

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, 2018

2018



QUARTERLY STATEMENT

As of March 31, 2018
of the Condition and Affairs of the

Accident Insurance Company, Inc.

NAIC Group Code.....4680, 4680 (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 590 .. Albuquerque .. NM .. US .. 87112 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	One Harbison Way, Suite 115 .. Columbia .. SC .. US .. 29212 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	800-896-6884 <i>(Area Code) (Telephone Number)</i>
Mail Address	One Harbison Way, Suite 115 .. Columbia .. SC .. US .. 29212 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	One Harbison Way, Suite 115 .. Columbia .. SC .. US .. 29212 <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>	865-481-7965 <i>(Area Code) (Telephone Number) (Extension)</i>
	anne.heath@invopeo.com <i>(E-Mail Address)</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.	
Michael D. Hunter	Vice President	Katheryne A. Heath	Chief Financial Officer

OTHER

DIRECTORS OR TRUSTEES

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

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 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	26,236,141		26,236,141	26,310,080
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.....	4,780,811		4,780,811	4,833,230
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).....	3,252,239		3,252,239	3,265,294
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....11,282,522), cash equivalents (\$.....0) and short-term investments (\$.....0).....	11,282,522		11,282,522	10,974,355
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.....	9,805,529	0	9,805,529	9,805,529
12. Subtotals, cash and invested assets (Lines 1 to 11).....	55,907,242	0	55,907,242	55,738,488
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	339,270		339,270	301,673
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	3,646,915		3,646,915	4,202,255
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	6,209,613		6,209,613	5,493,897
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	9,338,791		9,338,791	8,950,128
16.2 Funds held by or deposited with reinsured companies.....	320,280		320,280	320,280
16.3 Other amounts receivable under reinsurance contracts.....	(43,955)		(43,955)	(43,955)
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	3,452,314		3,452,314	3,396,998
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.....	944,233		944,233	941,524
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	8,085,112	5,359	8,079,753	8,033,028
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	88,199,814	5,359	88,194,455	87,334,316
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	88,199,814	5,359	88,194,455	87,334,316

DETAILS OF WRITE-INS

1101. Assumed Marketable Securities and Cash.....	9,805,529		9,805,529	9,805,529
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).....	9,805,529	0	9,805,529	9,805,529
2501. At Risk Commission Adjustment.....	3,100,000		3,100,000	3,400,000
2502. SUNZ Trust Receivable.....	2,280,900		2,280,900	2,280,900
2503. Assumed Receivable.....	2,516,862		2,516,862	2,516,862
2598. Summary of remaining write-ins for Line 25 from overflow page.....	187,349	5,359	181,990	(164,734)
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	8,085,112	5,359	8,079,753	8,033,028

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....12,493,000).....	35,612,712	36,786,364
2. Reinsurance payable on paid losses and loss adjustment expenses.....	478,173	301,196
3. Loss adjustment expenses.....	8,363,171	8,202,377
4. Commissions payable, contingent commissions and other similar charges.....	113,312	131,748
5. Other expenses (excluding taxes, licenses and fees).....	670,773	619,773
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	907,769	1,006,532
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	178	178
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 \$.....144,210 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).....	2,997,637	2,303,003
10. Advance premium.....	94,241	88,997
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	(3,344,079)	(3,084,387)
13. Funds held by company under reinsurance treaties.....	133,343	133,343
14. Amounts withheld or retained by company for account of others.....	103,491	31,271
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified).....	3,377,022	3,377,022
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.....	12,203,430	11,024,473
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	61,711,173	60,921,891
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	61,711,173	60,921,891
29. Aggregate write-ins for special surplus funds.....	5,670,021	5,670,021
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.....	32,180,037	32,180,037
35. Unassigned funds (surplus).....	(13,866,776)	(13,937,633)
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).....	26,483,282	26,412,425
38. Totals (Page 2, Line 28, Col. 3).....	88,194,455	87,334,316

DETAILS OF WRITE-INS

2501. Retroactive Reinsurance.....	2,336,426	2,404,651
2502. Assumed Reserves.....	6,652,370	6,652,370
2503. Payable to TPA.....	3,214,634	1,967,452
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).....	12,203,430	11,024,473
2901. Special Surplus.....	5,670,021	5,670,021
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).....	5,670,021	5,670,021
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
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$....4,855,204).....	4,224,008	7,526,902	37,860,160
1.2 Assumed..... (written \$....(145,584)).....	189,034	2,471,487	4,226,566
1.3 Ceded..... (written \$....351,512).....	749,569	7,180,930	26,281,970
1.4 Net..... (written \$....4,358,107).....	3,663,473	2,817,460	15,804,756
DEDUCTIONS:			
2. Losses incurred (current accident year \$....8,415,000):			
2.1 Direct.....	1,663,632	3,937,717	30,414,710
2.2 Assumed.....	2,478	1,237,618	319,026
2.3 Ceded.....	426,342	3,715,522	26,007,261
2.4 Net.....	1,239,767	1,459,813	4,726,476
3. Loss adjustment expenses incurred.....	801,903	(503,098)	6,246,058
4. Other underwriting expenses incurred.....	1,829,195	1,631,728	7,661,225
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	3,870,865	2,588,443	18,633,759
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(207,392)	229,016	(2,829,003)
INVESTMENT INCOME			
9. Net investment income earned.....	119,782	1,034,280	1,444,002
10. Net realized capital gains (losses) less capital gains tax of \$.....0.....		(595,145)	390,232
11. Net investment gain (loss) (Lines 9 + 10).....	119,782	439,135	1,834,233
OTHER INCOME			
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.....	41,082	64,244	87,901
14. Aggregate write-ins for miscellaneous income.....	61,334	1,308,353	(268,226)
15. Total other income (Lines 12 through 14).....	102,416	1,372,597	(180,325)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	14,806	2,040,749	(1,175,095)
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).....	14,806	2,040,749	(1,175,095)
19. Federal and foreign income taxes incurred.....			
20. Net income (Line 18 minus Line 19) (to Line 22).....	14,806	2,040,749	(1,175,095)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	26,412,426	13,052,086	13,052,086
22. Net income (from Line 20).....	14,806	2,040,749	(1,175,095)
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....		41,924	(593,145)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	55,316		(1,663,494)
27. Change in nonadmitted assets.....	734	(1,536,601)	6,377,334
28. Change in provision for reinsurance.....			2,714,683
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.....			2,030,037
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	5,670,021
38. Change in surplus as regards policyholders (Lines 22 through 37).....	70,856	546,072	13,360,340
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	26,483,282	13,598,157	26,412,426
DETAILS OF WRITE-INS			
0501. Commutation Expense.....			
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.....	61,334		125,708
1402. Retroactive Reinsurance - ADC.....			
1403. Retro Reinsurance.....			(393,934)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	1,308,353	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	61,334	1,308,353	(268,226)
3701. Special Surplus.....			5,670,021
3702.			
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	5,670,021

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	3,943,282	(2,666,605)	2,511,669
2. Net investment income.....	95,240	1,007,066	2,174,935
3. Miscellaneous income.....	102,416	1,372,597	(180,325)
4. Total (Lines 1 through 3).....	4,140,938	(286,941)	4,506,278
5. Benefit and loss related payments.....	2,625,105	(4,607,078)	6,440,021
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,536,503	3,247,895	18,395,718
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....			
10. Total (Lines 5 through 9).....	5,161,607	(1,359,184)	24,835,738
11. Net cash from operations (Line 4 minus Line 10).....	(1,020,669)	1,072,243	(20,329,460)
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....		4,012,855	15,283,855
12.2 Stocks.....			1,700,000
12.3 Mortgage loans.....	52,419		
12.4 Real estate.....		1,580,000	15,680,000
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	52,419	5,592,855	32,663,855
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....			3,517,500
13.2 Stocks.....			
13.3 Mortgage loans.....			5,000,000
13.4 Real estate.....			1,100,485
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			9,805,529
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	0	19,423,514
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).....	52,419	5,592,855	13,240,341
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			2,030,037
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).....	1,276,417	(8,260,562)	3,912,680
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	1,276,417	(8,260,562)	5,942,716
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	308,167	(1,595,464)	(1,146,403)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	10,974,355	12,120,758	12,120,758
19.2 End of period (Line 18 plus Line 19.1).....	11,282,521	10,525,294	10,974,355

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**

Accident Insurance Company, Inc. (the Company) is incorporated under the laws of the State of New Mexico. The Company writes workers' compensation and employer's liability, general liability and commercial automobile 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), and 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 March 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.

A. Accounting Practices

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) The Company state basis (Page 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$ 14,806	\$ (1,175,096)

NOTES TO FINANCIAL STATEMENTS

	SSAP #	F/S Page	F/S Line #	2018	2017
(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	\$ 14,806	\$ (1,175,096)
SURPLUS					
(5) The Company state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 26,483,282	\$ 26,412,425
(6) State Prescribed Practice that are an increase/(decrease) from NAIC SAP					
				\$	\$
(7) State Permitted Practice that are an increase/(decrease) from NAIC SAP					
				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 26,483,282	\$ 26,412,425

C. Accounting Policy**Premiums**

Premiums are earned on a pro rata basis over the terms of the related insurance policies and the terms of the reinsurance contracts. The Company records 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 for lines other than workers' compensation. Ceded premiums have been reported as a reduction of premiums written and earned. Premium deficiency reserves assure that the 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 deemed necessary or recorded in the accompanying statutory statement of Liabilities and Surplus as of December 31, 2017 and December 31, 2016.

Losses and Loss Adjustment Expenses

The Company has claims adjusters that develop reserves based on the relevant facts available and the statutory requirements for the respective state for all claims which are known and have been reported to the Company. The claims files and payment history are provided by the Company to its actuary to develop an incurred but not reported reserve by line of business.

Expenses

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.

Cash and cash equivalents

The Company considers cash and all investments whose maturities, at the time of acquisition, are three months or less to be cash and cash equivalents. Cash and cash equivalents are stated at amortized cost which approximates fair value.

Investments

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.

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.

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.

Investment income associated with real estate consists of rents charged to tenants reduced by the expenses incurred to maintain the building.

Fair Value of Financial Instruments

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.

NOTES TO FINANCIAL STATEMENTS

In addition, the Company uses the following accounting policies:

(1) Basis of valuation of short term investments

Short-term investments are stated at fair value using the interest method.

(2) Basis of valuation of bonds

Bonds are stated at fair value based on quoted prices in active markets.

(3) Basis of valuation of common stocks

Common stocks other than investments in stocks of subsidiaries and affiliates, are stated at fair value.

(4) Basis of valuation of preferred stocks

Preferred stocks are stated at fair value.

(5) Basis of valuation of mortgage loans

First lien mortgage loans on real estate are stated at their unpaid principal balances.

(6) Basis of valuation of loan-backed securities

Not applicable

(7) Basis of valuation of subsidiary, controlled and affiliated

Not applicable.

(8) Basis of valuation of joint ventures, partnerships, LLCs

Not applicable.

(9) Basis of valuation of derivatives

Not applicable.

(10) Premium deficiency reserve

Not applicable.

(11) Method of establishing loss and LAE reserves

The Company has claims adjusters that develop reserves based on the relevant facts available and the statutory requirements for the respective state for all claims which are known and have been reported to the Company. The claims files and payment history are provided by the Company to its actuary to develop an incurred but not reported reserve by line of business.

(12) Change in capitalization policy

The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The predefined capitalization policy thresholds have not changed from the prior year.

(13) Method of estimating pharmaceutical rebate receivables

Not applicable.

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

NOTES TO FINANCIAL STATEMENTS

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 Sale

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.

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, Dividend Restrictions and Quasi-Reorganizations

No significant changes

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) and (b) Not applicable.

C. Wash Sales

NOTES TO FINANCIAL STATEMENTS

(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 period ended March 31, 2018 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**Note 20 – Fair Value Measurements**

A. Fair Value Measurements

(1) Fair Value Measurements at Reporting Date

The Company has categorized its assets and liabilities that are measured at fair value on a recurring basis into the three-level fair value hierarchy as reflected in the following table. See below for a discussion of each of these three levels.

Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2 - Significant Other Observable Inputs: This category is for items measured at fair value on a recurring basis and includes common stocks which are not exchange-traded.

Level 3 - Significant Unobservable Inputs: The Company has no assets or liabilities measured at fair value on a recurring basis in this category.

	Level 1	Level 2	Level 3	Total	Net Asset Value (NAV) Included in Level 2
Assets at Fair Value					
Bonds	\$	\$	\$	\$	\$
US States, Territories & Possessions-Issuer Obligations	\$ 3,576,235	\$	\$	\$ 3,576,235	\$
US Special Revenue & Special Assessment Obligations	\$ 6,307,243	\$	\$	\$ 6,307,243	\$
Industrial & Miscellaneous (Unaffiliated)-Issuer Obligations	\$ 11,501,462	\$	\$	\$ 11,501,462	\$
	\$	\$	\$	\$	\$
Preferred Stock	\$	\$	\$	\$	\$
Industrial& Miscellaneous (Unaffiliated)-Issuer Obligations	\$	\$ 550,000	\$	\$ 550,000	\$
Total	\$ 21,384,939	\$ 550,000	\$	\$ 21,934,939	\$
Liabilities at Fair Value					
	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

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

Not applicable.

(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

Not applicable.

D. Not Practicable to Estimate Fair Value

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 21 – Other Items

Not applicable.

Note 22 – Events Subsequent

No significant changes

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

Net reserves for losses and loss adjustment expenses were \$44.989 million as of December 31, 2017. Net reserves remaining for prior years are now \$41.912 million principally on the Company's Workers' Compensation line of business and its participation in workers' compensation reinsurance pools for which the information is provided a quarter in arrears. Changes are the result of ongoing analysis of recent loss development trends and reports received from the administrator of workers' compensation pools in which the company participates. Original estimates are increased or decreased, as additional information becomes known regarding individual claims and historical loss information is updated for participation in reinsurance pools as received.

Note 26 – Intercompany Pooling Arrangements

Not applicable.

Note 27 – Structured Settlements

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

Not applicable.

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? 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. 12/31/2016
- 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). 12/07/2017

6.4 By what department or departments?
New Mexico Office of the Superintendent of Insurance

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 20,518

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	0	0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 0	\$ 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
William M Arowood, President	I
Robert J Arowood, Secretary & Treasurer	I
Michael D Hunter, Vice President	I

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

18.2 If no, list exceptions:

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

- a. Documentation necessary to permit a full credit analysis of the security does not exist.
- 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 5*GI 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
Total	XXX	XXX	0	0	0	0	0	0	0	0

5.1 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	151,144	253,441	196,725	38,344	2,526,299	5,515,513
2. Alaska.....AK	N						
3. Arizona.....AZ	L	144,805	125,755	135,951	230,093	2,473,509	2,380,007
4. Arkansas.....AR	L	61,450	79,353	10,217	87	500,377	1,016,320
5. California.....CA	N						
6. Colorado.....CO	N						
7. Connecticut.....CT	N						
8. Delaware.....DE	N						
9. District of Columbia.....DC	N						
10. Florida.....FL	L	16,809	(118,724)	1,014,335	971,028	14,854,996	23,678,270
11. Georgia.....GA	L	1,062,702	1,512,134	2,235,701	1,361,754	10,647,025	15,866,295
12. Hawaii.....HI	N						
13. Idaho.....ID	N						
14. Illinois.....IL	L	1,404,749	2,065,388	1,018,329	1,220,204	14,034,499	14,357,024
15. Indiana.....IN	L	100,550	180,018	46,126	242,921	765,933	2,215,170
16. Iowa.....IA	N						
17. Kansas.....KS	N						
18. Kentucky.....KY	L	3,686	16,465	500,738	2,428	655,678	(1,972,441)
19. Louisiana.....LA	L	223,889	355,971	56,256	100,734	11,692,682	2,712,707
20. Maine.....ME	N						
21. Maryland.....MD	N						
22. Massachusetts.....MA	N						
23. Michigan.....MI	N						
24. Minnesota.....MN	N						
25. Mississippi.....MS	L	174,959	223,013	740,965	156,957	2,430,612	3,622,459
26. Missouri.....MO	L	129,876	179,345	86,814	201,316	2,349,986	1,820,373
27. Montana.....MT	N						
28. Nebraska.....NE	N						
29. Nevada.....NV	L	77,878	128,874	52,050	118,261	5,945,349	5,463,136
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	139,692	192,319	9,048	5,254	2,539,916	3,374,522
38. Oregon.....OR	N						
39. Pennsylvania.....PA	N						
40. Rhode Island.....RI	N						
41. South Carolina.....SC	L	1,071,036	1,385,028	820,874	711,763	8,423,312	16,171,601
42. South Dakota.....SD	N						
43. Tennessee.....TN	N			119,257	80,356	6,754,326	1,465,409
44. Texas.....TX	L	91,980	42,656	331,351	174,707	8,126,281	6,559,819
45. Utah.....UT	N						
46. Vermont.....VT	N						
47. Virginia.....VA	N		(6,784)	10,337	151,524	1,251,095	(201,562)
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	7,292,453	10,022,115
59. Totals.....XXX		4,855,204	6,614,252	7,385,074	5,767,729	103,264,328	114,066,736

DETAILS OF WRITE-INS

58001. Other - Alien.....XXX						7,292,453	10,022,115
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	7,292,453	10,022,115

(a) Active Status Count		
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	15	R - Registered - Non-domiciled RRGs.....
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.....
D - Domestic Surplus Lines Insurer (DSLI) - 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.....
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Appalachian - Insurance Holding Company Group

William "Bill" M. Arowood (individual)
Robert "Bob" J. Arowood (individual)

Accident Insurance Company, Inc. Holding Company, Inc.
Fed ID 46-3044858, NAIC None
100% Owned **DISSOLVED 4/19/17 SC**
NAME ACCIDENT INSURANCE HOLDING COMPANY, INC.
INCORP 6/15/17 NM

AIC Holdings, LLC
Fed ID 82-0571442, NAIC None
100% Owned
INCORP 11/5/08 ACTIVE SC

ISG Holding Company, Inc.;
Fed ID 62-0887639
NAIC None
48% Owned by Bill & Bob
49% Arowood 2012
Irrevocable Trust
3% Bobbie Arowood
INCORP 2/20/73 TN

Tennessee Brokers and Agents Association, Inc.;

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

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

MRA Inspection Services, LLC; Fed ID 20-1016809 NAIC None
William H., Bobbie, William M. & Robert J. Arowood all own 25% each
INCORP 4/14/04 SC

American Employer Group, Inc. NKA INVO PEO, Inc.;

Accident Insurance Company, Inc.; Fed ID 61-1440952 NAIC 11573 NM
100% Owned
DISSOLVED 4/19/17 SC
INCORP 12/28/16 NM

AIC Underwriters, LLC; Fed ID 27-4359062 NAIC None
100% Owned *
INCORP 12/20/10 LA AS AIC UNDERWRITERS LLC

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

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

US Administrator Claims, LLC; Fed ID 26-3357762 NAIC None
100% Owned
INCORP 11/5/13 NV

B&B Properties; Fed ID 90-0034444 NAIC None
10% Each Owned William M. & Robert J. Arowood and William H. & Bobbie Arowood own 40% each
NOT INCORP

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

American Employer Group I, Inc. NKA INVO PEO, Inc. I;

Pipco, Inc.; Fed ID 26-0516637 NAIC None
100% Owned
INCORP 7/13/07 ACTIVE TN

RCS Risk Services LLC; Fed ID 45-3743203 NAIC None
100% Owned
INCORP 11/21/11 NV

Appalachian Reinsurance, Ltd.; Fed ID AA-3190920 & 98-0525785 NAIC None
100% Owned *

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

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

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

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

American Employer Group II, Inc. NKA INVO PEO, Inc. II;

Madison Insurance Group, Inc. (formerly Mercury Insurance Group); Fed ID 26-4580233 NAIC None
100% Owned *
INCORP 3/31/09 SC

Comp Solutions Group, Inc.; Fed ID 46-4445922 NAIC None
100% Owned Arowood 2012
Irrevocable Trust
INCORP 1/17/14 GA

Madison PEO of Florida, Inc.; NKA INVO PEO of Florida, Inc. Fed ID 46-4265745 NAIC None
100% Owned Arowood 2012
Irrevocable Trust
INCORP 1/14/14 FL

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

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

American Employer Group III, Inc. NKA INVO PEO, Inc. III; Fed ID 27-1067748 NAIC None
100% Owned Arowood 2012
Irrevocable Trust
INCORP 9/18/09

Black Oak LLC Fed ID 47-5447908 NAIC None
100% Owned *
OWNED BY BLACK OAK MANAGEMENT TRUST? INCORP 10/9/15 NV

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

Madison PEO of Tennessee Inc.; NAIC None
WAS NOT INCORP NOR WAS FEIN OBTAINED

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

Big Indian, Inc.; Fed ID 45-3859149 NAIC None
100% Owned
DISSOLVED IN TN 8/20/15

American Employer Group IV, Inc. NKA INVO PEO, Inc. IV; Fed ID 36-4760675 NAIC None
100% Owned Arowood 2012
Irrevocable Trust
INCORP 4/18/12

Reliance Insurance Brokers, Inc.; Fed ID 27-0776728 NAIC None
100% Owned *
INCORP 7/24/2009 SC

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

American Employer Group VIII, Inc.; NKA INVO PEO, Inc. VIII Fed ID 36-4761054 NAIC None
100% Owned Arowood 2012
Irrevocable Trust
INCORP 4/18/12

American Employer Group V, Inc. NKA INVO PEO, Inc. V; Fed ID 37-1731621 NAIC None
100% Owned Arowood 2012
Irrevocable Trust
INCORP 4/18/12

American Employer Group VI, Inc. NKA INVO PEO, Inc. VI; Fed ID 30-0781802 NAIC None
100% Owned Arowood 2012
Irrevocable Trust
INCORP 4/18/12

American Employer Group VII, Inc. NKA INVO PEO, Inc. VII; Fed ID 37-1731876 NAIC None
100% Owned Arowood 2012
Irrevocable Trust
INCORP 4/18/12

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

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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)	*
Members															
4680	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	00000...	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	00000...	82-0571442..				AIC Holdings, LLC.....	SC.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	N.....	
	Appalachian Holding Company Group	00000...	00-0000000..				AIC Risk Management, Ltd.....	BMU.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	N.....	
	Appalachian Holding Company Group	00000...	27-4359062..				AIC Underwriters LLC.....	LA.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	N.....	
	Appalachian Holding Company Group	00000...	27-1067710..				American Employer Group, I Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Management....		See Note.....	N.....	1.....
	Appalachian Holding Company Group	00000...	27-1067724..				American Employer Group, II Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Management....		See Note.....	N.....	1.....
	Appalachian Holding Company Group	00000...	27-1067748..				American Employer Group, III Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Management....		See Note.....	N.....	1.....
	Appalachian Holding Company Group	00000...	27-1067679..				American Employer Group, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Management....		See Note.....	N.....	1.....
	Appalachian Holding Company Group	00000...	36-4760675..				American Employer Group, IV Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Management....		See Note.....	N.....	1.....
	Appalachian Holding Company Group	00000...	37-1731621..				American Employer Group, V Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Management....		See Note.....	N.....	1.....
	Appalachian Holding Company Group	00000...	30-0781802..				American Employer Group, VI Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Management....		See Note.....	N.....	1.....
	Appalachian Holding Company Group	00000...	37-1731876..				American Employer Group, VII Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Management....		See Note.....	N.....	1.....
	Appalachian Holding Company Group	00000...	36-4761054..				American Employer Group, VIII Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Management....		See Note.....	N.....	1.....
	Appalachian Holding Company Group	00000...	AA-3190920..				Appalachian Reinsurance, Ltd.....	BMU.....	IA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	N.....	
	Appalachian Holding Company Group	00000...	62-1756179..				Appalachian Underwriters, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	N.....	
	Appalachian Holding Company Group	00000...	26-4497969..				Arrow Insurance Group, LLC.....	SC.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	N.....	
	Appalachian Holding Company Group	00000...	45-4311150..				Arrow PEO Brokerage, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	N.....	
	Appalachian Holding Company Group	00000...	90-003444...				B & B Properties.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	20.000	Appalachian Holding Company Group.....	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	00000...	00-0000000..	.....	.....	.....	Bermuda American Intermediaries, Ltd.....	BMU.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	45-3859149..	.....	.....	.....	Big Indian.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	47-5447908..	.....	.....	.....	Black Oak LLC.....	NV.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	98-0635664..	.....	.....	.....	Cherokee Reinsurance, Ltd.....	CYM.....	IA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	26-3983731..	.....	.....	.....	Clinton Insurance Services, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	46-4445922..	.....	.....	.....	Comp. Solutions Group, Inc.....	GA.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	26-1655771..	.....	.....	.....	Comerstone Re Advisors, LLC.....	NJ.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	26-2498141..	.....	.....	.....	Comerstone Underwriting Partners, LLC.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	47-2787833..	.....	.....	.....	Eastern Underwriting Managers, LLC.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	26-4216614..	.....	.....	.....	Information Technology Partners, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	62-0887639..	.....	.....	.....	ISG Holding Company, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	48.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	26-4580233..	.....	.....	.....	Madison Insurance Group, Inc.....	SC.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	46-4265745..	.....	.....	.....	Madison PEO of Florida, Inc.....	FL.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	00-0000000..	.....	.....	.....	Madison PEO of Tennessee, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	00-0000000..	.....	.....	.....	Monarch Intermediaries, Ltd.....	CYM.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	47-1531572..	.....	.....	.....	Mercury Financial SC, Inc.....	SC.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	20-1016809..	.....	.....	.....	MRA Inspection Service, LLC.....	SC.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	50.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	00000...	26-4216497..	.....	.....	.....	Oak Ridge Insurance Services, Inc.....	TN.....	NIA.....	William M. Arowood.....	Ownership.....	100.000	William M. Arowood.....	.....N.....	.....

Q12.1

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	00000...	26-0516637..	.....	.....	.....	PIPICO, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	....N.....	.....
.....	Appalachian Holding Company Group	00000...	45-3743203..	.....	.....	.....	RCS Risk Services, LLC.....	NV.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	....N.....	.....
.....	Appalachian Holding Company Group	00000...	27-0776728..	.....	.....	.....	Reliance Insurance Brokers, Inc. DBA AICU....	SC.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	....N.....	.....
.....	Appalachian Holding Company Group	00000...	61-1709577..	.....	.....	.....	Risk Control Group, Inc.....	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	....N.....	.....
.....	Appalachian Holding Company Group	00000...	47-2809085..	.....	.....	.....	Seguros Underwriters, LLC.....	FL.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	....N.....	.....
.....	Appalachian Holding Company Group	00000...	00-0000000..	.....	.....	.....	Tennessee Brokers and Agents Association, Inc.	TN.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	....N.....	.....
.....	Appalachian Holding Company Group	00000...	26-3357769..	.....	.....	.....	US Administrator Claims, LLC.....	GA.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	...100.000	Appalachian Holding Company Group.....	....N.....	.....

Q12.2

Asteri	Explanation
1	Owned By Trust-Arowood 2012 Irrevocable Trust

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.....	3,320,356	1,009,184	30.394	51.624
17.1. Other liability-occurrence.....	875,915	613,141	70.000	49.367
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.....	27,738	41,307	148.920	
19.3, 19.4. Commercial auto liability.....			0.000	91.821
21. Auto physical damage.....			0.000	21.592
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.....	4,224,008	1,663,632	39.385	52.315

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	2	3
	Current Quarter	Current Year to Date	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.....	3,956,244	3,956,244	5,521,585
17.1. Other liability-occurrence.....	876,608	876,608	1,138,152
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	22,352	
19.3, 19.4. Commercial auto liability.....			(29,323)
21. Auto physical damage.....			(16,163)
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.....	4,855,204	4,855,204	6,614,252

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)	2018 Loss and LAE Payments on Claims Reported as of Prior Year-End	2018 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2018 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. 2015 + Prior.....	13,100	9,982	23,082	3,862	(6,046)	(2,184)	9,229	5,810	10,218	25,257	(9)	0	(9)
2. 2016.....	1,886	3,310	5,196	781	260	1,041	1,115	225	2,822	4,162	10	(3)	7
3. Subtotals 2016 + Prior.....	14,986	13,292	28,278	4,643	(5,786)	(1,143)	10,344	6,035	13,040	29,419	1	(3)	(2)
4. 2017.....	5,498	11,213	16,711	4,148	49	4,197	1,342	4,754	6,397	12,493	(8)	(13)	(21)
5. Subtotals 2017 + Prior.....	20,484	24,505	44,989	8,791	(5,737)	3,054	11,686	10,789	19,437	41,912	(7)	(16)	(23)
6. 2018.....	XXX	XXX	XXX	XXX	0	0	XXX	413	1,652	2,064	XXX	XXX	XXX
7. Totals.....	20,484	24,505	44,989	8,791	(5,737)	3,054	11,686	11,202	21,089	43,976	(7)	(16)	(23)
8. Prior Year-End's Surplus As Regards Policyholders	26,412												
											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. ....(0.0)%	2. ....(0.1)%	3. ....(0.1)%
													Col. 13, Line 7 Line 8
													4. ....(0.1)%

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.

	Response
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 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. Mandatory Pool Receivables.....	181,435		181,435	(164,734)
2505. Other.....	555		555	
2506. FL Corporate Tax Receivable.....	4,465	4,465	0	
2507. IL Corporate Tax Receivable.....	894	894	0	
2597. Summary of remaining write-ins for Line 25.....	187,349	5,359	181,990	(164,734)

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.....	3,265,294	16,520,190
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		118,950
3. Current year change in encumbrances.....		981,535
4. Total gain (loss) on disposals.....		1,383,794
5. Deduct amounts received on disposals.....		15,680,000
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other-than-temporary impairment recognized.....		(75,361)
8. Deduct current year's depreciation.....	13,055	134,536
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	3,252,239	3,265,294
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	3,252,239	3,265,294

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.....	4,833,230	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		5,000,000
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....	(52,419)	(166,770)
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).....	4,780,811	4,833,230
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	4,780,811	4,833,230
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	4,780,811	4,833,230

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

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.....	26,860,080	41,607,835
2. Cost of bonds and stocks acquired.....		3,517,500
3. Accrual of discount.....		787
4. Unrealized valuation increase (decrease).....		(33,631)
5. Total gain (loss) on disposals.....		(1,028,562)
6. Deduct consideration for bonds and stocks disposed of.....		16,983,855
7. Deduct amortization of premium.....		219,992
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).....	26,860,080	26,860,080
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	26,860,080	26,860,080

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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	21,391,118				21,391,118			21,391,118
2. NAIC 2 (a).....	4,630,962				4,630,962			4,630,962
3. NAIC 3 (a).....	288,000				288,000			288,000
4. NAIC 4 (a).....	.0				.0			.0
5. NAIC 5 (a).....	.0				.0			.0
6. NAIC 6 (a).....	.0				.0			.0
7. Total Bonds.....	26,310,080	.0	.0	.0	26,310,080	.0	.0	26,310,080
PREFERRED STOCK								
8. NAIC 1.....					.0			
9. NAIC 2.....					.0			
10. NAIC 3.....					.0			
11. NAIC 4.....					.0			
12. NAIC 5.....					.0			
13. NAIC 6.....					.0			
14. Total Preferred Stock.....	.0	.0	.0	.0	.0	.0	.0	.0
15. Total Bonds and Preferred Stock.....	26,310,080	.0	.0	.0	26,310,080	.0	.0	26,310,080

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(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	
Open Depositories								
Regions Bank..... Columbia, SC.....					2,927,786	4,174,920	3,672,641	XXX
Union Bank..... San Francisco, CA.....					100,873	100,873	100,873	XXX
US Bank..... Jacksonville, FL.....					65,555	65,555	65,666	XXX
Wells Fargo..... New York, NY.....					7,443,342	7,443,342	7,443,342	XXX
0199999. Total Open Depositories.....	XXX	XXX	0	0	10,537,556	11,784,690	11,282,522	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	0	0	10,537,556	11,784,690	11,282,522	XXX
0599999. Total Cash.....	XXX	XXX	0	0	10,537,556	11,784,690	11,282,522	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

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