PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT
AS OF SEPTEMBER 30, 2019
OF THE CONDITION AND AFFAIRS OF THE
MOUNTAIN STATES INDEMNITY COMPANY

Organized under the Laws of New Mexico, State of Organization or Port of Entry NM

Country of Domicile United States of America


Statutory Home Office 5051 Journal Center Blvd., NE Albuquerque, NM, US 87199-5903 (City or Town, State, Country and Zip Code)
(Sheet and Number)

Main Administrative Office 5051 Journal Center Blvd., NE (City or Town, State, Country and Zip Code)
(Sheet and Number) 505-764-1400

Mail Address PO Box 99354 Albuquerque, NM, US 87199-2254 (Area Code) (Telephone Number)

Primary Location of Books and Records 5051 Journal Center Blvd., NE, Albuquerque, NM, US 87199-5903 (Area Code) (Telephone Number)

Internet Website Address www.msq-em.com

Statutory Name Contact: Julie Ann Nicolson ynicolson@msq-em.com (Name) (E-mail Address)

President/CEO William Francis Davis
Secretary Sheri Odette Smith

OFFICERS

Treasurer/COO

William Andrew Irwin, Vice President and Chief Operating Officer
Jeffrey Dean Miller, Executive Vice President
Vincent Anthony Vomacka, Senior Vice President, Chief Investment Officer
Chester John Szczepaniak, Senior Vice President and Chief Actuary

DIRECTORS OR TRUSTEES

Dennis Joseph Hickey
Michael Kevin Cafetera
Cyril James Greenga
Kevin Michael Kraft Sr

Scott Andrew Berluchi
Kevin Gerard Burke
Patricia Anne Gilmore
John Erich Hibbs
William Francis Davis

State of New Mexico

County of Bernalillo

The officers of this reporting entity being duly sworn, each deposes 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, approved 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 compiled in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that (1) state law may differ from or (2) 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 the attention of 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.

William Francis Davis
President/CEO

Sheri Odette Smith
Secretary

Julie Ann Nicolson
VP/Treasurer/COO

Subscribed and sworn to before me this day of October, 2019

Kelly Bacon
HR Generalist
August 27, 2022

OFFICIAL SEAL
Kelly Bacon
NOTARY PUBLIC
STATE OF NEW MEXICO
81717/3022
## ASSETS

<table>
<thead>
<tr>
<th>Current Statement Date</th>
<th>December 31 Prior Year Net Admitted Assets (Cols. 1 - 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>1. Bonds</strong></td>
<td>3,340,439</td>
</tr>
<tr>
<td><strong>2. Stocks:</strong></td>
<td></td>
</tr>
<tr>
<td>2.1 Preferred stocks</td>
<td>1,006,547</td>
</tr>
<tr>
<td>2.2 Common stocks</td>
<td>1,006,547</td>
</tr>
<tr>
<td><strong>3. Mortgage loans on real estate:</strong></td>
<td></td>
</tr>
<tr>
<td>3.1 First liens</td>
<td>0</td>
</tr>
<tr>
<td>3.2 Other than first liens</td>
<td>0</td>
</tr>
<tr>
<td><strong>4. Real estate:</strong></td>
<td></td>
</tr>
<tr>
<td>4.1 Properties occupied by the company (less $ encumbrances)</td>
<td>0</td>
</tr>
<tr>
<td>4.2 Properties held for the production of income (less $ encumbrances)</td>
<td>0</td>
</tr>
<tr>
<td>4.3 Properties held for sale (less $ encumbrances)</td>
<td>0</td>
</tr>
<tr>
<td><strong>5. Cash ($1,540,148), cash equivalents ($523,095) and short-term investments ($529,985):</strong></td>
<td>2,063,243</td>
</tr>
<tr>
<td><strong>6. Contract loans (including $ premium notes):</strong></td>
<td>2,063,243</td>
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<tr>
<td><strong>7. Derivatives:</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>8. Other invested assets:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>9. Receivables for securities:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>10. Securities lending reinvested collateral assets:</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>11. Aggregate write-ins for invested assets:</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>12. Subtotals, cash and invested assets (Lines 1 to 11):</strong></td>
<td>6,410,230</td>
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<tr>
<td><strong>13. Title plants less $ charged off (for Title insurers only):</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>14. Investment income due and accrued:</strong></td>
<td>15,700</td>
</tr>
<tr>
<td><strong>15. Premiums and considerations:</strong></td>
<td></td>
</tr>
<tr>
<td>15.1 Uncollected premiums and agents’ balances in the course of collection</td>
<td>3,792,601</td>
</tr>
<tr>
<td>15.2 Deferred premiums, agents’ balances and installments booked but deferred and not yet due (including $ earned but unbilled premiums):</td>
<td>7,985,246</td>
</tr>
<tr>
<td>15.3 Accrued retrospective premiums ($ contracts subject to redetermination ($):</td>
<td>7,985,246</td>
</tr>
<tr>
<td><strong>16. Reinsurance:</strong></td>
<td></td>
</tr>
<tr>
<td>16.1 Amounts recoverable from reinsurers</td>
<td>1,143,547</td>
</tr>
<tr>
<td>16.2 Funds held by or deposited with reinsured companies</td>
<td>0</td>
</tr>
<tr>
<td>16.3 Other amounts receivable under reinsurance contracts</td>
<td>0</td>
</tr>
<tr>
<td><strong>17. Amounts receivable relating to uninsured plans:</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>18.1 Current federal and foreign income tax recoverable and interest thereon:</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>18.2 Net deferred tax asset:</strong></td>
<td>2,086,306</td>
</tr>
<tr>
<td><strong>19. Guaranty funds receivable or on deposit:</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>20. Electronic data processing equipment and software:</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>21. Furniture and equipment, including health care delivery assets:</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>22. Net adjustment in assets and liabilities due to foreign exchange rates:</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>23. Receivables from parent, subsidiaries and affiliates:</strong></td>
<td>264,307</td>
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<tr>
<td><strong>24. Health care ($ and other amounts receivable:</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>25. Aggregate write-ins for other than invested assets:</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25):</strong></td>
<td>19,862,635</td>
</tr>
<tr>
<td><strong>27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts:</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>28. Total (Lines 26 and 27):</strong></td>
<td>19,862,635</td>
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### DETAILS OF WRITE-INS

<table>
<thead>
<tr>
<th>Line 1101</th>
<th>Line 1102</th>
<th>Line 1103</th>
<th>Line 1104</th>
<th>Line 1105</th>
<th>Line 1106</th>
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<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>1198. Summary of remaining write-ins for Line 11 from overflow page</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>1199. Totals (Lines 1101 through 1103 plus 1198):</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>2501.</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>2502.</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>2503.</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>2598. Summary of remaining write-ins for Line 25 from overflow page</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>2599. Totals (Lines 2501 through 2503 plus 2598):</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Item</td>
<td>Current Statement Date</td>
<td>December 31, Prior Year</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>----------------------------------------------------------------------</td>
<td>------------------------</td>
<td>------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Losses (current accident year $)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Reinsurance payable on paid losses and loss adjustment expenses</td>
<td>1,945</td>
<td>2,127</td>
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<td>3. Loss adjustment expenses</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4. Commissions payable, contingent commissions and other similar charges</td>
<td>425,466</td>
<td>292,049</td>
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<tr>
<td>5. Other expenses (excluding taxes, licenses and fees)</td>
<td>16,613</td>
<td>15,020</td>
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<td>6. Taxes, licenses and fees (excluding federal and foreign income taxes)</td>
<td>259,320</td>
<td>483,096</td>
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<tr>
<td>7.1 Current federal and foreign income taxes (including $)</td>
<td>166,491</td>
<td>371,582</td>
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<tr>
<td>7.2 Net deferred tax liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Borrowed money $ and interest thereon $</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of $) 12,492,946 and including warranty reserves of $ and accrued accident and health experience rating refunds including $ 0 for medical loss ratio rebate per the Public Health Service Act)</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>10. Advance premium</td>
<td>59,171</td>
<td>118,632</td>
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<td></td>
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<tr>
<td>11. Dividends declared and unpaid:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>11.1 Stockholders</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>11.2 Policyholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Ceded reinsurance premiums payable (net of ceding commissions)</td>
<td>4,651,141</td>
<td>2,839,888</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>13. Funds held by company under reinsurance treaties</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Amounts withheld or retained by company for account of others</td>
<td>243</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Remittances and items not allocated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Provision for reinsurance (including $ certified)</td>
<td>133,539</td>
<td>133,539</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Net adjustments in assets and liabilities due to foreign exchange rates</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>18. Drafts outstanding</td>
<td>49,888</td>
<td>64,219</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Payable to parent, subsidiaries and affiliates</td>
<td></td>
<td>77,984</td>
<td></td>
<td></td>
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<tr>
<td>20. Derivatives</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. Payable for securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22. Payable for securities lending</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23. Liability for amounts held under uninsured plans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24. Capital notes $ and interest thereon $</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25. Aggregate write-ins for liabilities</td>
<td>408,399</td>
<td>408,399</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)</td>
<td>6,170,247</td>
<td>4,806,535</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27. Protected cell liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28. Total liabilities (Lines 26 and 27)</td>
<td>6,170,247</td>
<td>4,806,535</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29. Aggregate write-ins for special surplus funds</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>30. Common capital stock</td>
<td>2,850,000</td>
<td>2,850,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31. Preferred capital stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32. Aggregate write-ins for other than special surplus funds</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33. Surplus notes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>34. Gross paid in and contributed surplus</td>
<td>13,650,000</td>
<td>13,650,000</td>
<td></td>
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<td></td>
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<tr>
<td>35. Unassigned funds (surplus)</td>
<td>(3,183,383)</td>
<td>(3,623,651)</td>
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<td></td>
</tr>
<tr>
<td>36. Less treasury stock, at cost:</td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>36.1 Shares common (value included in Line 30 $)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>36.2 Shares preferred (value included in Line 31 $)</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>37. Surplus as regards policyholders (Lines 29 to 35, less 36)</td>
<td>13,316,617</td>
<td>12,876,349</td>
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<td></td>
<td></td>
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<tr>
<td>38. Totals (Page 2, Line 28, Col. 3)</td>
<td>19,486,864</td>
<td>17,682,884</td>
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**DETAILS OF WRITE-INS**

<table>
<thead>
<tr>
<th>Line 2501: Deferred Ceding Commission</th>
<th>408,399</th>
<th>408,399</th>
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<tbody>
<tr>
<td>Line 2502</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Line 2503</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Line 2598: Summary of remaining write-ins for Line 25 from overflow page</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Line 2599: Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)</td>
<td>408,399</td>
<td>408,399</td>
</tr>
<tr>
<td>Line 2901</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Line 2902</td>
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<tr>
<td>Line 2903</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Line 2998: Summary of remaining write-ins for Line 29 from overflow page</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Line 2999: Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Line 3201</td>
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<td>Line 3202</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Line 3203</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Line 3298: Summary of remaining write-ins for Line 32 from overflow page</td>
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<tr>
<td>Line 3299: Totals (Lines 3201 through 3203 plus 3298)(Line 32 above)</td>
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## STATEMENT OF INCOME

### UNDERWRITING INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>Current Year to Date</th>
<th>Prior Year to Date</th>
<th>Prior Year Ended December 31</th>
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</thead>
<tbody>
<tr>
<td>Premiums earned:</td>
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<td></td>
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<tr>
<td>1.1 Direct (written $</td>
<td>23,044,603</td>
<td>17,505,412</td>
<td>24,386,703</td>
</tr>
<tr>
<td>Assumed (written $</td>
<td>(349)</td>
<td>357</td>
<td>267</td>
</tr>
<tr>
<td>1.3 Ceded (written $</td>
<td>23,044,254</td>
<td>17,505,765</td>
<td>24,386,970</td>
</tr>
<tr>
<td>1.4 Net (written $</td>
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### DEDUCTIONS:

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Losses incurred (current accident year) $</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Direct</td>
<td>16,263,163</td>
<td>14,243,596</td>
<td>19,820,299</td>
</tr>
<tr>
<td>2.2 Assumed</td>
<td>(40,849)</td>
<td>(64,082)</td>
<td>(53,825)</td>
</tr>
<tr>
<td>2.3 Ceded</td>
<td>18,222,314</td>
<td>14,150,205</td>
<td>19,766,475</td>
</tr>
<tr>
<td>2.4 Net</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Loss adjustment expenses incurred</td>
<td>965</td>
<td>760</td>
<td>1,515</td>
</tr>
<tr>
<td>Other underwriting expenses incurred</td>
<td>816,800</td>
<td>(965,608)</td>
<td>(136,375)</td>
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<tr>
<td>Aggregate write-ins for underwriting deductions</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total underwriting deductions (Lines 2 through 5)</td>
<td>417,706</td>
<td>(964,346)</td>
<td>(383,860)</td>
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<tr>
<td>Net income of protected cells</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net underwriting gain or loss (Line 1 minus Line 6 + Line 7)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### INVESTMENT INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment income earned</td>
<td>56,387</td>
<td>43,200</td>
<td>58,731</td>
</tr>
<tr>
<td>Net realized capital gains (losses) less capital gains tax of $</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment gain (loss) (Lines 9 + 10)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### OTHER INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net gain or (loss) from agents’ or premium balances charged off (amount recovered $</td>
<td>3,567,516</td>
<td>(36,182)</td>
<td>(3,468)</td>
</tr>
<tr>
<td>Finance and service charges not included in premiums</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggregate write-ins for miscellaneous income</td>
<td>1,214,289</td>
<td>1,019,849</td>
<td>1,316,875</td>
</tr>
<tr>
<td>Total other income (Lines 12 through 14)</td>
<td>1,214,289</td>
<td>1,019,849</td>
<td>1,316,875</td>
</tr>
<tr>
<td>Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)</td>
<td>792,814</td>
<td>2,018,558</td>
<td>1,761,781</td>
</tr>
<tr>
<td>Dividends to policyholders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 18 minus Line 19)</td>
<td>792,814</td>
<td>2,018,558</td>
<td>1,761,781</td>
</tr>
<tr>
<td>Federal and foreign income taxes</td>
<td>252,254</td>
<td>(33,800)</td>
<td>(934,803)</td>
</tr>
<tr>
<td>Net income (Line 18 minus Line 19) (to Line 22)</td>
<td>540,560</td>
<td>2,027,418</td>
<td>1,866,584</td>
</tr>
</tbody>
</table>

### CAPITAL AND SURPLUS ACCOUNT

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus as regards policyholders, December 31 prior year</td>
<td>12,876,349</td>
<td>11,004,063</td>
<td>11,004,063</td>
</tr>
<tr>
<td>Net income (Line 20)</td>
<td>540,560</td>
<td>2,027,418</td>
<td>1,866,584</td>
</tr>
<tr>
<td>Net transfers (to) from Protected Cell accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net unrealized capital gains (losses) less capital gains tax of $</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net deferred income tax</td>
<td>27,870</td>
<td>5,528</td>
<td>(292,661)</td>
</tr>
<tr>
<td>Change in nonadmitted assets</td>
<td>(132,715)</td>
<td>9,869</td>
<td>293,365</td>
</tr>
<tr>
<td>Change in provision for reinsurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in surplus notes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus (contributed to) withdrawn from protected cells</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative effect of changes in accounting principles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital changes:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32.1 Paid in</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32.2 Transferred from surplus (Stock Dividend)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32.3 Transferred to surplus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus adjustments:</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>33.1 Paid in</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33.2 Transferred to capital (Stock Dividend)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33.3 Transferred from capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net retransfers from or (to) Home Office</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends to stockholders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in treasury stock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggregate write-ins for gains and losses in surplus</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Surplus as regards policyholders, as of statement date (Lines 21 plus 38)</td>
<td>13,316,617</td>
<td>13,080,475</td>
<td>12,876,349</td>
</tr>
</tbody>
</table>

### DETAILS OF WRITE-INS

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0501.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0502.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0503.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0598. Summary of remaining write-ins for Line 5 from overflow page</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1401. Interest income (Expense)</td>
<td>1,124,569</td>
<td>1,019,849</td>
<td>1,316,875</td>
</tr>
<tr>
<td>1402.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1403.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1408. Summary of remaining write-ins for Line 14 from overflow page</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1499. Totals (Lines 1401 through 1403 plus 1408) (Line 14 above)</td>
<td>1,124,569</td>
<td>1,019,849</td>
<td>1,316,875</td>
</tr>
<tr>
<td>3701.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3702.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3703.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3798. Summary of remaining write-ins for Line 37 from overflow page</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Cash Flow

#### Current Year To Date | Prior Year To Date | Prior Year Ended December 31
--- | --- | ---
1. **Cash from Operations**<br>1.1 Premiums collected net of reinsurance | $(163,440)$ | $(4,227,731)$ | $(3,351,262)$
1.2 Net investment income | $58,474$ | $49,109$ | $71,634$
1.3 Miscellaneous income | $1,154,132$ | $1,011,012$ | $1,319,189$
--- | --- | ---
2. Total (Lines 1 to 3) | $1,049,165$ | $(3,167,614)$ | $(1,960,439)$
3. Benefit and loss related payments | $533,186$ | $(1,400,770)$ | $(932,343)$
--- | --- | ---
4. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | $0$ | $0$ | $0$
--- | --- | ---
5. Dividends paid to policyholders | $0$ | $0$ | $0$
--- | --- | ---
6. Federal and foreign income taxes paid (recovered) net of $tax on capital gains (losses) | $457,345$ | $0$ | $(31,581)$
--- | --- | ---
7. Total (Lines 5 through 9) | $1,575,966$ | $(2,674,962)$ | $(1,719,756)$
--- | --- | ---
8. Net cash from operations (Line 4 minus Line 10) | $(526,801)$ | $(492,652)$ | $(240,683)$
--- | --- | ---
9. **Cash from Investments**<br>9.1 Proceeds from investments sold, matured or repaid:<br>9.1.1 Bonds | $590,000$ | $250,000$ | $250,000$
9.1.2 Stocks | $0$ | $0$ | $0$
9.1.3 Mortgage loans | $0$ | $0$ | $0$
9.1.4 Real estate | $0$ | $0$ | $0$
9.1.5 Other invested assets | $0$ | $0$ | $0$
9.1.6 Miscellaneous proceeds | $0$ | $0$ | $0$
--- | --- | ---
9.2 Total investment proceeds (Lines 9.1 to 9.6) | $590,000$ | $250,000$ | $250,000$
--- | --- | ---
9.3 Cost of investments acquired (long-term only):<br>9.3.1 Bonds | $1,490,957$ | $0$ | $0$
9.3.2 Stocks | $0$ | $0$ | $0$
9.3.3 Mortgage loans | $0$ | $0$ | $0$
9.3.4 Real estate | $0$ | $0$ | $0$
9.3.5 Other invested assets | $0$ | $0$ | $0$
9.3.6 Miscellaneous applications | $0$ | $0$ | $0$
--- | --- | ---
9.4 Total investments acquired (Lines 9.3 to 9.6) | $1,490,957$ | $0$ | $0$
--- | --- | ---
9.5 Net increase (or decrease) in contract loans and premium notes | $0$ | $0$ | $0$
--- | --- | ---
9.6 Net cash from investments (Line 9.2 minus Line 9.4 and Line 9.5) | $(900,957)$ | $250,000$ | $250,000$
--- | --- | ---
10. **Cash from Financing and Miscellaneous Sources**<br>10.1 Surplus notes, capital notes | $0$ | $0$ | $0$
10.2 Capital and paid in surplus, less treasury stock | $0$ | $0$ | $0$
10.3 Borrowed funds | $0$ | $0$ | $0$
10.4 Net deposits on deposit-type contracts and other insurance liabilities | $0$ | $0$ | $0$
10.5 Dividends to stockholders | $0$ | $0$ | $0$
10.6 Other cash provided (applied) | $(279,384)$ | $(135,410)$ | $643,868$
--- | --- | ---
11. Net cash from investments (Line 10.2 minus Line 10.3 and Line 10.4) | $(900,957)$ | $250,000$ | $250,000$
--- | --- | ---
12. **Reconciliation of Cash, Cash Equivalents and Short-Term Investments**<br>12.1 Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | $(1,707,143)$ | $(379,062)$ | $653,184$
12.2 Cash, cash equivalents and short-term investments (Line 11 through Line 16.4 minus Line 16.5 plus Line 16.6) | $(279,384)$ | $(135,410)$ | $643,868$
--- | --- | ---
13. Note: Supplemental disclosures of cash flow information for non-cash transactions:
A. Accounting Practices

The accompanying financial statements of Mountain States Indemnity Company (Company) have been prepared in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the New Mexico Office of the Superintendent of Insurance.

Specifically, 1) The cost of electronic and mechanical machines and related programs and equipment or other electronic computer systems in actual use shall be amortized in full over a period of not more than ten years, and the aggregate amount invested in all such systems shall not exceed five percent of the insurer's admitted assets. Under NAIC SAP, electronic data processing equipment and operating software shall be depreciated over the lesser of its useful life, or three years, and the aggregate amount of admitted electronic data processing equipment and operating software (net of accumulated depreciation) shall be limited to three percent of the reporting entity’s capital and surplus.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of New Mexico is shown below:

<table>
<thead>
<tr>
<th>NET INCOME</th>
<th>F/S</th>
<th>F/S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Page Line #</td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Mountain States Indemnity Company state basis</td>
<td>$540,560</td>
<td>$1,866,584</td>
</tr>
<tr>
<td>(1)</td>
<td>Mountain States Indemnity Company state basis</td>
<td>XXX</td>
</tr>
<tr>
<td>(2)</td>
<td>State Prescribed Practices that increase/(decrease) NAIC SAP:</td>
<td>16R</td>
</tr>
<tr>
<td></td>
<td>e.g., Depreciation of fixed assets</td>
<td>$0</td>
</tr>
<tr>
<td>(3)</td>
<td>State Prescribed Practices that increase/(decrease) NAIC SAP:</td>
<td>20.37</td>
</tr>
<tr>
<td></td>
<td>e.g., Depreciation, home office property</td>
<td>0</td>
</tr>
<tr>
<td>(4)</td>
<td>NAIC SAP (1-2-3+) = 4</td>
<td>XXX</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$540,560</td>
</tr>
<tr>
<td>SURPLUS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mountain States Indemnity Company state basis</td>
<td>$13,316,617</td>
<td>$12,876,349</td>
</tr>
<tr>
<td>(5)</td>
<td>Mountain States Indemnity Company state basis</td>
<td>XXX</td>
</tr>
<tr>
<td>(6)</td>
<td>State Prescribed Practices that increase/(decrease) NAIC SAP:</td>
<td>16R</td>
</tr>
<tr>
<td></td>
<td>e.g., Fixed Assets, net</td>
<td>0</td>
</tr>
<tr>
<td>(7)</td>
<td>State Prescribed Practices that increase/(decrease) NAIC SAP:</td>
<td>20.37</td>
</tr>
<tr>
<td></td>
<td>e.g., Home Office Property</td>
<td>0</td>
</tr>
<tr>
<td>(8)</td>
<td>NAIC SAP (5-6-7)=8</td>
<td>XXX</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$13,316,617</td>
</tr>
</tbody>
</table>

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

No change

C. Accounting Policies

(1)-(13) No change

D. Going Concern

No change

Note 2 – Accounting Changes and Corrections of Errors

A. Accounting Changes and Correction of Errors

1.-4. No change

Note 2 – Business Combinations and Goodwill

A.-C. No change

Note 4 – Discontinued Operations

A.-D. No change

Note 5 – Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

No change

B. Debt Restructuring

No change

C. Reverse Mortgages

No change

D. Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities are obtained from the investment manager, and are not considered when making investment purchases.

(2) Not Applicable

(3) Not Applicable

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:

1. Less than 12 Months ($100) $0
2. 12 Months or Longer $0

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

1. Less than 12 Months $390,392
2. 12 Months or Longer $0

(5) No change

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

(1) No change

(2) No change
Collateral received

a. Aggregate Amount Cash Collateral Received

<table>
<thead>
<tr>
<th>Fair Value</th>
<th>1. Repurchase Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) Open</td>
</tr>
<tr>
<td></td>
<td>(b) 30 Days or Less</td>
</tr>
<tr>
<td></td>
<td>(c) 31 to 60 Days</td>
</tr>
<tr>
<td></td>
<td>(d) 61 to 90 Days</td>
</tr>
<tr>
<td></td>
<td>(e) Greater Than 90 Days</td>
</tr>
<tr>
<td></td>
<td>(f) Sub-Total</td>
</tr>
<tr>
<td></td>
<td>(g) Securities Received</td>
</tr>
<tr>
<td></td>
<td>(h) Total Collateral Received</td>
</tr>
<tr>
<td></td>
<td>$0</td>
</tr>
</tbody>
</table>

2. No change

3. No change

(4) No change

(5) No change

(6) No change

(7) No change

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

No change

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

No change

H. Repurchase Agreements Transactions Accounted for as a Sale

No change

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

No change

J. Real Estate

No change

K. Low-Income Housing Tax Credits (LIHTC)

No change

L. Restricted Assets

(1) Restricted Assets (Including Pledged)
## Notes to Financial Statements

### 8. Restricted Asset Category

<table>
<thead>
<tr>
<th>Restricted Asset Category</th>
<th>Current Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Total Non Admitted</td>
<td>Total Admitted &amp; Nonadmitted (5 minus 6)</td>
</tr>
<tr>
<td>a. Subject to contractual obligation for which liability is not shown</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>b. Collateral held under security lending agreements</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>c. Subject to repurchase agreement</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>d. Subject to reverse repurchase agreements</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>e. Subject to strike repurchase agreements</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>f. Subject to debt repurchase agreements</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>g. Placed under option contract</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>h. Letter stock or securities restricted as to sale</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>i. FHLB capital stock</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>j. On deposit with states</td>
<td>$0</td>
<td>$1,472,730</td>
</tr>
<tr>
<td>k. On deposit with other regulatory bodies</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>l. Pledged as collateral to FHLB (including assets backing funding agreements)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>m. Pledged as collateral not captured in other categories</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>n. Other restricted assets</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>o. Total Restricted Assets</td>
<td>$0</td>
<td>$1,472,730</td>
</tr>
</tbody>
</table>

(c) Column 5 divided by Asset Page, Column 1, Line 28  
(d) Column 9 divided by Asset Page, column 3, Line 28

### 2. Detail of Assets Pledged as Collateral Not Captured in Other Categories

<table>
<thead>
<tr>
<th>Gross Restricted</th>
<th>Current Year</th>
<th>6</th>
<th>7</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total General Account (G/A)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Gross Restricted</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories

(3) Detail of Other Restricted Assets

M. Working Capital Finance Investments

N. Offsetting and Netting of Assets and Liabilities

O. Structured Notes

P. 5% Securities

Q. Short Sales

R. Prepayment Penalty and Acceleration Fees

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

A. & B. No change

### Note 7 – Investment Income

A. Accrued Investment Income

B. Amounts Non-Admitted

No change

### Note 8 – Derivative Instruments

A. - H. No change
### 2. Admission Calculation Components SSAP No. 101

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks</td>
<td>$42,476</td>
<td>$42,476</td>
<td>$0</td>
</tr>
<tr>
<td>(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b) 2 below)</td>
<td>$42,476</td>
<td>$42,476</td>
<td>$0</td>
</tr>
<tr>
<td>(1) Adjusted Gross Deferred Tax Assets Expected to Be Realized Following the Balance Sheet Date</td>
<td>XXX</td>
<td>XXX</td>
<td>$1,991,121</td>
</tr>
<tr>
<td>(2) Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold</td>
<td>$788</td>
<td>$788</td>
<td>$0</td>
</tr>
<tr>
<td>(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities</td>
<td>$43,264</td>
<td>$43,264</td>
<td>$0</td>
</tr>
</tbody>
</table>

### 4. Impact of Tax Planning Strategies

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Adjusted Gross DTAs amount from Note 9A1 (c)</td>
<td>$251,794</td>
<td>$0</td>
<td>$223,924</td>
</tr>
<tr>
<td>2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>3. Net Admitted Adjusted Gross DTAs amount from Note 9A1 (a)</td>
<td>$43,264</td>
<td>$0</td>
<td>$15,394</td>
</tr>
<tr>
<td>4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

(b) Does the Company's tax planning strategies include the use of reinsurance? Yes ( ) No ( X )

### B. Unrecognized Deferred Tax Liability

No change

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

<table>
<thead>
<tr>
<th></th>
<th>Sep 30, 2019</th>
<th>Dec 31, 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Federal</td>
<td>$252,254</td>
<td>$371,582</td>
<td>($119,328)</td>
</tr>
<tr>
<td>(b) Foreign</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>(c) Subtotal</td>
<td>$252,254</td>
<td>$371,582</td>
<td>($119,328)</td>
</tr>
<tr>
<td>(d) Federal income tax on net capital gains</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>(e) Utilization of capital loss carry forwards</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>(f) Other</td>
<td>$0</td>
<td>($476,385)</td>
<td>$476,385</td>
</tr>
<tr>
<td>(g) Federal and foreign income taxes incurred</td>
<td>$252,254</td>
<td>($104,803)</td>
<td>$357,057</td>
</tr>
</tbody>
</table>

---

**Note 9 – Income Taxes**

1. The components of the net deferred tax asset/(liability) are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Gross Deferred Tax Assets</td>
<td>$251,794</td>
<td>$0</td>
<td>$251,794</td>
</tr>
<tr>
<td>(b) Statutory Valuation Allowance Adjustment</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>(c) Adjusted Gross Deferred Tax Assets (1a - 1b)</td>
<td>$251,794</td>
<td>$0</td>
<td>$223,924</td>
</tr>
<tr>
<td>(d) Deferred Tax Assets Nonadmitted</td>
<td>$208,530</td>
<td>$0</td>
<td>$208,530</td>
</tr>
<tr>
<td>(e) Subtotal (Net Deferred Tax Assets) (1c - 1d)</td>
<td>$43,264</td>
<td>$0</td>
<td>$15,394</td>
</tr>
<tr>
<td>(f) Deferred Tax Liabilities</td>
<td>$788</td>
<td>$0</td>
<td>$788</td>
</tr>
<tr>
<td>(g) Net Admitted Deferred Tax Asset/(Net deferred Tax Liability) (16 - 15)</td>
<td>$42,476</td>
<td>$0</td>
<td>$27,870</td>
</tr>
</tbody>
</table>

2. Admission Calculation Components SSAP No. 101

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b) 2 below)</td>
<td>$42,476</td>
<td>$42,476</td>
<td>$0</td>
</tr>
<tr>
<td>(1) Adjusted Gross Deferred Tax Assets Expected to Be Realized Following the Balance Sheet Date</td>
<td>XXX</td>
<td>XXX</td>
<td>$1,991,121</td>
</tr>
<tr>
<td>(2) Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold</td>
<td>$788</td>
<td>$788</td>
<td>$0</td>
</tr>
<tr>
<td>(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities</td>
<td>$43,264</td>
<td>$43,264</td>
<td>$0</td>
</tr>
</tbody>
</table>

3. (a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount | 3044% | 3044% |

(b) Amount of Adjusted Capital And Surplus Used to Determine Recovery Period And Threshold Limitation in 2(b)2 Above | 1,991,121 | 1,929,261 |

4. Impact of Tax Planning Strategies

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Adjusted Gross DTAs amount from Note 9A1 (c)</td>
<td>$251,794</td>
<td>$0</td>
<td>$223,924</td>
</tr>
<tr>
<td>2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>3. Net Admitted Adjusted Gross DTAs amount from Note 9A1 (a)</td>
<td>$43,264</td>
<td>$0</td>
<td>$15,394</td>
</tr>
<tr>
<td>4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

(b) Does the Company's tax planning strategies include the use of reinsurance? Yes ( ) No ( X )
2. Deferred Tax Assets:
(a) Ordinary
(1) Discounting of unpaid losses $0 $0 $0
(2) Unearned premium reserve $4,982 $4,982 $0
(3) Policyholder reserves $0 $0 $0
(4) Investments $0 $0 $0
(5) Deferred acquisition costs $0 $0 $0
(6) Policyholder dividends accrual $0 $0 $0
(7) Fixed assets $0 $0 $0
(8) Compensation and benefits accrual $0 $0 $0
(9) Pension accrual $0 $0 $0
(10) Receivables - nonadmitted $35,121 $7,251 $27,870
(11) Net operating loss carry-forward $205,318 $205,318 $0
(12) Tax credit carry-forward $0 $0 $0
(13) Other (including items <5% of total ordinary tax assets) $2,373 $2,373 $0
(99) Subtotal $251,794 $223,924 $27,870
(b) Statutory valuation allowance adjustment $0 $0 $0
(c) Nonadmitted $208,530 $208,530 $0
(d) Admitted ordinary deferred tax assets $43,264 $15,394 $27,870
(2a99 - 2b - 2c)
(e) Capital
(1) Investments $0 $0 $0
(2) Net capital loss carry-forward $0 $0 $0
(3) Real estate $0 $0 $0
(4) Other (including items <5% of total capital tax assets) $0 $0 $0
(99) Subtotal $0 $0 $0
(f) Statutory valuation allowance adjustment $0 $0 $0
(g) Nonadmitted $0 $0 $0
(h) Admitted capital deferred tax assets $0 $0 $0
(2e99 - 2f - 2g)
(i) Admitted deferred tax assets (2d + 2h) $43,264 $15,394 $27,870
3. Deferred Tax Liabilities
(a) Ordinary
(1) Investments $788 $788 $0
(2) Fixed assets $0 $0 $0
(3) Deferred and uncollected premium $0 $0 $0
(4) Policyholder reserves $0 $0 $0
(5) Other (including items <5% of total ordinary tax liabilities) $0 $0 $0
(99) Subtotal $788 $788 $0
(b) Capital
(1) Investments $0 $0 $0
(2) Real estate $0 $0 $0
(3) Other (including items <5% of total capital tax liabilities) $0 $0 $0
(99) Subtotal $0 $0 $0
(c) Deferred tax liabilities (3a99 + 3b99) $788 $788 $0
4. Net deferred tax assets/liabilities (2i - 3c) $42,476 $14,606 $27,870
D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate
The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Sep 30, 2019</th>
<th>Dec 31, 2018</th>
<th>Effective Tax Rate</th>
<th>Effective Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision computed at statutory rate</td>
<td>$166,491</td>
<td>$369,974</td>
<td>21.0%</td>
<td>21.0%</td>
</tr>
<tr>
<td>Change in nonadmitted assets</td>
<td>($27,870)</td>
<td>($281)</td>
<td>-3.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Dividends received deduction</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Disallowed travel and entertainment</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other</td>
<td>$85,763</td>
<td>($181,835)</td>
<td>10.8%</td>
<td>-10.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$224,384</td>
<td>($187,858)</td>
<td>28.3%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Federal and foreign income taxes incurred</td>
<td>$252,254</td>
<td>31.8%</td>
<td>($104,803)</td>
<td>-5.9%</td>
</tr>
<tr>
<td>Realized capital gains tax</td>
<td>$0</td>
<td>0.0%</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Change in net deferred income taxes</td>
<td>($27,870)</td>
<td>-3.5%</td>
<td>$202,681</td>
<td>16.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$224,384</td>
<td>28.3%</td>
<td>$187,858</td>
<td>10.7%</td>
</tr>
</tbody>
</table>
E. Operating Loss and Tax Credit Carry Forwards and Protective Tax Deposits
1. At September 30, 2019, the Company had $996,753 of operating loss carryforwards, which originated in 2016 and 2017 and would begin to expire, if unused, in 2038. The Company did not have any capital loss carryforward as of September 30, 2019. The Company also did not have any minimum tax credit carryover as of September 30, 2019 or December 31, 2018.
2. The following is income tax expense that is available for recoupment in the event of future net losses:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$0</td>
</tr>
<tr>
<td>2018</td>
<td>$0</td>
</tr>
</tbody>
</table>
3. The Company has not made any deposits pursuant to Internal Revenue Code Section 6603. Accordingly, the aggregate amount of deposit admitted under IRC §6603 as of September 30, 2019 and December 31, 2018 is $0.
F. Consolidated Federal Income Tax Ratum
1. No change
2. No change
G. Federal or Foreign Federal Income Tax Loss Contingencies
No change
H. Repatriation Transition Tax (RTT)
No change
I. Alternative Minimum Tax (AMT) Credit
No change
Note 10 – Information Concerning Parent, Subsidiaries, and Affiliates and Other Related Parties
A. Nature of Relationships
No change
STATEMENT AS OF SEPTEMBER 30, 2019 OF THE MOUNTAIN STATES INDEMNITY COMPANY

NOTES TO FINANCIAL STATEMENTS

B. Detail of Transactions Greater than ½ of 1% of Total Admitted Assets
   No change

C. Change in Terms of Intercompany Arrangements
   No change

D. Amounts Due to or from Related Parties
   At September 30, 2019, the Company reported $264,307 as amounts due from the Parent company, Donegal Mutual Insurance Company; and $0 as amounts due to or from the insurance affiliate, Mountain States Commercial Insurance Company. Settlement of related party amounts, if applicable, is generally completed within 30 days.

E. Guarantees or Contingencies for Related Parties
   No change

F. Management, Service Contracts, Cost Sharing Arrangements
   The company is a party to Service Agreements and Technology License Agreements with its parent, Donegal Mutual Insurance Company whereby the parent provides various services and technology systems at no charge.

G. Nature of Relationships that Could Affect Operations
   No change

H. Amount Deducted for Investments in Upstream Company
   No change

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets
   No change

J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies
   No change

K. Foreign Insurance Subsidiary Valued Using CARVM
   No change

L. Downstream Holding Company Valued Using Look-Through Method
   No change

M. All SCA Investments
   1-2. No change

N. Investment in Insurance SCA
   No change

O. SCA Loss Tracking
   No change

Note 11 – Debt

A. - B. No change

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

A. Defined Benefit Plans
   1.-21. No change

B.-D. Not Applicable

E. Defined Contribution Plans
   The Company has a 401(k) plan whereby the Company matches voluntary employee contributions at a rate of 100% of the amounts up to 3% of an employee's compensation and 50% of amounts from 3% to 9% of an employee's compensation.

F. Multiemployer Plans
   No change

G. Consolidated/Holding Company Plans
   No change

H. Postemployment Benefits and Compensated Absences
   No change

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)
   No change

Note 13 – Capital and Surplus, Dividends Restrictions, and Quasi-Reorganizations

1. - 9. No change

10. Changes in Unassigned Funds
   The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:
   a. Unrealized (gains) and losses: $4,552
   b. Nonadmitted asset values: ($132,713)
   c. Provision for reinsurance: $0
   11. - 13. No change

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments
B. Assessments

The company is a participant in the New Mexico Worker’s Compensation Assigned Risk Pool. The liabilities from this assessment are included in the quota share to the parent, Donegal Mutual Insurance Company, so no liabilities remain on the company.

The Company is subject to guaranty fund assessments. The Company reviews the guaranty funds of the various states in which it operates at the end of the year and records any potential assessment as required by SSAP No. 35R. As of September 30, 2019, the Company recorded $32,752 and $0 at December 31, 2018 as assessments from The New Mexico P&C Insurance Guaranty Association.

C. - G. No change

Note 15 – Leases
A. & B. No change

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and With Concentrations of Credit Risk
1.-4. No change

Note 17 – Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities
A. - C. No change

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans
A. - C. No change

Note 19 – Direct Premium Written / Produced by Managing General Agents / Third Party Administrators
A. - F. No change

Note 20 – Fair Value Measurements
A. (1) Fair Value Measurements at Reporting Date

<table>
<thead>
<tr>
<th>Description for each class of asset or liability</th>
<th>(Level 1)</th>
<th>(Level 2)</th>
<th>(Level 3)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Assets at fair value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perpetual Preferred stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial and Misc.</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Parent, Subsidiaries and Affiliates</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total Perpetual Preferred Stocks</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Governments</td>
<td>$0</td>
<td>$3,403,322</td>
<td>$0</td>
<td>$3,403,322</td>
</tr>
<tr>
<td>Industrial and Misc.</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Hybrid Securities</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Parent, Subsidiaries and Affiliates</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total Bonds</td>
<td>$0</td>
<td>$3,403,322</td>
<td>$0</td>
<td>$3,403,322</td>
</tr>
<tr>
<td>Common Stock</td>
<td>$0</td>
<td></td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Industrial and Misc.</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Parent, Subsidiaries and Affiliates</td>
<td>$0</td>
<td>$1,006,547</td>
<td>$0</td>
<td>$1,006,547</td>
</tr>
<tr>
<td>Total Common Stocks</td>
<td>$0</td>
<td>$1,006,547</td>
<td>$0</td>
<td>$1,006,547</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Interest rate contracts</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Foreign exchange contracts</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Credit contracts</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Commodity futures contracts</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Commodity forward contracts</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total Derivatives</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Separate account assets</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total assets at fair value</td>
<td>$0</td>
<td>$4,409,869</td>
<td>$0</td>
<td>$4,409,869</td>
</tr>
<tr>
<td>b. Liabilities at fair value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total liabilities at fair value</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

(2) Fair Value Measurement in (Level 3) of the Fair Value Hierarchy
No change

(3) Policy on Transfers Into and Out of Level 3
No change

(4) Inputs and Techniques Used for Level 2 and Level 3 Fair Value
No change

(5) Derivative Assets and Liabilities
No change

B. - E. No change

Note 21 – Other Items
A. Unusual or Infrequent Items

There were no extraordinary events occurring subsequent to the end of the year through the date of this filing meriting disclosure

B. Troubled Debt Restructuring: Debtors
No change

C. Other Disclosures

Assets carried at book value in the amount of $1,472,730 and $1,476,001 at September 30, 2019 and December 31, 2018, respectively, were on deposit with government authorities or trustees as required by law or contract.

Uncollectible Premiums Receivable

At September 30, 2019 and December 31, 2018, the Company had admitted assets of $8,103,012 and $7,598,741, respectively, due from policyholders, agents, and ceding insurers. The Company routinely assesses the collectability of the receivables. Based upon Company experience, any uncollectible premiums receivable as of September 30, 2019 are not expected to exceed the nonadmitted amounts totaling $167,242 and, therefore, no additional provision for uncollectible amounts has been recorded.
The Company formed an insurance entity in 2014, Mountain States Commercial Insurance Company. A capital contribution of $1,000,000 was made on December 29, 2014.

On May 25, 2017, Mountain States Mutual Casualty Company, formerly the Company’s parent, merged with and into Donegal Mutual Insurance Company, a Pennsylvania-domiciled property and casualty insurance company. As a result of the merger, the Company became a subsidiary of Donegal Mutual. Concurrent with the merger, the Company entered into a 100% quota share reinsurance agreement with Donegal Mutual, whereby the Company cedes 100% of its premiums, losses and loss expenses to Donegal Mutual.

Note 22 – Events Subsequent

Type I - Recognized Subsequent Events
No change

Type II - Nonrecognized Subsequent Events
Subsequent events have been considered through November 8, 2019 for these statutory financial statements which are to be issued on November 9, 2019. There were no events occurring subsequent to the end of the year through the date of this filing meriting disclosure.

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables
No change

B. Reinsurance Recoverables in Dispute
No change

C. Reinsurance Assumed and Ceded

1. Assumed Reinsurance

<table>
<thead>
<tr>
<th>Premium Reserve</th>
<th>Commission Reserve</th>
<th>Premium Reserve</th>
<th>Commission Reserve</th>
<th>Premium Reserve</th>
<th>Commission Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. All Other</td>
<td>$0</td>
<td>$1,251,818</td>
<td>$37,601</td>
<td>($1,251,818)</td>
<td>($37,601)</td>
</tr>
<tr>
<td>c. TOTAL</td>
<td>$0</td>
<td>$12,492,946</td>
<td>$2,173,415</td>
<td>($12,492,946)</td>
<td>($2,173,415)</td>
</tr>
</tbody>
</table>

d. Direct Unearned Premium Reserve  $12,492,946

2. No change

3. No change

D. Uncollectible Reinsurance

1. The Company has written off in the current year, reinsurance balances due (from the companies listed below) in the amount of ($4,273), which is reflected as:

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trenwick</td>
<td>($2,748)</td>
</tr>
<tr>
<td>CX Re</td>
<td>($1,525)</td>
</tr>
<tr>
<td></td>
<td>($4,273)</td>
</tr>
</tbody>
</table>

E. Commutation of Ceded Reinsurance

The Company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

1. Losses incurred $0
2. Loss adjustment expenses incurred $0
3. Premiums earned $0
4. Other income/(expense) $0
5. Company Amount $0

F. - J. No change

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Re-Determination

A. - F. No change

Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses

A. Reasons for changes in prior year incurred

<table>
<thead>
<tr>
<th>(000’s omitted)</th>
<th>Current Calendar YR Incurred</th>
<th>Current Accident YR Incurred</th>
<th>Total Shortage (Redundancy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule P Lines of Business</td>
<td>Losses &amp; LAE</td>
<td>Losses &amp; LAE</td>
<td></td>
</tr>
<tr>
<td>Workers’ Compensation</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other Liability</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Auto Liability - Commercial</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Auto Liability - Private Passenger</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Auto Physical Damage</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Commercial Multiple Peril</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Property</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Fidelity</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Totals</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

B. Significant Changes in Methodologies and Assumptions Used in Calculating the Liability for Unpaid Losses and Loss Adjustment Expenses
No change
NOTES TO FINANCIAL STATEMENTS

Note 26 – Intercompany Pooling Arrangements
A. - G. No change

Note 27 – Structured Settlements
A. Loss Reserves Eliminated by Annuities
No change
B. Annuity Insurers with Balances due Greater than 1% of Policyholders’ Surplus
No change

Note 28 – Health Care Receivables
A. & B. No change

Note 29 – Participating Policies
No change

Note 30 – Premium Deficiency Reserves
1. Liability carried for premium deficiency reserves $ -
2. Date of the most recent evaluation of this liability 9/30/2019
3. Was anticipated investment income utilized in the calculation? Yes ( ) No ( X )

Note 31 – High Deductibles
No change

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses
A. - C. No change

Note 33 – Asbestos / Environmental Reserves
A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos losses? Yes ( ) No ( X )
B. - C. No change
D. Does the company have on the books, or has it ever written and insured for which you have identified a potential for the existence of, a liability due to environmental losses? Yes ( ) No ( X )
E. - F. No change

Note 34 – Subscriber Savings Accounts
No change

Note 35 – Multiple Peril Crop Insurance
No change

Note 36 – Financial Guaranty Insurance
A. & B. No change
STATEMENT AS OF SEPTEMBER 30, 2019 OF THE Mountain States Indemnity Company

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? [ X ] Yes [ ] 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? [ X ] Yes [ ] No [ ]

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? [ X ] Yes [ ] No [ ]

4.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

<table>
<thead>
<tr>
<th>1 Name of Entity</th>
<th>2 NAIC Company Code</th>
<th>3 State of Domicile</th>
</tr>
</thead>
</table>

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? [ ] Yes [ ] No [ X ]

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): 03/14/2018

6.4 By what department or departments?

Office of the Superintendent of Insurance of New Mexico

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 [ ] No [ X ]

6.6 Have all of the recommendations within the latest financial examination report been complied with? [ ] Yes [ ] No [ X ]

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 by the Federal Reserve Board? [ ] Yes [ ] No [ X ]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? [ ] Yes [ ] No [ X ]

8.4 If response to 8.3 is yes, please provide 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.

<table>
<thead>
<tr>
<th>1 Affiliate Name</th>
<th>2 Location (City, State)</th>
<th>3 FRB</th>
<th>4 OCC</th>
<th>5 FDIC</th>
<th>6 SEC</th>
</tr>
</thead>
</table>

7
STATEMENT AS OF SEPTEMBER 30, 2019 OF THE Mountain States Indemnity Company

GENERAL INTERROGATORIES

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? (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? (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.

9.21 If the response to 9.2 is Yes, please provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? (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.

9.31 If the response to 9.3 is Yes, please 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 [ X ] No [   ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 264,307

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;)

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

12.1 Prior Year-End Book/Adjusted Carrying Value

12.2 Current Quarter Book/Adjusted Carrying Value

13. Amount of real estate and mortgages held in short-term investments:

13.1 Prior Year-End Book/Adjusted Carrying Value

13.2 Current Quarter Book/Adjusted Carrying Value

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

14.2 If yes, please complete the following:

14.21 Bonds

14.22 Preferred Stock

14.23 Common Stock

14.24 Short-Term Investments

14.25 Mortgage Loans on Real Estate

14.26 All Other

14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)

14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ X ]

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

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

16.3 Total payable for securities lending reported on the liability page

7.1
STATEMENT AS OF SEPTEMBER 30, 2019 OF THE Mountain States Indemnity Company

GENERAL INTERROGATORIES

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 [ X ] No [   ]

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

<table>
<thead>
<tr>
<th>Name of Custodian(s)</th>
<th>Custodian Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Name(s)</th>
<th>Custodian Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>M &amp; T Bank</td>
<td>Buffalo, NY</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Name(s)</th>
<th>Location(s)</th>
<th>Complete Explanation(s)</th>
</tr>
</thead>
</table>

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? 

Yes [   ] No [ X ]

17.4 If yes, give full information relating thereto:

<table>
<thead>
<tr>
<th>Old Custodian</th>
<th>New Custodian</th>
<th>Date of Change</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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”]

<table>
<thead>
<tr>
<th>Name of Firm or Individual</th>
<th>Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>V. Anthony Viozzi</td>
<td></td>
</tr>
</tbody>
</table>

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 [ X ]

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 [ X ]

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:

<table>
<thead>
<tr>
<th>Central Registration Depository Number</th>
<th>Name of Firm or Individual</th>
<th>Legal Entity Identifier (LEI)</th>
<th>Registered With</th>
<th>Investment Management Agreement (IMA) Filed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 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.

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 of each self-designated PLGI security:

a. The security was purchased prior to January 1, 2018.

b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.

c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as 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 ]
1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity’s participation change? [ ] Yes [ ] No [ X ] 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 [ X ] No [ ] N/A [ X ]
   If yes, attach an explanation.

3.1 Have any of the reporting entity’s primary reinsurance contracts been canceled? [ ] Yes [ ] No [ X ] N/A [ X ]
   If yes, give full and complete information thereto.

3.2 [ ] Yes [ ] No [ X ]

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 [ X ] No [ ] N/A [ X ]
   If yes, complete the following schedule:

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>TOTAL</th>
<th>Maximum Interest</th>
<th>Discount Rate</th>
<th>Discount TAKEN DURING PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total Unpaid Losses</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

5. Operating Percentages:

5.1 A&H loss percent [ ] Yes [ ] No [ X ]

5.2 A&H cost containment percent [ ] Yes [ ] No [ X ]

5.3 A&H expense percent excluding cost containment expenses [ ] Yes [ ] No [ X ]

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

6.2 If you act as a custodian, please provide the amount of custodial funds held as of the reporting date $__________

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

6.4 If you act as an administrator, please provide the balance of the funds administered as of the reporting date $__________

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 [ X ] No [ ]

8
<table>
<thead>
<tr>
<th>NAC Company Code</th>
<th>ID Number</th>
<th>Name of Reinsurer</th>
<th>Domiciliary Jurisdiction</th>
<th>Type of Reinsurer</th>
<th>Certified Reinsurer Rating (1 through 6)</th>
<th>Effective Date of Certified Reinsurer Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>NONE</td>
<td>NONE</td>
</tr>
</tbody>
</table>
## Schedule T - Exhibit of Premiums Written

**Current Year to Date - Allocated by States and Territories**

<table>
<thead>
<tr>
<th>States, etc.</th>
<th>Active Status (a)</th>
<th>Direct Premiums Written</th>
<th>Direct Losses Paid (Deducting Salvage)</th>
<th>Direct Losses Unpaid</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Current Year To Date</td>
<td>Prior Year To Date</td>
<td>Current Year To Date</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Prior Year To Date</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Alabama</td>
<td>AL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Alaska</td>
<td>AK</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Arizona</td>
<td>AZ</td>
<td></td>
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<tr>
<td>4. Arkansas</td>
<td>AR</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>5. California</td>
<td>CA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Colorado</td>
<td>CO</td>
<td></td>
<td>801,758</td>
<td>636,435</td>
</tr>
<tr>
<td>7. Connecticut</td>
<td>CT</td>
<td></td>
<td></td>
<td>34,360</td>
</tr>
<tr>
<td>8. Delaware</td>
<td>DE</td>
<td></td>
<td></td>
<td>136,463</td>
</tr>
<tr>
<td>9. District of Columbia</td>
<td>DC</td>
<td></td>
<td></td>
<td>1,134,321</td>
</tr>
<tr>
<td>10. Florida</td>
<td>FL</td>
<td></td>
<td></td>
<td>414,686</td>
</tr>
<tr>
<td>11. Georgia</td>
<td>GA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Hawaii</td>
<td>HI</td>
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<td></td>
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<tr>
<td>13. Idaho</td>
<td>ID</td>
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<td>14. Illinois</td>
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<tr>
<td>15. Indiana</td>
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<td>16. Iowa</td>
<td>IA</td>
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<tr>
<td>17. Kansas</td>
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<tr>
<td>18. Kentucky</td>
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<tr>
<td>19. Louisiana</td>
<td>LA</td>
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<td>20. Maine</td>
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<tr>
<td>21. Maryland</td>
<td>MD</td>
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<tr>
<td>22. Massachusetts</td>
<td>MA</td>
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</tr>
<tr>
<td>23. Michigan</td>
<td>MI</td>
<td></td>
<td></td>
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<tr>
<td>24. Minnesota</td>
<td>MN</td>
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<td></td>
</tr>
<tr>
<td>25. Mississippi</td>
<td>MS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26. Missouri</td>
<td>MO</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>27. Montana</td>
<td>MT</td>
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<tr>
<td>28. Nebraska</td>
<td>NE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29. Nevada</td>
<td>NV</td>
<td></td>
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<tr>
<td>30. New Hampshire</td>
<td>NH</td>
<td></td>
<td></td>
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<tr>
<td>31. New Jersey</td>
<td>NJ</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>32. New Mexico</td>
<td>NM</td>
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<td>38. Oregon</td>
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<td>39. Pennsylvania</td>
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<td>40. Rhode Island</td>
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<td>42. South Dakota</td>
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<td>43. Tennessee</td>
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<tr>
<td>44. Texas</td>
<td>TX</td>
<td>7,096,181</td>
<td>7,212,73</td>
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<td>53. Guam</td>
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<td>54. Puerto Rico</td>
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<td>56. Northern Marian Islands</td>
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<td>57. Canada</td>
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<td>58. Aggregate Other Allen OT</td>
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<td>59. Totals</td>
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<td>23,044,603</td>
<td>20,701,701</td>
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### Details of Write-Ins

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Premiums Written</th>
<th>Losses Paid</th>
<th>Losses Unpaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>58001</td>
<td></td>
<td>XXX</td>
<td>0</td>
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<td>58002</td>
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<td>58003</td>
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#### Summary of remaining write-ins for Line 58 from overflow page

<table>
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<tr>
<th>Line</th>
<th>Description</th>
<th>Premiums Written</th>
<th>Losses Paid</th>
<th>Losses Unpaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXX</td>
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<td>XXX</td>
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</tr>
</tbody>
</table>

### Notes

(a) **Active Status Counts:**
- L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG
- R - Registered - Non-domiciled RRG
- E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI)
- Q - Qualified - Qualified or accredited reinsurer
- D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus
- G - None - None of the above - Not allowed to write
- N - None of the above - Not allowed to write
- I - None of the above - Not allowed to write

10. Statement as of September 30, 2019 of the Mountain States Indemnity Company
<table>
<thead>
<tr>
<th>Group Code</th>
<th>Group Name</th>
<th>NAIC Company Code</th>
<th>ID Number</th>
<th>Federal RSSD</th>
<th>CIK</th>
<th>Name of Securities Exchange if Publicly Traded (U.S. or International)</th>
<th>Names of Parent, Subsidiaries or Affiliates</th>
<th>Domitory Location</th>
<th>Relationship to Reporting Entity</th>
<th>Directly Controlled by (Name of Entity/Person)</th>
<th>Ultimate Controlling Entities/Persons(s)</th>
<th>Is an SCA Filing Required? (Y/N)</th>
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<tbody>
<tr>
<td>0250</td>
<td>DONEGAL MUTUAL INSURANCE</td>
<td>16900</td>
<td>23-902477</td>
<td>53000</td>
<td></td>
<td></td>
<td>DONEGAL MUTUAL INSURANCE COMPANY</td>
<td>PA</td>
<td></td>
<td>Other, 51.000</td>
<td>DONEGAL MUTUAL INSURANCE</td>
<td>N</td>
</tr>
<tr>
<td>0250</td>
<td>DONEGAL MUTUAL INSURANCE</td>
<td>16900</td>
<td>23-902477</td>
<td>53000</td>
<td></td>
<td></td>
<td>DONEGAL GROUP INC</td>
<td>NE</td>
<td></td>
<td>Other, 51.000</td>
<td>DONEGAL MUTUAL INSURANCE</td>
<td>N</td>
</tr>
<tr>
<td>0250</td>
<td>DONEGAL MUTUAL INSURANCE</td>
<td>16900</td>
<td>23-902477</td>
<td>53000</td>
<td></td>
<td></td>
<td>DONEGAL GROUP INC</td>
<td>NE</td>
<td></td>
<td>Other, 51.000</td>
<td>DONEGAL MUTUAL INSURANCE</td>
<td>N</td>
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<tr>
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<td>DONEGAL MUTUAL INSURANCE</td>
<td>16900</td>
<td>23-902477</td>
<td>53000</td>
<td></td>
<td></td>
<td>DONEGAL GROUP INC</td>
<td>NE</td>
<td></td>
<td>Other, 51.000</td>
<td>DONEGAL MUTUAL INSURANCE</td>
<td>N</td>
</tr>
<tr>
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<td>23-902477</td>
<td>53000</td>
<td></td>
<td></td>
<td>DONEGAL GROUP INC</td>
<td>NE</td>
<td></td>
<td>Other, 51.000</td>
<td>DONEGAL MUTUAL INSURANCE</td>
<td>N</td>
</tr>
<tr>
<td>0250</td>
<td>DONEGAL MUTUAL INSURANCE</td>
<td>16900</td>
<td>23-902477</td>
<td>53000</td>
<td></td>
<td></td>
<td>DONEGAL GROUP INC</td>
<td>NE</td>
<td></td>
<td>Other, 51.000</td>
<td>DONEGAL MUTUAL INSURANCE</td>
<td>N</td>
</tr>
<tr>
<td>0250</td>
<td>DONEGAL MUTUAL INSURANCE</td>
<td>16900</td>
<td>23-902477</td>
<td>53000</td>
<td></td>
<td></td>
<td>DONEGAL GROUP INC</td>
<td>NE</td>
<td></td>
<td>Other, 51.000</td>
<td>DONEGAL MUTUAL INSURANCE</td>
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</tr>
<tr>
<td>0250</td>
<td>COMMONWEALTH INSURANCE SERVICES</td>
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<td>Other, 51.000</td>
<td>DONEGAL MUTUAL INSURANCE</td>
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</tr>
<tr>
<td>0250</td>
<td>MOUNTAIN STATES COMMERCIAL INSURANCE COMPANY</td>
<td>16900</td>
<td>23-902477</td>
<td>53000</td>
<td></td>
<td></td>
<td>MOUNTAIN STATES COMMERCIAL INSURANCE COMPANY</td>
<td>NE</td>
<td></td>
<td>Other, 51.000</td>
<td>DONEGAL MUTUAL INSURANCE</td>
<td>N</td>
</tr>
</tbody>
</table>

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* Asterisk Explanation
## PART 1 - LOSS EXPERIENCE

### 19.1.9.4 Commercial auto liability

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>Current Year to Date</th>
<th>Prior Year to Date</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Direct Premiums Earned</td>
<td>Direct Losses Incurred</td>
</tr>
<tr>
<td>1. Fire</td>
<td>$1,245</td>
<td>0</td>
</tr>
<tr>
<td>2. Allied Lines</td>
<td>1,967</td>
<td>0</td>
</tr>
<tr>
<td>3. Farmowners multiple peril</td>
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<td>0</td>
</tr>
<tr>
<td>4. Homeowners multiple peril</td>
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<td>6,072,649</td>
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<td>5. Commercial multiple peril</td>
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<td>0</td>
</tr>
<tr>
<td>6. Mortgage guaranty</td>
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<td>0</td>
</tr>
<tr>
<td>7. Ocean marine</td>
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<td>0</td>
</tr>
<tr>
<td>8. Inland marine</td>
<td>10,023</td>
<td>9,966</td>
</tr>
<tr>
<td>9. Financial guaranty</td>
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<td>0</td>
</tr>
<tr>
<td>10. Reinsurance - Nonproportional Assumed Liability</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>11. Medical professional liability - occurrence</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>12. Excess workers' compensation</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>13. Group accident and health</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>14. Credit accident and health</td>
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<td>0</td>
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<tr>
<td>15. Other accident and health</td>
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<td>0</td>
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<td>17.3 Excess workers' compensation</td>
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<tr>
<td>18.1 Products liability - occurrence</td>
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<td>0</td>
</tr>
<tr>
<td>19.1.11.9.2 Private passenger auto liability</td>
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### DEPARTMENTS OF WRITE-INS

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>Direct Premiums Earned</th>
<th>Direct Losses Incurred</th>
<th>Direct Loss Percentage</th>
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</thead>
<tbody>
<tr>
<td>Reinsurance - Nonproportional Assumed Liability</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>Credit</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>Boiler and machinery</td>
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<td>10,500</td>
<td>22.8</td>
</tr>
<tr>
<td>Crime</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>International</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Reinsurance - Nonproportional Assumed Liability</td>
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<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>Excess workers' compensation</td>
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<td>0</td>
</tr>
<tr>
<td>Group accident and health</td>
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</tr>
<tr>
<td>Credit accident and health</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other accident and health</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Workers' compensation</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other liability - occurrence</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Other liability - claims-made</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Products liability - occurrence</td>
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<td>0</td>
<td>0</td>
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<tr>
<td>Products liability - claims-made</td>
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### STATEMENT AS OF SEPTEMBER 30, 2019 OF THE Mountain States Indemnity Company

### PART 2 - DIRECT PREMIUMS WRITTEN

### DETAILS OF WRITE-INS

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<th>Line of Business</th>
<th>Direct Premiums Earned</th>
<th>Direct Losses Incurred</th>
<th>Direct Loss Percentage</th>
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<td>6,640,349</td>
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<td>Ocean marine</td>
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<td>Financial guaranty</td>
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</tr>
<tr>
<td>Medical professional liability - occurrence</td>
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<td>0</td>
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<tr>
<td>Medical professional liability - claims-made</td>
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<tr>
<td>Credit accident and health</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other accident and health</td>
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<td>0</td>
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<td>1,574,655</td>
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<td>0</td>
</tr>
<tr>
<td>Products liability - occurrence</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Products liability - claims-made</td>
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<tr>
<td>Boiler and machinery</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Credit</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>International</td>
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<td>0</td>
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</tbody>
</table>

### DETAILS OF WRITE-INS

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>Direct Premiums Earned</th>
<th>Direct Losses Incurred</th>
<th>Direct Loss Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinsurance - Nonproportional Assumed Liability</td>
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<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>Credit</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>Boiler and machinery</td>
<td>67,972</td>
<td>10,500</td>
<td>22.8</td>
</tr>
<tr>
<td>Crime</td>
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<td>0</td>
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</tr>
<tr>
<td>International</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reinsurance - Nonproportional Assumed Liability</td>
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<tr>
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</tr>
<tr>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Private passenger auto liability</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial auto liability</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Auto physical damage</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Aircraft (all perils)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fidelity</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Surety</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Burglary and theft</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Boiler and machinery</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Credit</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>International</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Years in Which Losses Occurred</td>
<td>Prior Year-End Known Case Loss and LAE Reserves</td>
<td>Prior Year-End IBNR Loss and LAE Reserves (Cols. 1+2)</td>
<td>Total Prior Year-End Loss and LAE Payments on Claims Reported as of Prior Year-End</td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------------------------</td>
<td>---------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>1. 2016 + Prior</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2. 2017</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3. Subtotals 2017 + Prior</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4. 2018</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5. Subtotals 2018 + Prior</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6. 2019</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>7. Totals</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>8. Prior Year-End Surplus As Regards Policyholders</td>
<td>12,876</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Question</td>
<td>Response</td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>--------------------------------------------------------------------------</td>
<td>----------</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?</td>
<td>NO</td>
<td></td>
</tr>
</tbody>
</table>

**Explanations:**

1. 
2. 
3. 
4. 

**Bar Codes:**

1. Trusteed Surplus Statement [Document Identifier 490]  
   ![Barcode Image]

2. Supplement A to Schedule T [Document Identifier 455]  
   ![Barcode Image]

   ![Barcode Image]

4. Director and Officer Supplement [Document Identifier 505]  
   ![Barcode Image]
### SCHEDULE A - VERIFICATION

**Real Estate**

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year to Date</strong></td>
<td><strong>Prior Year Ended December 31</strong></td>
</tr>
<tr>
<td>1. Book/adjusted carrying value, December 31 of prior year</td>
<td></td>
</tr>
<tr>
<td>2. Cost of acquired:</td>
<td></td>
</tr>
<tr>
<td>2.1 Actual cost at time of acquisition</td>
<td></td>
</tr>
<tr>
<td>2.2 Additional investment made after acquisition</td>
<td></td>
</tr>
<tr>
<td>3. Current year change in encumbrances</td>
<td></td>
</tr>
<tr>
<td>4. Total gain (loss) on disposals</td>
<td></td>
</tr>
<tr>
<td>5. Deduct amounts received on disposals</td>
<td></td>
</tr>
<tr>
<td>6. Total foreign exchange change in book/adjusted carrying value</td>
<td></td>
</tr>
<tr>
<td>7. Deduct current year’s other than temporary impairment</td>
<td></td>
</tr>
<tr>
<td>8. Deduct current year’s depreciation</td>
<td></td>
</tr>
<tr>
<td>9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4+5+6-7-8)</td>
<td></td>
</tr>
<tr>
<td>10. Deduct total nonadmitted amounts</td>
<td></td>
</tr>
<tr>
<td>11. Statement value at end of current period (Line 9 minus Line 10)</td>
<td></td>
</tr>
</tbody>
</table>

### SCHEDULE B - VERIFICATION

**Mortgage Loans**

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

### SCHEDULE BA - VERIFICATION

**Other Long-Term Invested Assets**

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

### SCHEDULE D - VERIFICATION

**Bonds and Stocks**

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year to Date</strong></td>
<td><strong>Prior Year Ended December 31</strong></td>
</tr>
<tr>
<td>1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year</td>
<td></td>
</tr>
<tr>
<td>2. Cost of bonds and stocks acquired</td>
<td></td>
</tr>
<tr>
<td>3. Accrual of discount</td>
<td></td>
</tr>
<tr>
<td>4. Unrealized valuation increase (decrease)</td>
<td></td>
</tr>
<tr>
<td>5. Total gain (loss) on disposals</td>
<td></td>
</tr>
<tr>
<td>6. Deduct consideration for bonds and stocks disposed of</td>
<td></td>
</tr>
<tr>
<td>7. Deduct amortization of premium</td>
<td></td>
</tr>
<tr>
<td>8. Total foreign exchange change in book/adjusted carrying value</td>
<td></td>
</tr>
<tr>
<td>9. Deduct current year’s other than temporary impairment recognized</td>
<td></td>
</tr>
<tr>
<td>10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees</td>
<td></td>
</tr>
<tr>
<td>11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9+10)</td>
<td></td>
</tr>
<tr>
<td>12. Deduct total nonadmitted amounts</td>
<td></td>
</tr>
<tr>
<td>13. Statement value at end of current period (Line 11 minus Line 12)</td>
<td></td>
</tr>
<tr>
<td>NAIC Designation</td>
<td>Book/Adjusted Carrying Value of Current Quarter</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>1. NAIC 1 (a)</td>
<td>3,339,311</td>
</tr>
<tr>
<td>2. NAIC 2 (a)</td>
<td>0</td>
</tr>
<tr>
<td>3. NAIC 3 (a)</td>
<td>0</td>
</tr>
<tr>
<td>4. NAIC 4 (a)</td>
<td>0</td>
</tr>
<tr>
<td>5. NAIC 5 (a)</td>
<td>0</td>
</tr>
<tr>
<td>6. NAIC 6 (a)</td>
<td>0</td>
</tr>
<tr>
<td>7. Total Bonds</td>
<td>3,339,311</td>
</tr>
<tr>
<td>8. NAIC 1</td>
<td>0</td>
</tr>
<tr>
<td>9. NAIC 2</td>
<td>0</td>
</tr>
<tr>
<td>10. NAIC 3</td>
<td>0</td>
</tr>
<tr>
<td>11. NAIC 4</td>
<td>0</td>
</tr>
<tr>
<td>12. NAIC 5</td>
<td>0</td>
</tr>
<tr>
<td>13. NAIC 6</td>
<td>0</td>
</tr>
<tr>
<td>14. Total Preferred Stock</td>
<td>0</td>
</tr>
<tr>
<td>15. Total Bonds and Preferred Stock</td>
<td>3,339,311</td>
</tr>
</tbody>
</table>

(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 $ ........................ ; NAIC 2 $ ........................ ; NAIC 3 $ ........................ ; NAIC 4 $ ........................ ; NAIC 5 $ ........................ ; NAIC 6 $ ........................
Schedule DA - Part 1 - Short-Term Investments
NONE

Schedule DA - Verification - Short-Term Investments
NONE

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards
NONE

Schedule DB - Part B - Verification - Futures Contracts
NONE

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open
NONE

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open
NONE

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of Derivatives
NONE
<table>
<thead>
<tr>
<th></th>
<th>Year To Date</th>
<th>Prior Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Book/adjusted carrying value, December 31 of prior year</td>
<td>1,381,664</td>
</tr>
<tr>
<td>2.</td>
<td>Cost of cash equivalents acquired</td>
<td>636,161</td>
</tr>
<tr>
<td>3.</td>
<td>Accrual of discount</td>
<td>0</td>
</tr>
<tr>
<td>4.</td>
<td>Unrealized valuation increase (decrease)</td>
<td>0</td>
</tr>
<tr>
<td>5.</td>
<td>Total gain (loss) on disposals</td>
<td>0</td>
</tr>
<tr>
<td>6.</td>
<td>Deduct consideration received on disposals</td>
<td>1,494,729</td>
</tr>
<tr>
<td>7.</td>
<td>Deduct amortization of premium</td>
<td>0</td>
</tr>
<tr>
<td>8.</td>
<td>Total foreign exchange change in book/adjusted carrying value</td>
<td>0</td>
</tr>
<tr>
<td>9.</td>
<td>Deduct current year’s other than temporary impairment recognized</td>
<td>0</td>
</tr>
<tr>
<td>10.</td>
<td>Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6+7+8+9)</td>
<td>523,095</td>
</tr>
<tr>
<td>11.</td>
<td>Deduct total nonadmitted amounts</td>
<td>0</td>
</tr>
<tr>
<td>12.</td>
<td>Statement value at end of current period (Line 10 minus Line 11)</td>
<td>523,095</td>
</tr>
</tbody>
</table>
Schedule A - Part 2 - Real Estate Acquired and Additions Made
NONE

Schedule A - Part 3 - Real Estate Disposed
NONE

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made
NONE

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid
NONE

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired and Additions Made
NONE

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid
NONE

Schedule D - Part 3 - Long-Term Bonds and Stocks Acquired
NONE

Schedule D - Part 4 - Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed Of
NONE

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open
NONE

Schedule DB - Part B - Section 1 - Futures Contracts Open
NONE

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made
NONE

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open
NONE

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By
NONE

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To
NONE
Schedule DL - Part 1 - Reinvested Collateral Assets Owned

NONE

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

NONE
<table>
<thead>
<tr>
<th>Depository</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America, N.A., Albuquerque, NM</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>0199998. Deposits in depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories</td>
<td>XXX</td>
<td>XXX</td>
<td>2,138,918</td>
<td>2,030,152</td>
<td>1,540,148</td>
<td>XXX</td>
<td></td>
</tr>
<tr>
<td>0199999. Totals - Open Depositories</td>
<td>XXX</td>
<td>XXX</td>
<td>0</td>
<td>0</td>
<td>2,138,918</td>
<td>2,030,152</td>
<td>1,540,148</td>
</tr>
<tr>
<td>0299998. Deposits in depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories</td>
<td>XXX</td>
<td>XXX</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>0299999. Totals - Suspended Depositories</td>
<td>XXX</td>
<td>XXX</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>0399999. Total Cash on Deposit</td>
<td>XXX</td>
<td>XXX</td>
<td>0</td>
<td>0</td>
<td>2,138,918</td>
<td>2,030,152</td>
<td>1,540,148</td>
</tr>
<tr>
<td>0499999. Cash in Company's Office</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>0599999. Total - Cash</td>
<td>XXX</td>
<td>XXX</td>
<td>0</td>
<td>0</td>
<td>2,138,918</td>
<td>2,030,152</td>
<td>1,540,148</td>
</tr>
</tbody>
</table>

**Note:** The table represents the cash balance and interest details as of September 30, 2019, for the Mountain States Indemnity Company.
## Schedule E - Part 2 - Cash Equivalents

### Show Investments Owned End of Current Quarter

<table>
<thead>
<tr>
<th>CUSIP</th>
<th>Description</th>
<th>Code</th>
<th>Date Acquired</th>
<th>Rate of Interest</th>
<th>Maturity Date</th>
<th>Book/Adjusted Carrying Value</th>
<th>Amount of Interest Due and Accrued</th>
<th>Amount Received During Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>0599999.</td>
<td>Total - U.S. Government Bonds</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1099999.</td>
<td>Total - All Other Government Bonds</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1799999.</td>
<td>Total - U.S. States, Territories and Possessions Bonds</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2499999.</td>
<td>Total - U.S. Political Subdivisions Bonds</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3199999.</td>
<td>Total - U.S. Special Revenue Bonds</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3899999.</td>
<td>Total - Industrial and Miscellaneous (Unaffiliated) Bonds</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4899999.</td>
<td>Total - Hybrid Securities</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5699999.</td>
<td>Total - Parent, Subsidiaries and Affiliates Bonds</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6099999.</td>
<td>Subtotal - SVO Identified Funds</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6399999.</td>
<td>Subtotal - Bank Loans</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7799999.</td>
<td>Total - Issuer Obligations</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7899999.</td>
<td>Total - Residential Mortgage-Backed Securities</td>
<td>0</td>
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<tr>
<td>7999999.</td>
<td>Total - Commercial Mortgage-Backed Securities</td>
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<tr>
<td>8099999.</td>
<td>Total - Other Loan-Backed and Structured Securities</td>
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<td>8199999.</td>
<td>Total - SVO Identified Funds</td>
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<td>8299999.</td>
<td>Total - Bank Loans</td>
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<td>Total Bonds</td>
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<td>8599999.</td>
<td>Subtotal - All Other Money Market Mutual Funds</td>
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<td>8699999.</td>
<td>Total Cash Equivalents</td>
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**Total**

<table>
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<tr>
<th>Book/Adjusted Carrying Value</th>
<th>Amount of Interest Due and Accrued</th>
<th>Amount Received During Year</th>
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<tbody>
<tr>
<td>523,884</td>
<td>872</td>
<td>2,260</td>
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