)					
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)					

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?  
If no, please explain:

Yes [ ] No [ ]

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

**NONE**    **Schedule P - Part 1 - Summary**

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

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

### Allocated By States and Territories

	1	2	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)	Direct Premiums Written						
1. Alabama	AL	L	9,565,297	21,592,886	365	12,576,741	19,016,908	57,676,859	126,635	
2. Alaska	AK	L	2,367,979	2,672,184		1,991,445	1,608,253	27,159,481		
3. Arizona	AZ	L	13,606,975	22,083,391	42	22,842,973	11,276,414	50,957,469	28,551	
4. Arkansas	AR	L	6,789,308	6,670,142		1,686,686	1,752,311	22,316,627	6,089	
5. California	CA	L	330,660,041	322,379,339	498	143,902,778	147,243,651	731,562,176	895,695	
6. Colorado	CO	L	11,745,039	29,026,344	36	23,377,632	11,372,957	56,158,812	108,443	
7. Connecticut	CT	L	9,617,759	16,747,600	49,382	19,585,809	7,580,524	65,457,266	105,972	
8. Delaware	DE	L	7,212,298	17,771,317	54	12,739,175	13,914,446	19,799,575	63,236	
9. District of Columbia	DC	L	9,833,690	10,446,465	656	4,292,713	5,000,978	12,047,754	56,096	
10. Florida	FL	L	41,493,251	34,515,727	88,696	24,382,460	23,761,689	213,191,496	2,113	
11. Georgia	GA	L	21,247,828	20,274,024	473	13,690,709	23,757,319	118,331,706	784	
12. Hawaii	HI	L	5,156,623	5,243,256		2,767,205	9,403,653	21,577,885	7,576	
13. Idaho	ID	L	14,805,432	14,064,009	4	8,578,070	10,773,290	21,292,334	54,441	
14. Illinois	IL	L	30,821,454	54,282,946	3,659	67,636,296	42,117,568	209,746,016	193,859	239,128
15. Indiana	IN	L	10,070,891	8,382,208	20	5,112,597	4,973,930	44,678,372	291	
16. Iowa	IA	L	13,054,062	12,115,834	41	14,723,740	21,016,724	37,564,805	40,378	
17. Kansas	KS	L	17,390,447	18,985,620	2	5,212,150	3,644,674	43,307,022	39,052	
18. Kentucky	KY	L	5,446,172	24,147,295		14,038,871	7,948,484	40,401,132	91,797	
19. Louisiana	LA	L	11,064,718	10,913,076		6,104,323	9,630,816	61,580,249	10	
20. Maine	ME	L	2,392,585	14,473,180		7,310,566	5,320,559	14,107,494	24,956	
21. Maryland	MD	L	12,227,371	44,071,515	40	32,786,528	25,627,753	67,831,086	82,145	
22. Massachusetts	MA	L	34,752,932	32,243,792	(52,854)	13,724,818	18,914,937	176,039,126	119,324	
23. Michigan	MI	L	14,262,148	19,530,827	(548)	12,292,558	(10,829,017)	56,652,184	113,346	
24. Minnesota	MN	L	25,131,722	43,562,314	142	31,357,869	26,988,063	69,343,597	121,115	
25. Mississippi	MS	L	17,416,471	17,056,041		9,832,401	12,485,569	32,299,955	44,510	
26. Missouri	MO	L	8,860,470	23,280,401	404	14,940,137	11,048,622	70,663,248	80,362	
27. Montana	MT	L	1,764,137	1,406,976	12	12,464,975	17,140,858	13,906,311	472	
28. Nebraska	NE	L	12,158,968	12,961,364		5,759,854	3,582,136	20,592,883	30,704	
29. Nevada	NV	L	26,570,139	27,185,965		15,670,195	16,593,815	35,370,406	123,711	
30. New Hampshire	NH	L	3,746,881	11,554,141		7,655,354	4,007,073	43,123,794	78,390	
31. New Jersey	NJ	L	22,932,154	22,743,368	97,856	31,797,637	18,094,036	277,948,053	544	
32. New Mexico	NM	L	22,850,760	22,943,968		7,692,044	10,002,090	27,190,462	78,189	
33. New York	NY	L	255,856,671	243,062,065	15,011	124,131,704	134,897,092	445,851,658	1,678,222	
34. North Carolina	NC	L	14,812,392	14,654,318	14	7,796,255	11,328,990	88,280,568		
35. North Dakota	ND	L	3,297,018	2,052,424		866,389	775,067	3,196,068	24	
36. Ohio	OH	L	9,678,013	20,131,971		20,802,176	8,163,765	70,712,380	147,673	
37. Oklahoma	OK	L	5,913,584	21,871,843		16,672,258	13,306,807	52,567,074	45,002	
38. Oregon	OR	L	34,329,019	32,861,359	17	31,156,910	54,778,371	63,305,938	129,961	
39. Pennsylvania	PA	L	52,463,228	133,541,659	50	84,843,757	65,673,908	223,743,396	680,692	
40. Rhode Island	RI	L	23,240,729	22,421,992	352	10,423,385	10,225,792	14,746,749	114,878	
41. South Carolina	SC	L	35,676,478	35,697,774	1	15,656,580	16,372,726	52,250,235	143,533	
42. South Dakota	SD	L	1,699,024	1,590,089		1,174,364	1,712,839	6,665,906		
43. Tennessee	TN	L	12,432,230	27,447,247	3	26,565,327	22,825,098	68,724,087	112,663	
44. Texas	TX	L	304,019,876	322,382,655	238	186,729,228	164,606,038	471,997,690	1,007,907	
45. Utah	UT	L	1,933,103	7,742,489		6,216,475	11,110,977	26,008,482	52,787	
46. Vermont	VT	L	11,772,137	11,241,440	734	4,809,884	5,511,991	9,255,488	85,085	
47. Virginia	VA	L	49,893,388	52,149,931	14	27,620,288	20,557,217	81,881,776	121,987	
48. Washington	WA	L	33,173,925	33,923,454		18,617,831	22,088,383	54,604,000	64,104	
49. West Virginia	WV	L	13,589,470	13,094,375		8,168,436	7,436,637	8,960,811	68,181	
50. Wisconsin	WI	L	17,928,302	18,570,216	177,092	11,430,103	8,218,123	75,752,560	130	
51. Wyoming	WY	L	396,509	387,223		188,204	(16,383)	512,376		
52. American Samoa	AS	N								
53. Guam	GU	L	22,161	18,500			(12,861)	225,300		
54. Puerto Rico	PR	L	90,434	70,784			7,534	93,409		
55. U.S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	L								
57. Canada	CAN	N								
58. Aggregate Other Alien	OT	X X X	526,867	514,702		402,662	12,377,539	25,520,471		
59. Totals	(a) 54		1,659,760,560	1,960,756,025	382,506	1,212,799,525	1,126,716,733	4,604,732,057	7,171,615	239,128

DETAILS OF WRITE-INS										
58001.	ZZZ Other Alien	X X X	526,867	514,702		402,662	12,377,539	25,520,471		
58002.		X X X								
58003.		X X X								
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X	526,867	514,702		402,662	12,377,539	25,520,471		

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

(a) Active Status Counts

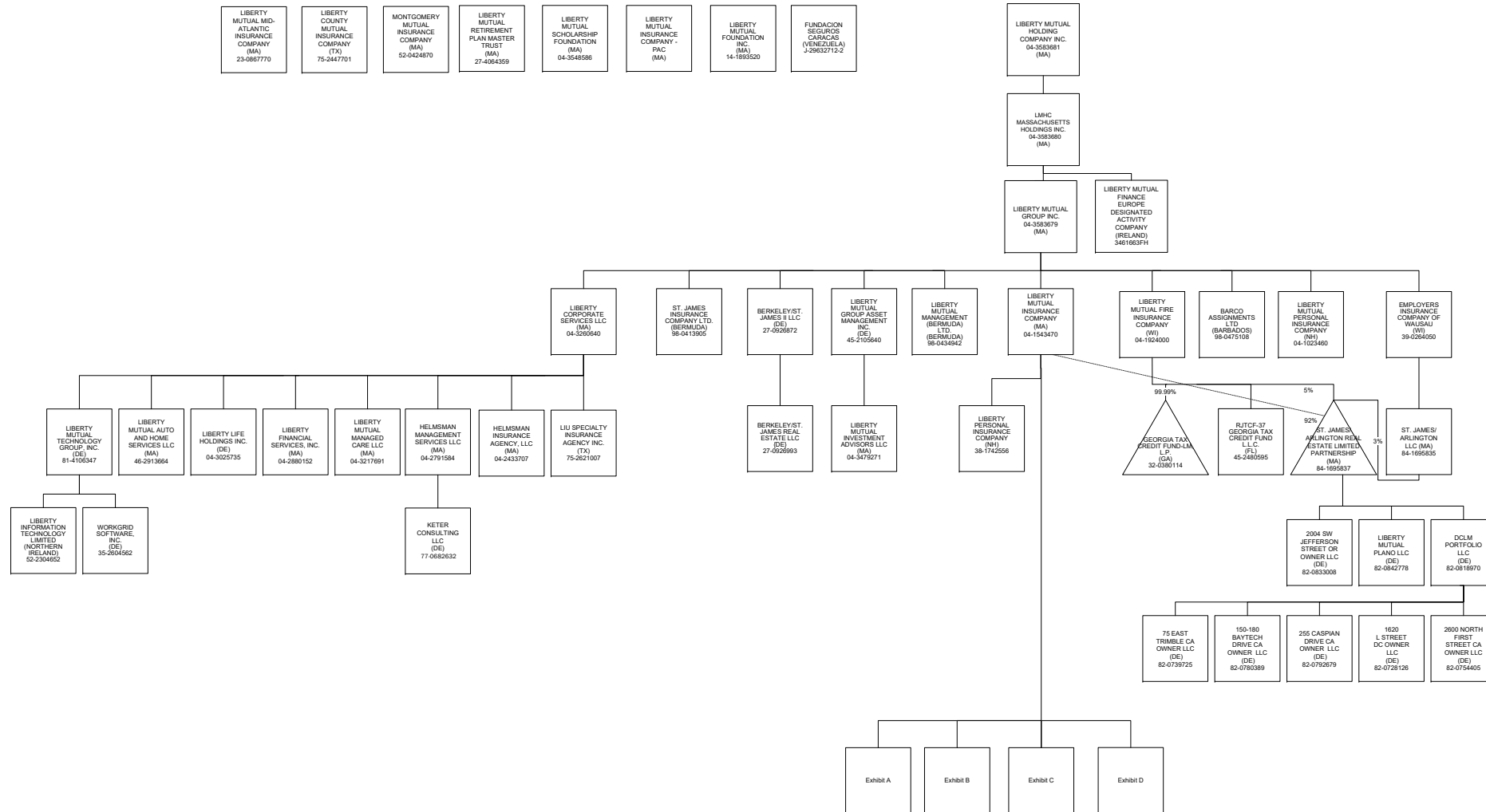
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	54
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state	_____
D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile	_____
R - Registered - Non-domiciled RRGs	_____
Q - Qualified - Qualified or accredited reinsurer	_____
N - None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLII)	3

**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



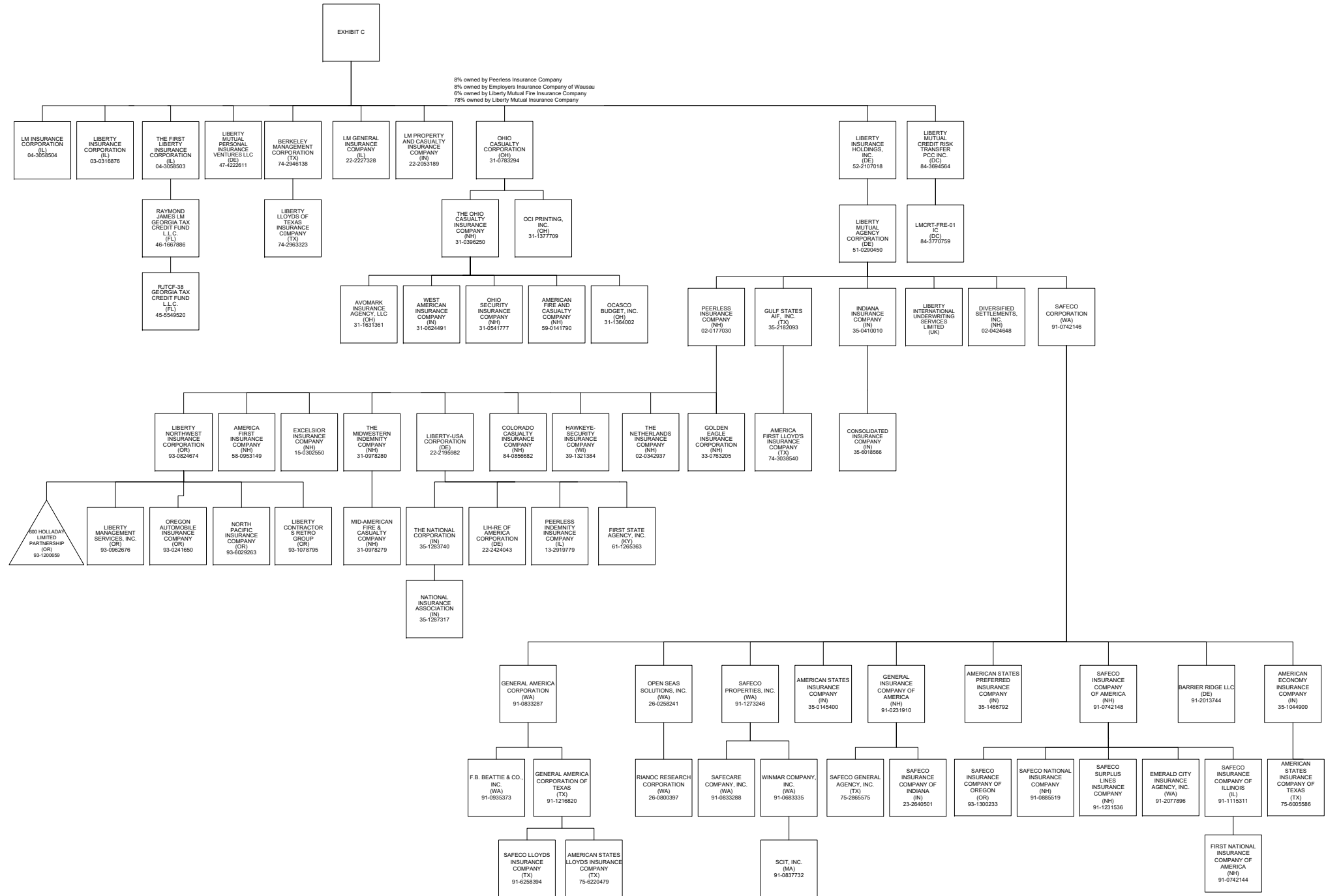






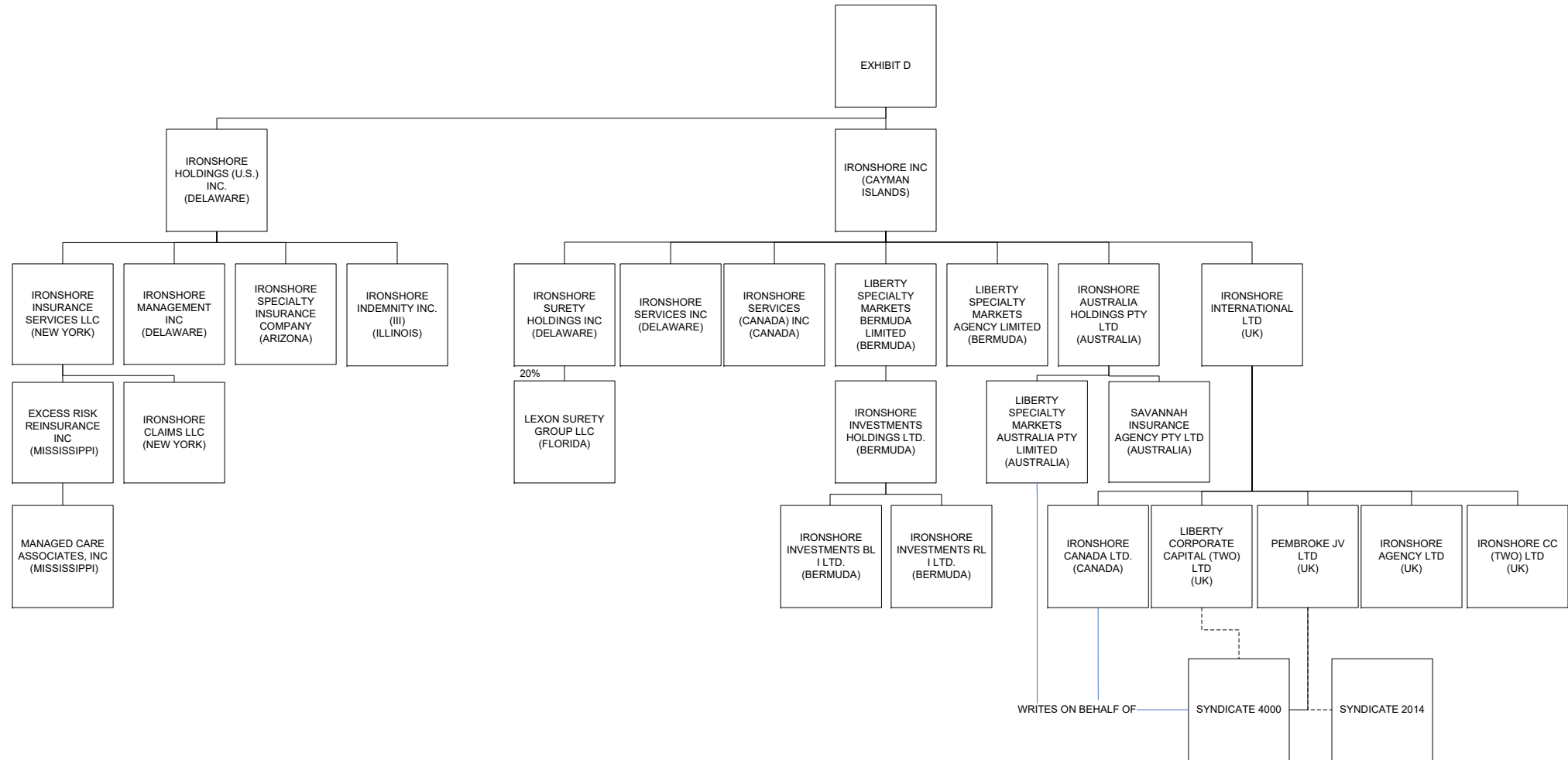
# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 - ORGANIZATIONAL CHART



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

## PART 1 - ORGANIZATIONAL CHART



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**OVERFLOW PAGE FOR WRITE-INS**

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