

**QUARTERLY STATEMENT**  
**OF THE**  
**Accident Insurance Company,**  
**Inc.**

**Of**  
**Albuquerque**  
**in the state of NM**

**to the Insurance Department**  
**of the State of**

For the Period Ended  
March 31, 2019

**2019**



# QUARTERLY STATEMENT

As of March 31, 2019  
of the Condition and Affairs of the

## Accident Insurance Company, Inc.

NAIC Group Code..... 0, 0 (Current Period) (Prior Period)	NAIC Company Code..... 11573	Employer's ID Number..... 61-1440952
Organized under the Laws of NM	State of Domicile or Port of Entry NM	Country of Domicile US
Incorporated/Organized..... December 6, 2002	Commenced Business..... February 10, 2003	
Statutory Home Office	8500 Menaul Blvd NE, Suite B-590 .. Albuquerque .. NM .. US .. 87112 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	8500 Menaul Blvd NE, Suite B-590 .. Albuquerque .. NM .. US .. 87112 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	800-896-6884 <i>(Area Code) (Telephone Number)</i>
Mail Address	8500 Menaul Blvd NE, Suite B-590 .. Albuquerque .. NM .. US .. 87112 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	8500 Menaul Blvd NE, Suite B-590 .. Albuquerque .. NM .. US .. 87112 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	800-896-6884 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.accinsco.com	
Statutory Statement Contact	Katheryne Anne Heath <i>(Name)</i> anne.heath@invopeo.com <i>(E-Mail Address)</i>	865-481-7965 <i>(Area Code) (Telephone Number) (Extension)</i> 877-396-6215 <i>(Fax Number)</i>

### OFFICERS

Name	Title	Name	Title
1. William M. Arowood	President & CEO	2. Robert J. Arowood	Secretary & Treasurer
3.		4.	

### OTHER

Katheryne A. Heath Chief Financial Officer

### DIRECTORS OR TRUSTEES

William M. Arowood	Robert J. Arowood	Andrew J. Barile	Morris Chavez
Douglas M. Sizemore	Frederick S. Brown		

State of..... Tennessee  
County of..... Anderson

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) William M. Arowood 1. (Printed Name) President & CEO (Title)	_____ (Signature) Robert J. Arowood 2. (Printed Name) Secretary & Treasurer (Title)	_____ (Signature)  3. (Printed Name)  (Title)
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Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_

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

## ASSETS

	Current Statement Date			4
	1	2	3	December 31 Prior Year Net Admitted Assets
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	24,350,018		24,350,018	24,358,621
2. Stocks:				
2.1 Preferred stocks.....	550,000		550,000	550,000
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....	4,463,339		4,463,339	4,563,427
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	3,169,167		3,169,167	3,185,904
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....10,126,000), cash equivalents (\$.....0) and short-term investments (\$.....0).....	10,126,000		10,126,000	10,600,485
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	7,862,686	0	7,862,686	7,862,686
12. Subtotals, cash and invested assets (Lines 1 to 11).....	50,521,210	0	50,521,210	51,121,123
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	197,002		197,002	163,884
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	7,960,044		7,960,044	4,055,728
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	2,822,270		2,822,270	1,437,977
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	10,071,675		10,071,675	8,454,525
16.2 Funds held by or deposited with reinsured companies.....	8,295		8,295	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	80,822
18.2 Net deferred tax asset.....	1,720,439		1,720,439	1,628,439
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	1,052,121		1,052,121	957,495
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	6,799,741	0	6,799,741	7,602,740
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	81,152,797	0	81,152,797	75,502,733
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	81,152,797	0	81,152,797	75,502,733

### DETAILS OF WRITE-INS

1101. Assumed Marketable Securities and Cash.....	7,862,686		7,862,686	7,862,686
1102. ....			0	
1103. ....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	7,862,686	0	7,862,686	7,862,686
2501. At Risk Commission Adjustment.....	1,900,000		1,900,000	2,200,000
2502. SUNZ Trust Receivable.....	1,474,249		1,474,249	1,977,248
2503. Assumed Receivable.....	3,425,492		3,425,492	3,425,492
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	6,799,741	0	6,799,741	7,602,740

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....0).....	29,880,222	31,547,138
2. Reinsurance payable on paid losses and loss adjustment expenses.....	1,944,629	1,360,048
3. Loss adjustment expenses.....	13,351,136	13,392,943
4. Commissions payable, contingent commissions and other similar charges.....	(74,056)	(236,276)
5. Other expenses (excluding taxes, licenses and fees).....	437,176	789,241
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	2,406	140,106
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 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).....	7,257,648	1,946,592
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(900,232)	(1,097,251)
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	1,637,599	1,425,414
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified).....	2,267,000	2,267,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	6,396,086	6,054,952
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	62,199,614	57,589,907
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	62,199,614	57,589,907
29. Aggregate write-ins for special surplus funds.....	6,323,010	6,323,010
30. Common capital stock.....	2,500,000	2,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	35,800,037	34,680,037
35. Unassigned funds (surplus).....	(25,669,864)	(25,590,221)
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	18,953,183	17,912,826
38. Totals (Page 2, Line 28, Col. 3).....	81,152,797	75,502,733

### DETAILS OF WRITE-INS

2501. Retroactive Reinsurance.....	403,259	565,339
2502. Assumed Reserves.....	5,489,613	5,489,613
2503. Payable to TPA.....	503,214	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	6,396,086	6,054,952
2901. Special Surplus.....	6,323,010	6,323,010
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	6,323,010	6,323,010
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....8,520,860).....	3,320,748	4,224,008	15,031,148
1.2 Assumed..... (written \$.....3,538).....	3,539	189,034	623,141
1.3 Ceded..... (written \$.....(54,910)).....	(42,149)	749,569	(865,190)
1.4 Net..... (written \$.....8,579,308).....	3,366,436	3,663,473	16,519,479
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....199,865):			
2.1 Direct.....	245,510	1,663,632	(12,459,953)
2.2 Assumed.....	1,040,932	2,478	(517,076)
2.3 Ceded.....	(647,889)	426,342	(16,146,420)
2.4 Net.....	1,934,331	1,239,767	3,169,391
3. Loss adjustment expenses incurred.....	402,987	801,903	4,604,269
4. Other underwriting expenses incurred.....	1,402,403	1,829,195	10,245,210
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	3,739,721	3,870,865	18,018,870
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(373,285)	(207,392)	(1,499,391)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	179,014	119,782	456,787
10. Net realized capital gains (losses) less capital gains tax of \$.....0.....			(207,163)
11. Net investment gain (loss) (Lines 9 + 10).....	179,014	119,782	249,624
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0		
13. Finance and service charges not included in premiums.....	22,424	41,082	119,273
14. Aggregate write-ins for miscellaneous income.....	204	61,334	(48,689)
15. Total other income (Lines 12 through 14).....	22,628	102,416	70,584
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(171,643)	14,806	(1,179,183)
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).....	(171,643)	14,806	(1,179,183)
19. Federal and foreign income taxes incurred.....			
20. Net income (Line 18 minus Line 19) (to Line 22).....	(171,643)	14,806	(1,179,183)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	17,912,826	26,412,426	26,412,426
22. Net income (from Line 20).....	(171,643)	14,806	(1,179,183)
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....			33,034
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	92,000	55,316	(1,768,559)
27. Change in nonadmitted assets.....		734	(2,227,903)
28. Change in provision for reinsurance.....			1,110,022
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.....	1,120,000		2,500,000
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	(6,967,011)
38. Change in surplus as regards policyholders (Lines 22 through 37).....	1,040,357	70,856	(8,499,600)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	18,953,183	26,483,282	17,912,826

### DETAILS OF WRITE-INS

0501. ....			
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Misc.....	204	61,334	
1402. Retroactive Reinsurance - ADC.....			55,333
1403. Retro Reinsurance.....			(104,022)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	204	61,334	(48,689)
3701. Special Surplus.....			652,989
3702. US Bank/Dallas National Collateral Account Devaluation.....			(7,620,000)
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	(6,967,011)

**CASH FLOW**

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	1,452,727	3,943,282	22,263,255
2. Net investment income.....	171,237	95,240	560,726
3. Miscellaneous income.....	22,628	102,416	70,584
4. Total (Lines 1 through 3).....	1,646,592	4,140,938	22,894,565
5. Benefit and loss related payments.....	2,408,849	2,625,105	8,811,100
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,174,742	2,536,503	10,723,895
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(80,822)		81,000
10. Total (Lines 5 through 9).....	4,502,769	5,161,607	19,615,994
11. Net cash from operations (Line 4 minus Line 10).....	(2,856,177)	(1,020,669)	3,278,571
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....			1,763,613
12.2 Stocks.....			
12.3 Mortgage loans.....		52,419	
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....			1,942,843
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	0	52,419	3,706,456
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....			49,904
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	0	49,904
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	0	52,419	3,656,552
<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.....	1,120,000		2,500,000
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	1,261,692	1,276,417	(9,808,992)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	2,381,692	1,276,417	(7,308,992)
<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 Line 15 plus Line 17).....	(474,485)	308,167	(373,870)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	10,600,485	10,974,355	10,974,354
19.2 End of period (Line 18 plus Line 19.1).....	10,126,000	11,282,521	10,600,485

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

20.0001 .....			
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**NOTES TO FINANCIAL STATEMENTS****Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

Accident Insurance Company, Inc. (the Company) is incorporated under the laws of the State of New Mexico. The Company writes workers' compensation insurance

The Company utilizes Appalachian Underwriters, Inc. (AUI), Cornerstone Underwriting Partners, LLC (CUP), Madison Insurance Group, Inc (MIG), Eastern Underwriting Managers, LLC (EUM) and Seguros Underwriters, LLC (SEG) as general agents to produce over 50% of the Company's direct business. AUI, CUP, MIG, EUM and SEG are affiliated with the Company through common ownership.

The Company entered into a service contract with AUI effective January 1, 2008, amended in 2010, for shared services including administrative processing, human resources and technology services. As part of this agreement, INVO PEO (INVO), an affiliate through common ownership, provides payroll services for the Company. Also, as part of this agreement, RCS Risk Services, LLC (RCS), an affiliate through common ownership, provides policy inspection services for policies issued by the Company. Through this agreement, the technology services are provided to the Company by Information Technology Partners, Inc (ITP), an affiliate through common ownership.

The Company has a claims administration agreement with US Administrator Claims, LLC (USA Claim), an affiliate through common ownership. USA Claim adjudicates all of the direct business claims for the Company. The Company also utilizes Black Oak, LLC (Black Oak), an affiliate through common ownership, to perform ad hoc claims review and investigation services.

The Company has an asset leasing agreement with AIC Holdings, LLC, an affiliate, for the purpose of leasing its computer hardware and office equipment.

The Company has exposure to catastrophic claims, an inherent risk of the property-liability insurance business, which may contribute to material year-to-year fluctuations in the Company's results of operations and financial position. A catastrophic event is defined by the Company as an event that produces losses in excess of the Company's catastrophic reinsurance treaty which as of December 31, 2018 and December 31, 2017 was \$25 million, per occurrence. In the opinion of management, the Company has no material exposure to environmental asbestos and other mass tort claims.

The Company carries assets related to affiliates under certain agreements requiring the performance of the Company's affiliates. In the event the Company's affiliates are not able to perform under the respective agreements, the result would be material to the Company's financial condition and may impair the Company's ability to continue as a going concern.

The Company's statutory financial statements are presented on the basis of accounting practices prescribed or permitted by the Office of the Superintendent of Insurance for the state of New Mexico (OSI) (statutory basis). The OSI of New Mexico has adopted the National Association of Insurance Commissioners' (NAIC) statutory accounting principles (SAP) as the basis of its statutory accounting practices. Accounting practices and procedures of the NAIC as prescribed or permitted by the OSI of New Mexico comprise a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The more significant differences are as follows:

- Investment in bonds are generally carried at amortized cost, while under GAAP, they are carried at either amortized cost or fair value based on their classification according to the Company's ability and intent to hold or trade the securities.
- Investments in common stocks are valued as prescribed by the Securities valuation Office (SVO) of the NAIC, while under GAAP, they are deferred and amortized to income as premiums are earned or in relation to estimated gross profits.
- Acquisition costs, such as commissions and other costs related to acquiring new business are expensed as incurred, while under GAAP, they are deferred and amortized to income as premiums are earned or in relation to estimated gross profits.
- Current federal income taxes incurred are charged to income under statutory accounting and under GAAP. Under GAAP, the provision for deferred taxes on temporary differences between the financial reporting and tax basis of assets and liabilities is charged to income while under statutory accounting, this provision is charged to surplus. In addition, there are limitations as to the amount of deferred tax assets that may be reported as "admitted assets".
- Assets are reported under NAIC SAP at "admitted-asset" value and "nonadmitted" assets are excluded through a charge against surplus, while under GAAP, "nonadmitted assets" are reinstated to the balance sheet, net of any valuation allowance.
- The change in provision for reinsurance is charged or credited directly through surplus under SAP, while this provision is not recognized for GAAP purposes.
- The balance sheet under NAIC SAP is reported net of reinsurance, while under GAAP, the balance sheet reports reinsurance recoverable, including amounts related to losses incurred but not reported, and prepaid reinsurance premiums as assets.
- Comprehensive income and its components are not presented in the statutory basis financial statements.
- Subsidiaries are included as common stock carried under the equity method, with the equity in net income of subsidiaries credited directly to the Company's surplus for NAIC SAP, while GAAP requires either consolidation or the equity in earnings of subsidiaries or net income of subsidiaries to be credited to the income statement.
- The Company records workers' compensation premium under the installment method for NAIC SAP, while GAAP requires that premiums be recorded based on the total premium for the policy period.

	SSAP #	F/S Page	F/S Line #	Current Year to Date	2018
<b>NET INCOME</b>					
(1) The Company state basis (Page 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$ (171,643)	\$ (1,179,183)
(2) State Prescribed Practice that are an increase/(decrease) from NAIC SAP				\$	\$
(3) State Permitted Practice that are an increase/(decrease) from NAIC SAP				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ (171,643)	\$ (1,179,183)
<b>SURPLUS</b>					
(5) The Company state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 18,953,183	\$ 17,912,826
(6) State Prescribed Practice that are an increase/(decrease) from NAIC SAP				\$	\$

**NOTES TO FINANCIAL STATEMENTS**

	SSAP #	F/S Page	F/S Line #	Current Year to Date	2018
(7) State Permitted Practice that are an increase/(decrease) from NAIC SAP					
				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 18,953,183	\$ 17,912,826

## C. Accounting Policy

The following are the Company's major accounting policies:

**Cash and Cash Equivalents** - Cash and cash equivalents, to the extent held by the Company, include cash, money market mutual funds, and certificates of deposit with original maturities of one year or less. Cash and cash equivalents are stated at amortized cost which approximates fair value.

**Bonds** - Bonds not backed by loans are generally stated at amortized cost using the scientific method. The carrying value of bonds are evaluated based on their characteristics and performance and the carrying value is adjusted as necessary.

**Loan-Backed Securities and Adjustment Methodology** - Company does not have any investments in loan-backed securities.

**Preferred Stocks** - Preferred stocks are stated at fair value.

**Mortgage Loans** – Mortgage loans are stated at the unamortized principal balance of the based on the underlying mortgage loan agreement.

**Investment in Real Estate** - Investment in real estate held for the production of income is stated at net book value which consists of the purchase price less encumbrances and accumulated depreciation. Depreciation is recognized on a straight-line basis. Investment income associated with real estate consists of rents charged to tenants reduced by the expenses incurred to maintain the building.

**Investments in Subsidiaries, Controlled and Affiliated Entities** - Not applicable.

**Investments in Joint Ventures, Partnerships and Limited Liability Entities** - The Company does not participate in joint ventures or partnerships.

**Derivatives** - The Company does not participate in any derivatives.

**Premiums** - Premiums are earned on a pro rata basis over the terms of the related insurance policies and the terms of the reinsurance contracts. Effective January 1, 2016, the Company began recording its workers' compensation premiums under the installment method. Under the installment method, premiums are recorded to written premium as policies are billed. Unearned premium reserves are established to cover the unexpired portion of premiums written. Ceded premiums are reported as a reduction of premiums earned. Premium deficiency reserves are established to ensure that unearned premiums are sufficient to cover the related expected future losses, loss adjustment expenses, and administrative costs of the related lines of business written. In the opinion of management, no premium deficiency reserve was required as of December 31, 2018. Premium adjustments (additional premium or premium refunds) result from the verification of classifications and payroll for workers' compensation policies.

**Losses and Loss Adjustments Expenses** - Liabilities for unpaid losses and loss adjustment expenses are based primarily on individual case estimates for losses reported by claimants to the Company. An estimate is provided for losses and loss adjustment expenses IBNR on the basis of experience of the Company and experience of the industry. These estimates are regularly reviewed by independent consulting actuaries and, as experience develops and new information becomes known, are adjusted as necessary. Such adjustments, if any, are reflected in the results of operations in the period in which they become known.

Management believes that the reserve for losses and loss adjustment expenses is adequate. However, because of the extended period of time over which such losses are settled and the general uncertainty surrounding the estimates, the ultimate settlement cost of the losses and the related loss adjustment expenses could vary significantly from the amount reserved. Management relies on the range of estimates provided by the independent actuary in making its ultimate selection.

**Acquisition Costs**—Expenses incurred in connection with acquiring new business, including acquisition costs such as sales commissions, are charged to operations with the recording of the policies to which they relate.

**Net Investment Income**—Net investment income consists primarily of interest and dividends less investment related expenses. Interest is recognized on an accrual basis and dividends are recorded as earned at the ex-dividend date. Accrual of income is suspended for bonds that are in default or when the receipt of interest payments is in doubt. Realized capital gains and losses are determined on a specific identification basis when securities are sold, redeemed or otherwise disposed.

**Reinsurance** - In the normal course of business, the Company seeks to reduce losses that may arise from catastrophes or other events that cause unfavorable underwriting results. This is accomplished by reinsuring certain levels of risk in various areas of exposure with other insurance enterprises.

**Provision for Reinsurance** - When reinsurance is placed with a company not authorized to do business in the state of New Mexico (and therefore not subject to its jurisdiction and regulation), the Company reports a statutory liability for losses recoverable and other reserve credits taken to the extent the Company has not retained funds, obtained letters of credit from the unauthorized reinsurer, or has ceded balances payable. To collateralize the Company's risk in the reinsurance arrangement, as of December 31, 2018, the Company recorded a statutory liability for unauthorized reinsurance of \$2,267,000.

**Changes in the Capitalization Policy** - There have been no changes to the Company's Capitalization Policy.

**Fair Value Determinations** - The Company uses fair value measurements to determine fair value disclosures of certain assets and liabilities on a recurring basis. The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

1. Cash and cash equivalents – The carrying amounts for these instruments approximate their fair values.
2. Short-term Investments – The carrying amounts for these instruments approximate their fair values.
3. Bonds – The fair values for bonds are based on quoted market prices, where available. For bonds not actively traded, fair values are estimated using values obtained from independent pricing services and based on expected future cash flows using a current market rate applicable to the yield, credit quality and maturity of the investments.
4. Investment in Real Estate – the Company's investment in real estate consists of its cost less accumulated depreciation and encumbrances which is the lower of cost or fair value.

- (2) Basis for Bonds, Mandatory Convertible Securities, SVO-Identified Investments and Amortization Method  
Bonds not backed by other loans are generally stated at amortized cost using the scientific method. The carrying value of bonds are evaluated based on their characteristics and performance and the carrying value is adjusted as necessary.



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## NOTES TO FINANCIAL STATEMENTS

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- (6) Basis for Loan-Backed Securities and Adjustment Methodology  
The Association does not have any investments in loan-backed securities.

D. Going Concern

No significant change.

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

Not applicable.

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

Not applicable.

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

Not applicable.

### **Note 5 – Investments**

D. Loan-Backed Securities

Not applicable.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Not applicable.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing  
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

Not applicable.

H. Repurchase Agreements Transactions Accounted for as a Sale  
Repurchase Transaction – Cash Taker – Overview of Sale Transactions

Not applicable.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale  
Repurchase Transaction – Cash Provider – Overview of Sale Transactions

Not applicable.

M. Working Capital Finance Investments

Not applicable.

N. Offsetting and Netting of Assets and Liabilities

Not applicable.

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

Not applicable.

### **Note 7 – Investment Income**

No significant changes

### **Note 8 – Derivative Instruments**

Not applicable.

### **Note 9 – Income Taxes**

No significant changes

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

No significant changes

### **Note 11 – Debt**

Not applicable.

**NOTES TO FINANCIAL STATEMENTS****Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

## A. Defined Benefit Plan

Not applicable.

**Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations**

Shareholders of the Company made capital contributions of \$1,120,000 during the three months ended March 31, 2019.

**Note 14 – Liabilities, Contingencies and Assessments**

No significant changes

**Note 15 – Leases**

No significant changes

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

Not applicable.

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

## B. Transfer and Servicing of Financial Assets

- (2) Servicing Assets and Servicing Liabilities
- 
- Not applicable.

- (4) Securitizations, Asset-Based Financing Arrangements and Similar Transfers Accounted for as Sales
- 
- (a)
- 
- Not applicable.

- (b)
- 
- Not applicable.

## C. Wash Sales

- (1) Description of the Objectives Regarding These Transactions
- 
- Not applicable.

- (2) The details by NAIC designation 3 or below, or unrated of securities sold during the current period and reacquired within 30 days of the sale date are:
- 
- Not applicable.

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

Not applicable.

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

Not applicable.

**Note 20 – Fair Value Measurements**

## A. Fair Value Measurements

- (1) Fair Value Measurements at Reporting Date

Description for Each Type of Asset or Liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
<b>Assets at Fair Value</b>					
Bonds	\$ 20,360,377	\$	\$	\$	\$ 20,360,377
Perferred Stocks	\$	\$ 550,000	\$	\$	\$ 550,000
Total	\$ 20,360,377	\$ 550,000	\$	\$	\$ 20,910,377
<b>Liabilities at Fair Value</b>					
	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

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

Description	Beginning Balance	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance as of Current Period
<b>a. Assets</b>										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>b. Liabilities</b>										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

**NOTES TO FINANCIAL STATEMENTS**

Description	Beginning Balance	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance as of Current Period
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

## (3) Policies when Transfers Between Levels are Recognized

Not applicable.

## (4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

Not applicable.

## (5) Fair Value Disclosures

Not applicable.

## B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Not applicable.

## C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 20,360,377	\$ 24,260,018	\$ 20,360,377	\$	\$	\$	\$
Perferred Stock	\$ 550,000	\$ 550,000	\$	\$ 550,000	\$	\$	\$
Total	\$ 20,910,377	\$ 24,810,018	\$ 20,360,377	\$ 550,000	\$	\$	\$

## D. Not Practicable to Estimate Fair Value

Not applicable.

Type of Class or Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
	\$			

## E. NAV Practical Expedient Investments

Not applicable.

**Note 21 – Other Items**

Not applicable.

**Note 22 – Events Subsequent**

Subsequent events have been considered through May 10, 2019 for these statutory financial statements which are to be issued on May 15, 2019. There were no events occurring subsequent to the end of the quarter that merited recognition or disclosure in these statements.

**Note 23 – Reinsurance**

No significant changes

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

## F. Risk Sharing Provisions of the Affordable Care Act

Not applicable.

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

## A. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2018 were \$44.94 million. As of March 31, 2019, \$3.99 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$42.73 million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on General Liability line of insurance. Therefore, there has been a \$1.788 million unfavorable prior year development since December 31, 2018 to March 31, 2019. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

## B. Information about Significant Changes in Methodologies and Assumptions

No significant changes.

**Note 26 – Intercompany Pooling Arrangements**

Not applicable.

**Note 27 – Structured Settlements**

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## NOTES TO FINANCIAL STATEMENTS

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Not applicable.

**Note 28 – Health Care Receivables**

Not applicable.

**Note 29 – Participating Policies**

Not applicable.

**Note 30 – Premium Deficiency Reserves**

Not applicable.

**Note 31 – High Deductibles**

The Company has been approved by the OSI to underwrite a high deductible workers compensation insurance policy for INVO PEO, Inc (“INVO PEO”). INVO PEO is a professional employer organization (“PEO”) affiliated with the Company through common ownership. The policy includes a \$500,000 deductible paid by INVO PEO; losses between \$500,001 and \$1,000,000 are retained by the Company on a per occurrence basis; reinsurance covers claims exceeding \$1 million up to \$25 million. Additional collateral is maintained by the Company and funded per the executed Funds Withheld Agreement. The Company shall at all times maintain reserves and a Fund Withheld Agreement account balance sufficient to pay all actuarially established outstanding ultimate losses. Actuarial analysis is required to be performed quarterly with any underfunding rectified immediately by INVO.

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

Not applicable.

**Note 33 – Asbestos/Environmental Reserves**

Not applicable.

**Note 34 – Subscriber Savings Accounts**

Not applicable.

**Note 35 – Multiple Peril Crop Insurance**

Not applicable.

**Note 36 – Financial Guaranty Insurance**

B. Schedule of Insured Financial Obligations at the End of the Period:

Not applicable.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [ X ]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]
- 2.2 If yes, date of change: \_\_\_\_\_

- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1 and 1A. Yes [ X ] No [ ]
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [ X ]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.

- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [ ] No [ X ]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. \_\_\_\_\_
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period. Yes [ ] No [ X ]
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017
- 
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2016
- 
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/31/2017
- 

- 6.4 By what department or departments?
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ X ] No [ ] N/A [ ]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ X ] N/A [ ]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [ X ]
- 7.2 If yes, give full information:

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

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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ X ] No [ ]
- (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.

- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [ X ]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes  No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 1,052,121

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes  No
- 11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes  No

14.2 If yes, please complete the following:

	1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ 0	\$ 0
14.22 Preferred Stock	0	0
14.23 Common Stock	0	0
14.24 Short-Term Investments	0	0
14.25 Mortgage Loans on Real Estate	0	0
14.26 All Other	7,343,967	0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 7,343,967	\$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ 0	\$ 0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes  No
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes  No
- If no, attach a description with this statement.

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

- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.3 Total payable for securities lending reported on the liability page: \$ 0

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

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

1 Name of Custodian(s)	2 Custodian Address
Regions Bank	201 Milan Parkway, Second Floor, Birmingham, AL 35211

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

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

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

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

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

17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make 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 of Firm or Individual	2 Affiliation

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

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

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

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

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

18.2 If no, list exceptions:

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.  
Has the reporting entity self-designated 5GI securities? Yes [ ] No [X]
20. By self-designating PLGI securities, the reporting entity is certifying the following elements for each self-designated PLGI security:
- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
Has the reporting entity self-designated PLGI securities? Yes [ ] No [X]

## GENERAL INTERROGATORIES (continued)

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
	0.000	0.000	0	0	0	0	0	0	0	0
<b>Total</b>	XXX	XXX	0	0	0	0	0	0	0	0

5. Operating Percentages:

5.1 A&H loss percent 0.000%

5.2 A&H cost containment percent 0.000%

5.3 A&H expense percent excluding cost containment expenses 0.000%

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

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0

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

6.4 If yes, please provide the amount of funds administered as of the reporting date. \$ 0

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

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



**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
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**NONE**

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	L	72,093	151,144	147,630	196,725	1,917,819	2,526,299
2. Alaska.....AK	N						
3. Arizona.....AZ	L	103,975	144,805	253,717	135,951	3,760,155	2,473,509
4. Arkansas.....AR	L	24,690	61,450	23,029	10,217	293,092	500,377
5. California.....CA	N			847,661		(606,994)	
6. Colorado.....CO	N						
7. Connecticut.....CT	N						
8. Delaware.....DE	N						
9. District of Columbia.....DC	N						
10. Florida.....FL	L	(6,954)	16,809	174,825	1,014,335	10,229,004	14,854,996
11. Georgia.....GA	L	2,056,716	1,062,702	639,313	2,235,701	6,572,842	10,647,025
12. Hawaii.....HI	N						
13. Idaho.....ID	N						
14. Illinois.....IL	L	4,995,306	1,404,749	562,973	1,018,329	10,019,828	14,034,499
15. Indiana.....IN	L	353,192	100,550	6,348	46,126	610,369	765,933
16. Iowa.....IA	N						
17. Kansas.....KS	N						
18. Kentucky.....KY	L		3,686	31	500,738	20,241	655,678
19. Louisiana.....LA	L	49,244	223,889	68,158	56,256	4,912,538	11,692,682
20. Maine.....ME	N						
21. Maryland.....MD	N						
22. Massachusetts.....MA	N						
23. Michigan.....MI	N						
24. Minnesota.....MN	N						
25. Mississippi.....MS	L	126,541	174,959	198,841	740,965	3,300,393	2,430,612
26. Missouri.....MO	L	51,246	129,876	196,299	86,814	762,752	2,349,986
27. Montana.....MT	N						
28. Nebraska.....NE	N						
29. Nevada.....NV	L	54,735	77,878	20,605	52,050	3,408,733	5,945,349
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	N						
32. New Mexico.....NM	N						
33. New York.....NY	N						
34. North Carolina.....NC	N						
35. North Dakota.....ND	N						
36. Ohio.....OH	N						
37. Oklahoma.....OK	L	57,295	139,692	23,382	9,048	2,275,447	2,539,916
38. Oregon.....OR	N						
39. Pennsylvania.....PA	N						
40. Rhode Island.....RI	N						
41. South Carolina.....SC	L	582,420	1,071,036	190,603	820,874	4,908,487	8,423,312
42. South Dakota.....SD	N						
43. Tennessee.....TN	N			13,462	119,257	2,788,282	6,754,326
44. Texas.....TX	L	361	91,980	956,901	331,351	6,612,169	8,126,281
45. Utah.....UT	N						
46. Vermont.....VT	N						
47. Virginia.....VA	N			2,042	10,337	74,297	1,251,095
48. Washington.....WA	N						
49. West Virginia.....WV	N						
50. Wisconsin.....WI	N						
51. Wyoming.....WY	N						
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CAN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	7,292,453
59. Totals.....	XXX	8,520,860	4,855,204	4,325,820	7,385,074	61,859,454	103,264,328

### DETAILS OF WRITE-INS

58001. Other - Alien.....	XXX						7,292,453
58002.....	XXX						
58003.....	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page....	XXX	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above).....	XXX	0	0	0	0	0	7,292,453

(a) Active Status Count

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	15	R - Registered - Non-domiciled RRGs.....	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI).....	0	Q - Qualified - Qualified or accredited reinsurer.....	0
D - Domestic Surplus Lines Insurer (DSL) - Reporting entities authorized to write surplus lines in the state of domicile.....	0	N - None of the above - Not allowed to write business in the state.....	42

# Appalachian - Insurance Holding Company Group

William "Bill, Jr." M. Arowood  
 Robert "Bob" J. Arowood  
 100% Owned Designates 50/50 ownership by Bob and Bill, (Jr.) Ownership

**Accident Insurance Holding Company, Inc.**  
 Fed ID 46-3044858, NAIC None  
 100% Owned  
 INCORP 12/28/16 NM

AIC Holdings, LLC  
 Fed ID 82-057144  
 NAIC None  
 100% Owned  
 EST. 11/5/08 NM

ISG Holding Company, Inc.  
 Fed ID 62-0887639  
 NAIC None  
 40.83% 2012 Arowood Trust  
 11.67% Bobbie P. Arowood  
 24% Owned by Bob Arowood  
 & 24% Owned by Bill Arowood  
 INCORP 2/20/73 TN

Arrow Insurance Group, LLC  
 Fed ID 26-4497969  
 NAIC None  
 100% Owned  
 EST. 3/18/09 SC

Innovative Work Comp Solutions, LLC  
 Fed ID 81-2153404  
 NAIC None  
 100% Owned  
 EST. 4/7/16 GA

MIG Payroll Services, LLC  
 Fed ID 81-2114541  
 NAIC None  
 100% Owned  
 EST. 4/6/16 TN

United American, Inc.  
 Fed ID 47-3294737  
 NAIC None  
 100% Owned  
 INCORP 2/27/15 NV

AIC Risk Management, Ltd.  
 Fed ID N/A  
 N/A NAIC None  
 100% Owned  
 Bermuda

Accident Insurance Company, Inc.;  
 Fed ID 61-1440952  
 NAIC 11573  
 100% Owned by Accident Insurance Holding Company, Inc.  
 INCORP 12/28/16 NM

AIC Underwriters, LLC  
 Fed ID 27-4359062  
 NAIC None  
 100% Owned by AIC Holdings, LLC  
 EST. 12/20/10 LA

Appalachian Underwriters, Inc.  
 Fed ID 62-1756179  
 NAIC None  
 100% Owned by ISG Holding Company  
 INCORP 1/31/96 TN

Arrow PEO Brokerage, Inc.  
 Fed ID 45-4311150  
 NAIC None  
 100% Owned  
 INCORP 1/20/12 TN

Insurance Service Group, Inc.  
 Fed ID 26-1877671  
 NAIC None  
 100% Owned William M. Arowood  
 INCORP 10/16/07 TN

MPFL Insurance Agency LLC  
 Fed ID 81-4157258  
 NAIC None  
 100% Owned  
 EST. 2/16/16 TN

US Administrator Claims, LLC;  
 Fed ID 26-3357762  
 NAIC None  
 100% Owned  
 EST. 9/5/08 GA

Bermuda American Intermediaries, Ltd.  
 Fed ID N/A  
 NAIC None  
 100% Owned  
 Bermuda

RCS Risk Services LLC  
 Fed ID 45-3743203  
 NAIC None  
 100% Owned by AIC Holdings, LLC  
 EST. 11/21/11 NV

Appalachian Reinsurance, (Bermuda) Ltd.  
 Fed ID & 98-0525785  
 NAIC None  
 100% Owned

B&B Properties; Fed ID 90-0034444  
 NAIC None  
 40% 2012 Arowood Trust  
 40% Bobbie P. Arowood  
 10% Robert J. Arowood  
 and 10% William M. Arowood  
 General Partnership  
 EST. 1/1/01 TN

Let's Eat, LLC  
 Fed ID 47-3338069  
 50% Jeff Hensley  
 25% Robert J. Arowood  
 and 25% William M. Arowood  
 EST. 12/15/14 TN

MRA Inspection Service, LLC  
 Fed ID 20-1016809  
 NAIC None  
 25% each Owned by William H. Arowood, Bobbie P. Arowood, Robert J. Arowood & William M. Arowood  
 EST. 4/14/04 SC

US Administrator Claims of TX, LLC  
 Fed ID 46-5607484  
 NAIC None  
 100% Owned  
 EST. 5/8/14 TX

Cherokee Reinsurance SPC  
 Fed ID 98-0635664  
 NAIC None  
 100% Owned  
 Cayman Islands

Clinton Insurance Service, Inc.  
 Fed ID 26-3983731  
 NAIC None  
 100% Owned  
 INCORP 12/18/08

Madison Insurance Group, Inc.  
 Fed ID 26-4580233  
 NAIC None  
 100% Owned  
 INCORP 3/31/09 SC

Oak Ridge Insurance Services, Inc.  
 Fed ID 26-4216497  
 NAIC None  
 100% Owned William M. Arowood  
 INCORP 1/26/09 TN

Vital Services LLC  
 Fed ID 81-1468332  
 NAIC None  
 100% Owned Vital Services Management Trust with Bob & Bill Arowood owning 100% of the Trust  
 EST. 2/16/16 NV

Monarch Intermediaries, Ltd.  
 Fed ID N/A  
 NAIC None  
 100% Owned

Cornerstone RE Advisors, LLC  
 Fed ID 26-1655771  
 NAIC None  
 100% Owned  
 INCORP 1/3/08 NJ

Mercury Financial Banc, Inc.  
 Fed ID 45-2641765  
 NAIC None  
 100% Owned William M. Arowood  
 INCORP 7/13/11 TN

Seguros Underwriters, LLC; Fed ID 47-2809085  
 NAIC None  
 100% Owned  
 EST. 1/13/15 FL

WRA Enterprises, LLC  
 Fed ID 37-1840343  
 NAIC None  
 100% Owned  
 EST. 9/19/16 TN

Cornerstone Underwriting Partners, LLC  
 Fed ID 26-2498141  
 NAIC None  
 100% Owned  
 EST. 5/13/08 TN

Mercury Financial SC, Inc.  
 Fed ID 47-1531572  
 NAIC None  
 100% Owned  
 INCORP 8/19/14 SC

Tennessee Brokers and Agents Association, Inc.  
 Fed ID 27-3596241  
 NAIC None  
 100% Owned William M. Arowood  
 INCORP 12/20/10 TN

YEARS YOUNGER MANAGEMENT, LLC  
 FED ID  
 NAIC None  
 100% Owned  
 EST. 12/21/18 TN

Eastern Underwriting Managers, LLC;  
 Fed ID 47-2787833  
 NAIC None  
 100% Owned  
 EST. TN 1/13/15

Mercury Investment Services, Inc.  
 Fed ID 45-4770468  
 NAIC None  
 100% Owned William M. Arowood  
 INCORP 6/11/12 TN

Travelers Aid Society, Inc.  
 Fed ID 20-4494952  
 NAIC None  
 100% Owned by William M. Arowood  
 INCORP 7/22/05 TN

Information Technology Partners, Inc.  
 Fed ID 26-4216614  
 NAIC None  
 100% Owned  
 INCORP 2/3/09 TN

Mercury Motors Company, LLC  
 Fed ID 82-1547649  
 NAIC None  
 100% Owned  
 EST. 5/16/17 TN

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## SCHEDULE Y

### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
<b>Members</b>															
.....	Appalachian Holding Company Group	11573..	61-1440952..	.....	.....	.....	Accident Insurance Company, Inc.....	NM.....	RE.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	46-3044858..	.....	.....	.....	Accident Insurance Holding Company, Inc.....	NM.....	UDP.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	82-0571442..	.....	.....	.....	AIC Holdings, LLC.....	SC.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	27-4359062..	.....	.....	.....	AIC Underwriters LLC.....	LA.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	45-3743203..	.....	.....	.....	RCS Risk Services, LLC.....	NV.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	62-0887639..	.....	.....	.....	ISG Holding Company, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	48.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	62-1756179..	.....	.....	.....	Appalachian Underwriters, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	98-0525785..	.....	.....	.....	Appalachian Reinsurance, Ltd.....	BMU.....	IA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	26-4497969..	.....	.....	.....	Arrow Insurance Group, LLC.....	SC.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	45-4311150..	.....	.....	.....	Arrow PEO Brokerage, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	90-0034444..	.....	.....	.....	B & B Properties.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	20.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	26-3983731..	.....	.....	.....	Clinton Insurance Services, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	26-1655771..	.....	.....	.....	Cornerstone RE Advisors, LLC.....	NJ.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	26-2498141..	.....	.....	.....	Cornerstone Underwriting Partners, LLC.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	47-2787833..	.....	.....	.....	Eastern Underwriting Managers, LLC.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	26-4216614..	.....	.....	.....	Informational Technology Partners, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	81-2153404..	.....	.....	.....	Innovative Work Comp Solutions, LLC.....	GA.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	26-1877671..	.....	.....	.....	Insurance Service Group, Inc.....	TN.....	NIA.....	William M. Arowood.....	Ownership.....	100.000	William M. Arowood.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	47-3338069..	.....	.....	.....	Let's Eat LLC.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	50.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	26-4580233..	.....	.....	.....	Madison Insurance Group, Inc.....	SC.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	45-2641765..	.....	.....	.....	Mercury Financial Banc, Inc.....	TN.....	NIA.....	William M. Arowood.....	Ownership.....	100.000	William M. Arowood.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	47-1531572..	.....	.....	.....	Mercury Financial SC, Inc.....	SC.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	0 .....	45-4770468..	.....	.....	.....	Mercury Investment Services, Inc.....	TN.....	NIA.....	William M. Arowood.....	Ownership.....	100.000	William M. Arowood.....	.....N.....	.....

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## SCHEDULE Y

### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
.....	Appalachian Holding Company Group	0 .....	82-1547649..	.....	.....	.....	Mercury Motors Company, LLC.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	81-2114541..	.....	.....	.....	MIG Payroll Services, LLC.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	81-4157258..	.....	.....	.....	MPFL Insurance Agency, LLC.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	20-1016809..	.....	.....	.....	MRA Inspection Service, LLC.....	SC.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	.....50.	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	26-4216497..	.....	.....	.....	Oak Ridge Insurance Services, Inc.....	TN.....	NIA.....	William M. Arowood.....	Ownership.....	...100.000	William M. Arowood.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	47-2809085..	.....	.....	.....	Seguros Underwriters, LLC.....	FL.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	27-3596241..	.....	.....	.....	Tennessee Brokers and Agents Association, Inc	TN.....	NIA.....	William M. Arowood.....	Ownership.....	...100.000	William M. Arowood.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	20-4494952..	.....	.....	.....	Travelers Aid Society, Inc.....	TN.....	NIA.....	William M. Arowood.....	Ownership.....	...100.000	William M. Arowood.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	47-3294737..	.....	.....	.....	United American, Inc.....	NV.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	26-3357762..	.....	.....	.....	US Administrator Claims, LLC.....	GA.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	46-5607484..	.....	.....	.....	US Administrator Claims of TX, LLC.....	TX.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	81-1468332..	.....	.....	.....	Viital Services LLC.....	NV.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	37-1840343..	.....	.....	.....	WRA Enterprises LLC.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	83-2911153..	.....	.....	.....	Years Younger Management LLC.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	00-0000000..	.....	.....	.....	AIC Risk Management, Ltd.....	BMU.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	00-0000000..	.....	.....	.....	Bermuda American Intermediaries, Ltd.....	BMU.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	98-0635664..	.....	.....	.....	Cherokee Reinsurance SPC.....	CYM.....	IA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....
.....	Appalachian Holding Company Group	0 .....	00-0000000..	.....	.....	.....	Monarch Intermediaries, Ltd.....	CYM.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	...N.....	.....

Q12.1

**PART 1 - LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.000	
2. Allied lines.....			0.000	
3. Farmowners multiple peril.....			0.000	
4. Homeowners multiple peril.....			0.000	
5. Commercial multiple peril.....			0.000	
6. Mortgage guaranty.....			0.000	
8. Ocean marine.....			0.000	
9. Inland marine.....			0.000	
10. Financial guaranty.....			0.000	
11.1. Medical professional liability - occurrence.....			0.000	
11.2. Medical professional liability - claims-made.....			0.000	
12. Earthquake.....			0.000	
13. Group accident and health.....			0.000	
14. Credit accident and health.....			0.000	
15. Other accident and health.....			0.000	
16. Workers' compensation.....	2,978,388	(554,301)	(18.611)	30.394
17.1 Other liability-occurrence.....	342,067	750,763	219.478	70.000
17.2 Other liability-claims made.....			0.000	
17.3 Excess workers' compensation.....			0.000	
18.1 Products liability-occurrence.....			0.000	
18.2 Products liability-claims made.....			0.000	
19.1, 19.2 Private passenger auto liability.....	293	71,428	24,378.157	148.920
19.3, 19.4 Commercial auto liability.....		11,387	0.000	
21. Auto physical damage.....		(33,767)	0.000	
22. Aircraft (all perils).....			0.000	
23. Fidelity.....			0.000	
24. Surety.....			0.000	
26. Burglary and theft.....			0.000	
27. Boiler and machinery.....			0.000	
28. Credit.....			0.000	
29. International.....			0.000	
30. Warranty.....			0.000	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.000	
35. Totals.....	3,320,748	245,510	7.393	39.385

**DETAILS OF WRITE-INS**

3401.....			0.000	
3402.....			0.000	
3403.....			0.000	
3498 Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.000	XXX
3499 Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.000	

**PART 2 - DIRECT PREMIUMS WRITTEN**

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
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.....			
15. Other accident and health.....			
16. Workers' compensation.....	8,524,720	8,524,720	3,956,244
17.1 Other liability-occurrence.....	(3,860)	(3,860)	876,608
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.....			22,352
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.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	8,520,860	8,520,860	4,855,204

**DETAILS OF WRITE-INS**

3401.....			
3402.....			
3403.....			
3498 Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499 Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2019 Loss and LAE Payments on Claims Reported as of Prior Year-End	2019 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2019 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2016 + Prior.....	12,930	19,805	32,735	2,870	1	2,871	11,257	71	16,906	28,234	1,197	(2,827)	(1,630)
2. 2017.....	1,677	2,014	3,691	117	13	130	3,138	50	2,004	5,192	1,578	53	1,631
3. Subtotals 2017 + Prior.....	14,607	21,819	36,426	2,987	14	3,001	14,395	121	18,910	33,426	2,775	(2,774)	1
4. 2018.....	2,881	5,630	8,511	963	30	993	3,562	84	5,659	9,305	1,644	143	1,787
5. Subtotals 2018 + Prior.....	17,488	27,449	44,937	3,950	44	3,994	17,957	205	24,569	42,731	4,419	(2,631)	1,788
6. 2019.....	XXX	XXX	XXX	XXX	50	50	XXX	336	164	500	XXX	XXX	XXX
7. Totals.....	17,488	27,449	44,937	3,950	94	4,044	17,957	541	24,733	43,231	4,419	(2,631)	1,788
8. Prior Year-End's Surplus As Regards Policyholders	17,913										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....25.3 %	2. ....(9.6)%	3. ....4.0 %
													Col. 13, Line 7 Line 8
													4. ....10.0 %

Q14

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	<b>Response</b>
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	<u>SEE EXPLANATION</u>
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	<u>SEE EXPLANATION</u>
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	<u>SEE EXPLANATION</u>
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	<u>SEE EXPLANATION</u>

**Explanation:**

1. This line of business is not written by the Company
2. This line of business is not written by the Company
3. This line of business is not written by the Company
4. This line of business is not written by the Company

**Bar Code:**





## Overflow Page for Write-Ins

**Additional Write-ins for Assets:**

	Current Statement Date			4
	1	2	3	December 31, Prior Year Net Admitted Assets
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
2504. Mandatory Pool Receivables.....	.....	.....	.....0	.....
2505. Other.....	.....	.....	.....0	.....
2506. FL Corporate Tax Receivable.....	.....	.....	.....0	.....
2507. IL Corporate Tax Receivable.....	.....	.....	.....0	.....
2597. Summary of remaining write-ins for Line 25.....	.....0	.....0	.....0	.....0

**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	3,185,904	3,265,294
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other-than-temporary impairment recognized.....		
8. Deduct current year's depreciation.....	16,737	79,390
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	3,169,167	3,185,904
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	3,169,167	3,185,904

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	4,563,427	4,833,230
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....	(100,088)	(269,803)
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	4,463,339	4,563,427
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	4,463,339	4,563,427
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	4,463,339	4,563,427

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

NONE

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	24,908,622	26,860,080
2. Cost of bonds and stocks acquired.....		49,904
3. Accrual of discount.....		24,809
4. Unrealized valuation increase (decrease).....		33,035
5. Total gain (loss) on disposals.....		(207,163)
6. Deduct consideration for bonds and stocks disposed of.....		1,763,613
7. Deduct amortization of premium.....	8,604	88,431
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10).....	24,900,018	24,908,622
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	24,900,018	24,908,622

### SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	21,703,037			(8,422)	21,694,615			21,703,037
2. NAIC 2 (a).....	2,655,584			(181)	2,655,403			2,655,584
3. NAIC 3 (a).....					.0			
4. NAIC 4 (a).....					.0			
5. NAIC 5 (a).....					.0			
6. NAIC 6 (a).....					.0			
7. Total Bonds.....	24,358,621	0	0	(8,603)	24,350,018	0	0	24,358,621
<b>PREFERRED STOCK</b>								
8. NAIC 1.....	550,000				550,000			550,000
9. NAIC 2.....					.0			
10. NAIC 3.....					.0			
11. NAIC 4.....					.0			
12. NAIC 5.....					.0			
13. NAIC 6.....					.0			
14. Total Preferred Stock.....	550,000	0	0	0	550,000	0	0	550,000
15. Total Bonds and Preferred Stock.....	24,908,621	0	0	(8,603)	24,900,018	0	0	24,908,621

QSI02

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**Sch. DA - Pt. 1**

**NONE**

**Sch. DA - Verification**

**NONE**

**Sch. DB - Pt. A - Verification**

**NONE**

**Sch. DB - Pt. B - Verification**

**NONE**

**Sch. DB - Pt. C - Sn. 1**

**NONE**

**Sch. DB - Pt. C - Sn. 2**

**NONE**

**Sch. DB - Verification**

**NONE**

**Sch. E - Pt. 2 Verification**

**NONE**

**Sch. A Pt. 2**

**NONE**

**Sch. A Pt. 3**

**NONE**

**Sch. B - Pt. 2**

**NONE**

**Sch. B - Pt. 3**

**NONE**

**Sch. BA - Pt. 2**

**NONE**

**Sch. BA - Pt. 3**

**NONE**

**Sch. D - Pt. 3**

**NONE**

**Sch. D - Pt. 4**

**NONE**

**Sch. DB - Pt. A - Sn. 1**

**NONE**

**Sch. DB - Pt. B - Sn. 1**

**NONE**

**Sch. DB - Pt. D - Sn. 1**

**NONE**

**Sch. DB - Pt. D - Sn. 2**

**NONE**

**Sch. DL - Pt. 1  
NONE**

**Sch. DL - Pt. 2  
NONE**

## SCHEDULE E - PART 1 - CASH

### Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
Regions Bank..... Columbia, SC.....					.....111,112	.....713,131	.....155,277	XXX
Southwest Capital Bank..... Albuquerque, NM.....					.....1,504,459	.....1,474,043	.....1,588,124	XXX
Union Bank..... San Francisco, CA.....					.....521,794	.....522,814	.....533,727	XXX
US Bank..... Jacksonville, FL.....					.....400,457	.....400,508	.....402,089	XXX
Wells Fargo..... New York, NY.....					.....7,419,726	.....7,419,726	.....7,419,726	XXX
Central Bank..... Jefferson City, MO.....					.....27,058	.....27,058	.....27,058	XXX
0199999. Total Open Depositories.....	XXX	XXX	.....0	.....0	.....9,984,606	.....10,557,280	.....10,126,001	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	.....0	.....0	.....9,984,606	.....10,557,280	.....10,126,001	XXX
0599999. Total Cash.....	XXX	XXX	.....0	.....0	.....9,984,606	.....10,557,280	.....10,126,001	XXX

### SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
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**NONE**

QE13

**2019 P&C Q/S CASH FLOW WORKPAPER**

Line No.	Description	Source Page / ID / Line / Col., Col.	01 Increase	02 Decrease	Net Amount	03 Adjustment	04 Total
<p>The Cash Flow workpaper uses the earned and incurred numbers from page 4 as a starting point and then backs off any non-cash items, such as changes in accruals from pages 2 and 3 and amortization of premium and accrual of discount on investment income.</p> <p>Items in italics listed in the Source column are references to last year's annual statement that must be input manually because the detail is not available in the quarterly statement.</p> <p>Not every item from pages 2, 3 and 4 are picked up in this wkpr. because not every item affects cash. The following lines are not picked up in this wkpr.:</p> <p>Page 2, Assets - 1-4.3, 8, 13 and 18.2 (the cash affect of lines 1-4.3 and 8 are picked up in their respective investment schedules in this wkpr.)</p> <p>Page 3, Liabilities - 7.2, 16, 30, 31, (the cash from 30, 31 and 34 is picked up from page 4 lines 31.1 and 32.1).</p> <p>Page 4, Statement of Income - 10, 23-31, 32.2, 32.3, 33.2, 33.3, 34 and 35. Formula lines are not picked up except for line 15 of page 4 and Agg. Write-ins from pages 2, 3 and 4.</p> <p>The NAIC Instructions are not followed verbatim in this worksheet primarily because many items having no impact on cash are picked up in the NAIC Instructions and consequently it will be more difficult to get back to cash on a line-for-line basis and therefore reconcile back to line 5 of page 2.</p>							

**CASH FROM OPERATIONS**

<b>1</b>	<b>Premiums Collected Net of Reinsurance:</b>						
101	Premiums Earned (Net).....	P04 STMTINCOME 01.4 01	3,366,436				
102	ACA Risk Adjustment.....	P03 LIAB write-in 01,02 (in part)					
103	Unearned Premiums.....	P03 LIAB 09 01, 02	7,257,648	1,946,592			
104	Advance Premium.....	P03 LIAB 10 01, 02					
105	Ceded Reinsurance Premiums Payable.....	P03 LIAB 12 01, 02	(900,232)	(1,097,251)			
106	Uncoll. Prems. & Agents' Balances In Course of ...	P02 ASSETS 15.1 01PY, 01CY	4,055,728	7,960,044			
107	Deferred Premiums, Agents' Balances .....	P02 ASSETS 15.2 01PY, 01CY	1,437,977	2,822,270			
108	Accrued Retrospective Premiums.....	P02 ASSETS 15.3 01PY, 01CY					
	Adjustment related to written premiums.....	Adjusting Entry				(2,133,175)	
199	<b>Totals for Line 1</b>		15,217,557	11,631,655	3,585,902	(2,133,175)	1,452,727

**Note:** - The NAIC Inst. pick up the change in lines 16.2 and 16.3 (in part) from page 2 here, this wkpr. does not, because it is not possible to automatically distinguish which part of the Amounts Due To Reinsurers are for premiums, losses, commissions, etc. Therefore, all of the change in 16.1, 16.2 and 16.3 is recorded in line 5 below.

<b>2</b>	<b>Net Investment Income:</b>						
201	Net Investment Income Earned.....	P04 STMTINCOME 09 01	179,014				
202	Interest on Indebtedness (inset 2).....	P03 LIAB 08 02					
203	Net Adj. in assets and liabilities due to foreign exh. rates.....	P03 LIAB 17 01, 02					
204	Interest on Indebtedness (inset 2).....	PY P03 LIAB 08 02					
205	Investment Income Due and Accrued.....	P02 ASSETS 14 01PY, 01CY	163,884	197,002			
206	Net Adj. in assets and liabilities due to foreign exh. rates.....	P02 ASSETS 22 01PY, 01CY					
207	Investment Expenses Accrued (CY, PY).....	P11 EXP 26 3, 27 3					
208	Accrual of Bond and Preferred Stock Discount.....	SI01 SCDVER 03 01					
209	Amortization of Bond and Preferred Stock Premium.....	SI01 SCDVER 07 01	8,604				
210	Accrual of Mortgage Loan Discount.....	SI01 SCBVER 04 01					
211	Amortization of Mortgage Loan Premium.....	SI01 SCBVER 08 01					
212	Accrual of Derivative Instruments Discount.....	P12 EXNETINVT F0000006 01					
213	Amortization of Derivative Instruments Premium.....	P12 EXNETINVT F0000006 02					
214	Real Estate Depreciation.....	SI01 SCAVER 08 01	16,737				
215	Accrual of Discount on Other Invested Assets.....	SI01 SCBAVER 04 01					
216	Depr. and Amort. of Prem. on Other Invested Assets.....	SI01 SCBAVER 08 01					
	Adjusting Entry						
299	<b>Totals for Line 2</b>		368,239	197,002	171,237	0	171,237

**Note:** - Amounts from page 2 line 22 and page 3 line 17, foreign exchange, are picked up here. If the change in the foreign exchange accrual affect lines other than investment income, reclass the appropriate amounts to the respective lines in this workpaper using the adjustment column.

- Investment Expenses Accrued are picked up here and are backed out of Other Expense Accrual in line 7 below.

- The change in interest on borrowed money, is picked up here because interest expense is deducted from Inv. Inc. Earned in the Net Inv. Inc. Exhibit.

<b>3</b>	<b>Miscellaneous Income:</b>						
301	Net Income of Protected Cells.....	P04 STMTINCOME 07 01					
302	Total Other Income.....	P04 STMTINCOME 15 01	22,628				
	Adjusting Entry						
399	<b>Totals for Line 3</b>		22,628	0	22,628	0	22,628

**Note:** - Make sure that the amount for Page 4 line 15, Total Other Income is cash only. Back out any changes in accruals that may be in this number using the adjustment column.

- The NAIC Instructions pick up part of the change in lines 16.2 and 16.3 from page 2 here, this wkpr. does not, because it is not possible to automatically distinguish which part of Amounts Due to Reinsurers are premiums, losses, commissions, etc. Therefore, all of the change in 16.1, 16.2 and 16.3 are recorded in line 5 below.

<b>4</b>	<b>Total (Lines 1 through 3)</b>						1,646,592
----------	----------------------------------	--	--	--	--	--	-----------

<b>5</b>	<b>Benefits and Loss Related Payments:</b>						
501	Losses Incurred.....	P04 STMTINCOME 02.4 01	1,934,331				
502	Losses.....	P03 LIAB 01 02, 01	31,547,138	29,880,222			
503	Reinsurance Payable On Paid Losses and LAE.....	P03 LIAB 02 02, 01	1,360,048	1,944,629			
504	Amounts Recoverable From Reinsurers.....	P02 ASSETS 16.1 01CY, 01PY	10,071,675	10,687,787			
505	Funds Held By Or Deposited With Reinsured Cos. ....	P02 ASSETS 16.2 01CY, 01PY	8,295				
506	Other Amounts Receivable Under Reins. Contracts.....	P02 ASSETS 16.3 01CY, 01PY					
	Adjusting Entry						
599	<b>Totals for Line 5</b>		44,921,487	42,512,638	2,408,849	0	2,408,849

**Note:** - The NAIC Instructions pick up Page 2, Line 25 (in part), Agg. Write-ins for Other Than Invested Assets here, this workpaper picks up the change in line 16.6 below.

- The NAIC Instructions pick up only line 15.1 from page 2 here, this workpaper picks up 16.1, 16.2 and 16.3 here. Because Amounts Due From Reinsurers could be a combination of premiums, commissions and claims, etc., you may want to reclassify some of the change in line 16.1, 16.2 and 16.3, to the appropriate line.

- The LAE portion of Line 15.1 of page 2 and of the Reinsurance Payable On Paid Losses and LAE from page 3 should be reclassified to line 7 below using the adjustment col.



**2019 P&C Q/S CASH FLOW WORKPAPER**

Line No.	Description	Source Page / ID / Line / Col., Col.	01 Increase	02 Decrease	Net Amount	03 Adjustment	04 Total
<b>6</b>	<b>Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts:</b>						
601	Protected Cell Liabilities.....	P03 LIAB 27 02, 01					
	.....	Adjusting Entry					
699		<b>Totals for Line 6</b>	.....0	.....0	.....0	.....0	.....0
<b>7</b>	<b>Commissions, Expenses Paid and Aggregate Write-ins for Deductions:</b>						
701	Loss Expenses Incurred.....	P04 STMTINCOME 03 01	.....402,987				
702	Other Underwriting Expenses Incurred.....	P04 STMTINCOME 04 01	.....1,402,403				
703	Aggregate Write-Ins for Underwriting Deductions.....	P04 STMTINCOME 05 01					
704	Loss Adjustment Expenses.....	P03 LIAB 03 02, 01	.....13,392,943	.....13,351,136			
705	Commissions Pay., Cont. Comm. & Other Similar .....	P03 LIAB 04 02, 01	.....(236,276)	.....(74,056)			
706	Other Expenses (excl. taxes, licenses and fees).....	P03 LIAB 05 02, 01	.....789,241	.....437,176			
707	Investment Exp. Accrued (CY, PY).....	P11 EXP 26 3, 27 3					
708	Taxes, Licenses and Fees (excl. FIT).....	P03 LIAB 06 02, 01	.....140,106	.....2,406			
709	Liab. For Amounts Held Under Uninsured Plans.....	P03 LIAB 23 02, 01					
710	Amounts Receivable Relating to Uninsured Plans.....	P02 ASSETS 17 01CY, 01PY					
711	Guaranty Funds Receivable or on Deposit.....	P02 ASSETS 19 01CY, 01PY					
	.....	Adjusting Entry					
799		<b>Totals for Line 7</b>	.....15,891,404	.....13,716,662	.....2,174,742	.....0	.....2,174,742
<b>Note:</b> - The Investment expense accrual from page 11 is reversed out of page 3, line 5 here and is reclassified to line 2 for Net Investment Income.							
- Journal entries affecting the Guaranty Fund Assessment page 2, line 19, may not affect cash, and consequently may need to be reversed out of this line.							
- The NAIC Instructions pick up line 16.3 (in part) from page 2 here, this workpaper picks up 16.1, 16.2 and 16.3 from page 2 in line 5 above. Because Amounts Due From Reinsurers could be a combination of premiums, commissions and claims, etc., you may want to reclassify some of the change in line 16.1, 16.2 and 16.3 to the appropriate line. Also, see the notes in line 1, 3 and 5 of this wkpr. regarding line 16.1, 16.2 and 16.3 of page 2.							
- The LAE portion of Line 15.1 of page 2 and of Rein. Payable On Paid Losses and LAE from line 5 above should be reclassified to this line using the adjustment column.							
<b>8</b>	<b>Dividends Paid To Policyholders:</b>						
801	Dividends to Policyholders.....	P04 STMTINCOME 17 01					
802	Dividends Declared and Unpaid - Policyholders.....	P03 LIAB 11.2 02, 01					
	.....	Adjusting Entry					
899		<b>Totals for Line 8</b>	.....0	.....0	.....0	.....0	.....0
<b>9</b>	<b>Federal and Foreign Income Taxes Paid (Recovered):</b>						
901	Federal and Foreign Income Taxes Incurred.....	P04 STMTINCOME 19 01					
902	Realized Capital Gains Tax (inset 1).....	P04 STMTINCOME I 10 01					
903	Current Federal and Foreign Income Taxes (Payable).....	P03 LIAB 07.1 02, 01					
904	Current Federal and Foreign Income Tax Rec. ....	P02 ASSETS 18.1 01CY, 01PY		.....80,822			
	.....	Adjusting Entry					
999		<b>Totals for Line 9</b>	.....0	.....80,822	.....(80,822)	.....0	.....(80,822)
<b>Note:</b> - The NAIC Instructions indicate picking up and tax amounts from lines 24 and 25 of page 4, the workpaper does not. If line 25 does include tax amounts affecting cash, you will need to pick up those tax amounts using the adjustment column.							
- The NAIC Instructions indicate to pick up line 26 of page 4, Change in Deferred Income Tax, line 18.2 of page 2 (DTA) and 7.2 of page 3 (DTL). The changes in these amounts are noncash and are recorded on a separate line on page 4 and therefore do not need to be picked up in this wkpr.							
9 inset	\$.....net of tax on capital gains (losses).....	Company Records					
<b>Note:</b> Enter the tax on capital gains (losses) here. This amount will be transferred from the workpaper to the Cash Flow Page. This will eliminated the need to enter this amount manually on the Cash Flow Page.							
<b>10</b>	<b>Total (Lines 5 through 9)</b>						.....4,502,769
<b>11</b>	<b>Net Cash From Operations (Line 4 minus Line 10)</b>						.....(2,856,177)
<b>CASH FROM INVESTMENTS</b>							
<b>Note:</b> - For lines 12 and 13 below, regarding investments, the NAIC Instructions provide a reconciliation for each investment class which includes some of the same sources as this worksheet. This worksheet is more direct in that it pulls amounts from the investment schedules instead of the Verification Between Years when the VBY has Bonds and Stocks on the same line.							
<b>12</b>	<b>Proceeds From Investment Sold, Matured Or Repaid</b>						
<b>12.1</b>	<b>Bonds:</b>						
12.101	Bonds (current quarter).....	E05 SCDPT4 8399999 07					
12.102	Bonds (previous quarter) (used in 2nd & 3rd qtrs. only).....	5W CASHWKPR 12.199 01					
12.103	Non-Cash Exchange - Bonds.....	E14 SCDPT4 0000001 4					
12.104	Prepayment Penalty & Acceleration Fees.....	P07 NINVEST 5R(2) 1 + 2					
	.....	Adjusting Entry					
12.199		<b>Totals for Line 12.1</b>	.....0	.....0	.....0	.....0	.....0
<b>12.2</b>	<b>Stocks:</b>						
12.201	Stocks (current quarter).....	E05 SCDPT4 9899999 07					
12.202	Stocks (previous quarter) (used in 2nd & 3rd qtrs. only).....	5W CASHWKPR 12.299 01					
12.203	Non-Cash Exchange - Stocks.....	E14 SCDPT4 0000002 4					
	.....	Adjusting Entry					
12.299		<b>Totals for Line 12.2</b>	.....0	.....0	.....0	.....0	.....0
<b>12.3</b>	<b>Mortgage Loans:</b>						
12.301	Amounts Received on Disposals.....	SI01 SCBVER 07 01					
12.302	Mortgages Transferred to Real Estate.....	E02 SCBPT3 0499999 15					
12.303	Mort. Trans. to R/E (prev. qtr.) (2nd & 3rd qtrs. only).....	5W CASHWKPR 12.399 02					
	.....	Adjusting Entry					
12.399		<b>Totals for Line 12.3</b>	.....0	.....0	.....0	.....0	.....0

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Line No.	Description	Source Page / ID / Line / Col., Col.	01 Increase	02 Decrease	Net Amount	03 Adjustment	04 Total
<b>12.4</b>	<b>Real Estate:</b>						
12.401	Amounts Received on Disposals.....	SI01 SCAVER 05 01					
12.402	CY Change In Encum. (neg. amts. from col. 13 (x -1)).....	E01 SCAPT1 F0000001 1					
12.403	CY Change In Encum. (neg. amts. from col. 11 (x -1)).....	E03 SCAPT3 F0000001 1					
		Adjusting Entry					
12.499		<b>Totals for Line 12.4</b>	0	0	0	0	0
<b>Note:</b> For line 12.402 and 03, see Schedule A Pt. 1 and Pt. 3 footnotes for details. See line 13.4 of this workpaper as well.							
<b>12.5</b>	<b>Other Invested Assets :</b>						
12.501	Amounts Received on Disposals.....	SI01 SCBAVER 07 01					
		Adjusting Entry					
12.599		<b>Totals for Line 12.5</b>	0	0	0	0	0
<b>12.6</b>	<b>Net Gains or (Losses) on Cash, Cash Equiv. and Short-Term Investments:</b>						
12.601	Realized Gain (Loss) - Cash, Cash Equiv. & ST Inv.....	P12 EXCAPGLOSS 06 01					
12.602	Unrealized Gain (Loss) - Cash, Cash Equiv. & ST Inv.....	P12 EXCAPGLOSS 06 04					
		Adjusting Entry					
12.699		<b>Totals for Line 12.6</b>	0	0	0	0	0
<b>Note:</b> - Amounts from EXCAPGLOSS 06 02 are not picked up here because OTTI entries do not affect cash.							
<b>12.7</b>	<b>Miscellaneous Proceeds: (See Line 13.6)</b>						
12.701	Payable for Securities (Inc. Only).....	P03 LIAB 21 01, 02			0		
12.702	Derivatives (Dec. Only).....	P02 ASSETS 07 01PY, 01CY			0		
12.703	Receivable for Securities (Dec. Only).....	P02 ASSETS 09 01PY, 01CY			0		
12.704	Securities Lending Reinvested Coll. Assets (Dec. only)	P02 ASSETS 10 01PY, 01CY			0		
12.705	Agg. Write-Ins for Inv. Assets (Dec. Only).....	P02 ASSETS 11 01PY, 01CY	7,862,686	7,862,686	0		
		Adjusting Entry					
12.799		<b>Totals for Line 12.7</b>	0	0	0	0	0
<b>Note:</b> - Line 12.7 and 13.6 are reciprocals of each other. Therefore the same lines from pages 2 and 3 are picked up in line 12.7 and 13.6 and the location of the change is determined depending on if the change is an increase or decrease. The formulas in the "Net Amount" column calculates the change. - The journal entries that make up both payable and receivable for securities may not affect cash and consequently, may need to be reversed out of this line. - Noncash entries for derivatives will need to be reversed out using the adjustments column.							
<b>12.8</b>	<b>Total Investment Proceeds (Lines 12.1 to 12.7)</b>						0
<b>13</b>	<b>Cost of Investments Acquired (Long-Term Only):</b>						
<b>13.1</b>	<b>Bonds:</b>						
13.101	Bonds (current quarter).....	E04 SCDPT3 8399999 07					
13.102	Bonds (previous quarter) (used in 2nd & 3rd qtrs. only).....	5W CASHWKPR 13.199 01					
13.103	Non-Cash Exchange - Bonds.....	E14 SCDPT3 0000001 1					
		Adjusting Entry					
13.199		<b>Totals for Line 13.1</b>	0	0	0	0	0
<b>13.2</b>	<b>Stocks:</b>						
13.201	Stocks (current quarter).....	E04 SCDPT3 9899999 07					
13.202	Stocks (previous quarter) (used in 2nd & 3rd qtrs. only).....	5W CASHWKPR 13.299 01					
13.203	Non-Cash Exchange - Stocks.....	E14 SCDPT3 0000002 1					
		Adjusting Entry					
13.299		<b>Totals for Line 13.2</b>	0	0	0	0	0
<b>13.3</b>	<b>Mortgage Loans:</b>						
13.301	Actual Cost At Time of Acquisitions.....	SI01 SCBVER 02.1 01					
13.302	Additional Investment Made After Acquisitions.....	SI01 SCBVER 02.2 01					
		Adjusting Entry					
13.399		<b>Totals for Line 13.3</b>	0	0	0	0	0
<b>13.4</b>	<b>Real Estate:</b>						
13.401	Actual Cost at Time of Acquisitions.....	SI01 SCAVER 02.1 01					
13.402	Additional Investment Made After Acquisition.....	SI01 SCAVER 02.2 01					
13.403	Mortgages Transferred to Real Estate.....	E02 SCBPT3 0499999 15					
13.404	Mort. Trans. to R/E (prev. qtr.) (2nd & 3rd qtrs. only).....	5W CASHWKPR 13.499 02					
13.405	CY Change In Encumbrance (pos. amts. from col. 13).....	E01 SCAPT1 F0000002 1					
13.406	CY Change In Encumbrance (pos. amts. from col. 11).....	E03 SCAPT3 F0000002 1					
		Adjusting Entry					
13.499		<b>Totals for Line 13.4</b>	0	0	0	0	0
<b>Note:</b> For line 13.404 and 05, see Schedule A Pt. 1 and Pt. 3 footnotes for details. See line 12.4 of this workpaper as well.							
<b>13.5</b>	<b>Other Invested Assets :</b>						
13.501	Actual Cost At Time of Acquisitions.....	SI01 SCBAVER 02.1 01					
13.502	Additional Investment Made After Acquisitions.....	SI01 SCBAVER 02.2 01					
		Adjusting Entry					
13.599		<b>Totals for Line 13.5</b>	0	0	0	0	0

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Line No.	Description	Source Page / ID / Line / Col., Col.	01 Increase	02 Decrease	Net Amount	03 Adjustment	04 Total
<b>13.6</b>	<b>Miscellaneous Applications: (See Line 12.7)</b>						
13.601	Payable for Securities (Dec. Only).....	P03 LIAB 21 01, 02			.0		
13.602	Derivatives (Inc. Only).....	P02 ASSETS 07 01PY, 01CY			.0		
13.603	Receivable for Securities (Inc. Only).....	P02 ASSETS 09 01PY, 01CY			.0		
13.604	Securities Lending reinvested Coll. Assets (Inc. only).....	P02 ASSETS 10 01PY, 01CY			.0		
13.605	Agg. Write-Ins for Inv. Assets (Inc. Only).....	P02 ASSETS 11 01PY, 01CY	7,862,686	7,862,686	.0		
		Adjusting Entry					
13.699		<b>Totals for Line 13.6</b>			.0	0	0
<b>Note:</b> - Line 12.7 and 13.6 are reciprocals of each other. Therefore the same lines from pages 2 and 3 are picked up in line 12.7 and 13.6 and the location of the change is determined depending on if the change is an increase or decrease. The formulas in the "Net Amount" column calculates the change. - The journal entries that make up both payable and receivable for securities may not affect cash and consequently, may need to be reversed out of this line. - Noncash entries for derivatives will need to be reversed out using the adjustments column.							
<b>13.7</b>	<b>Total Investments Acquired (Lines 13.1 to 13.6)</b>						0
<b>14</b>	<b>Net Increase (Decrease) in Contract Loans and Premium Notes:</b>						
14.101	Contract Loans.....	P02 ASSETS 06 01CY, 01PY					
		Adjusting Entry					
14.199		<b>Totals for Line 14</b>	0	0	0	0	0
<b>15</b>	<b>Net Cash From Investments (Line 12.8 Minus Line 13.7 and 14)</b>						0
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>							
<b>16</b>	<b>Cash Provided (Applied):</b>						
<b>16.1</b>	<b>Surplus Notes, Capital Notes:</b>						
16.101	Capital Notes.....	P03 LIAB 24 01, 02					
16.102	Surplus Notes.....	P03 LIAB 33 01, 02					
		Adjusting Entry					
16.199		<b>Totals for Line 16.1</b>	0	0	0	0	0
<b>16.2</b>	<b>Capital and Paid In Surplus, Less Treasury Stock:</b>						
16.201	Capital Paid In.....	P04 STMTINCOME 32.1 01					
16.202	Surplus Paid In.....	P04 STMTINCOME 33.1 01	1,120,000				
16.203	Common Treasury Stock.....	P03 LIAB 36.1 02, 01					
16.204	Preferred Treasury Stock.....	P03 LIAB 36.2 02, 01					
		Adjusting Entry					
16.299		<b>Totals for Line 16.2</b>	1,120,000	0	1,120,000	0	1,120,000
<b>Note:</b> - The NAIC Instructions pick up the change in capital from page 3 line 30 and 32 and the change in Surplus Paid In from line 33. This wkpr. picks of the change in capital and surplus from page 4 line 31.1 and 32.1, respectively. This is done to avoid picking up increases in capital that may be due to stock dividends.							
<b>16.3</b>	<b>Borrowed Funds Received:</b>						
16.301	Borrowed Money.....	P03 LIAB 08 01, 02					
16.302	Interest on Indebtedness (inset 2).....	P03 LIAB 08 02					
16.303	Interest on Indebtedness (inset 2).....	PY P03 LIAB 08 02					
		Adjusting Entry					
16.399		<b>Totals for Line 16.3</b>	0	0	0	0	0
<b>Note:</b> - Interest on Indebtedness is backed off the change in Borrowed Money so only the actual cash received is pick up here. The NAIC instructions do not pick up the change in this accrual. Also, the change in interest on borrowed money, is backed off here because interest expense is deducted from Inv. Inc. Earned in the Net Inv. Inc. Exhibit. (See line 2 above.)							
<b>16.4</b>	<b>Net Deposits on Deposit-Type Contracts and Other Insurance Liabilities:</b>						
		Adjusting Entry					
16.499		<b>Totals for Line 16.4</b>				0	0
<b>16.5</b>	<b>Dividends To Stockholders:</b>						
16.501	Dividends To Stockholders (sign reversed).....	P04 STMTINCOME 35 01					
16.502	Dividends Declared and Unpaid - Stockholders.....	P03 LIAB 11.1 02, 01					
		Adjusting Entry					
16.599		<b>Totals for Line 16.5</b>	0	0	0	0	0

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Line No.	Description	Source Page / ID / Line / Col., Col.	01 Increase	02 Decrease	Net Amount	03 Adjustment	04 Total	
<b>16.6</b>	<b>Other Cash Provided (Applied):</b>							
16.601	Funds Held By Company Under Rein. Treaties.....	P03 LIAB 13 01, 02						
16.602	Amounts Withheld Or Retained By Company ...	P03 LIAB 14 01, 02	.....1,637,599	.....1,425,414				
16.603	Remittances and Items Not Allocated.....	P03 LIAB 15 01, 02						
16.604	Drafts Outstanding.....	P03 LIAB 18 01, 02						
16.605	Payable To Parent, Subsidiaries and Affiliates.....	P03 LIAB 19 01, 02						
16.606	Derivatives.....	P03 LIAB 20 01, 02						
16.607	Payable for Securities Lending.....	P03 LIAB 22 01, 02						
16.608	Aggregate Write-ins for Liabilities.....	P03 LIAB 25 01, 02	.....6,396,086	.....6,054,952				
16.609	Agg. Write-Ins for Special Surplus Funds.....	P03 LIAB 29 01, 02	.....6,323,010	.....6,323,010				
16.610	Agg. Write-ins for Other Than Special Surplus Funds.....	P03 LIAB 32 01, 02						
16.611	Electronic Data Processing Equipment and Software.....	P02 ASSETS 20 01PY, 01CY						
16.612	Furniture and Equipment.....	P02 ASSETS 21 01PY, 01CY						
16.613	Receivable From PSA.....	P02 ASSETS 23 01PY, 01CY	.....957,495	.....1,052,121				
16.614	Health Care and Other Amounts Receivable.....	P02 ASSETS 24 01PY, 01CY						
16.615	Aggregate Write-Ins for Other Than Invested Assets.....	P02 ASSETS 25 01PY, 01CY	.....7,602,740	.....6,799,741				
	Adjustment related to written premium.....	Adjusting Entry						
16.699		<b>Totals for Line 16.6</b>	.....22,916,930	.....21,655,238	.....1,261,692	.....0	.....1,261,692	
<p><b>Note:</b></p> <ul style="list-style-type: none"> <li>- The NAIC Instructions pick up Agg. Write-ins for Gains and Losses in Surplus from line 37 of page 4. This wkpr. does not because it can not be assumed that amounts recorded in line 37 of page 4 may be noncash entries. If amounts on page 4 line 37 are cash gains and losses in surplus, use the adjustment column to enter the amounts.</li> <li>- The NAIC Instructions pick up Page 2, Line 25 (in part), Agg. Write-ins for Other Than Invested Assets in line 5 above, this workpaper picks up the change here.</li> <li>- The amounts brought in for Agg. Write-in Line 25 may include noncash items. If so, use the adjustment column to reverse them out.</li> <li>- Noncash entries for derivatives will need to be reversed out using the adjustments column.</li> </ul>								
17	<b>Net Cash From Financing and Miscellaneous Sources (Line 16.1 to 16.4 Minus Line 16.5 Plus Line 16.6)</b>							.....2,381,692
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>								
18	<b>Net Change In Cash, Cash Equivalents and Short Term Investments (Line 11 Plus Line 15 Plus Line 17)</b>							.....(474,485)
19	<b>Cash, Cash Equivalents and Short-Term Investments:</b>							
19.1	<b>Beginning of Year:</b>	P02 ASSETS 05 01PY		.....10,600,485		Difference		
19.2	<b>End of Period (Line 18 Plus Line 19.1):</b>	P02 ASSETS 05 01CY	.....10,126,000		.....(474,485)	.....0	(19.1 -19.2 = 18)	