



QUARTERLY STATEMENT

As of September 30, 2020
of the Condition and Affairs of the

Accident Insurance Company, Inc.

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

OFFICERS

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

OTHER

Katheryne A. Heath	Chief Financial Officer
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DIRECTORS OR TRUSTEES

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

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

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

_____ (Signature) William M. Arowood 1. (Printed Name) President & CEO _____ (Title)	_____ (Signature) Robert J. Arowood 2. (Printed Name) Secretary & Treasurer _____ (Title)	_____ (Signature) 3. (Printed Name) _____ (Title)
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Subscribed and sworn to before me This _____ day of _____	a. Is this an original filing? Yes [X] No []
_____	b. If no: 1. State the amendment number _____
	2. Date filed _____
	3. Number of pages attached _____

ASSETS

	Current Statement Date			4
	1	2	3	December 31 Prior Year Net Admitted Assets
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	18,068,758		18,068,758	19,112,588
2. Stocks:				
2.1 Preferred stocks.....	550,000	550,000	0	550,000
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	3,276,985		3,276,985	3,118,954
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....12,806,305), cash equivalents (\$.....0) and short-term investments (\$.....0).....	12,806,305		12,806,305	10,623,039
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....	296,297		296,297	2,500,000
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	11,042,262	0	11,042,262	11,023,200
12. Subtotals, cash and invested assets (Lines 1 to 11).....	46,040,607	550,000	45,490,607	46,927,781
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	294,346		294,346	255,755
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	1,068,107		1,068,107	1,963,945
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	11,646,746		11,646,746	7,409,663
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	9,502,106		9,502,106	10,168,293
16.2 Funds held by or deposited with reinsured companies.....	43,097		43,097	16,000
16.3 Other amounts receivable under reinsurance contracts.....	652,406		652,406	173,912
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	1,691,829		1,691,829	1,691,830
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	223,403	223,403	0	192,662
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	638,879		638,879	1,728,328
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	2,956,136	124,959	2,831,177	3,770,214
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	74,757,662	898,362	73,859,300	74,298,383
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	74,757,662	898,362	73,859,300	74,298,383

DETAILS OF WRITE-INS

1101. Assumed Marketable Securities and Cash.....	11,042,262		11,042,262	11,023,200
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	11,042,262	0	11,042,262	11,023,200
2501. At Risk Commission Adjustment.....	100,000		100,000	746,075
2502. SUNZ Trust Receivable.....			0	284,797
2503. Assumed Receivable - App Re.....	2,699,342		2,699,342	2,699,342
2598. Summary of remaining write-ins for Line 25 from overflow page.....	156,794	124,959	31,835	40,000
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	2,956,136	124,959	2,831,177	3,770,214

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....0).....	15,652,572	25,808,543
2. Reinsurance payable on paid losses and loss adjustment expenses.....	2,216,921	1,070,041
3. Loss adjustment expenses.....	3,576,307	9,634,804
4. Commissions payable, contingent commissions and other similar charges.....	439,008	220,494
5. Other expenses (excluding taxes, licenses and fees).....	388,481	190,939
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	322,192	163,363
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	7,248,075	4,770,209
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	11,863,272	256,101
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....	3,163,574	2,273,773
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified).....	3,717,423	5,469,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	5,216,723	5,841,641
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	53,804,549	55,698,908
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	53,804,549	55,698,908
29. Aggregate write-ins for special surplus funds.....	9,862,873	9,843,810
30. Common capital stock.....	2,500,000	2,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	(898,362)	(541,613)
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	38,658,424	38,058,425
35. Unassigned funds (surplus).....	(30,068,183)	(31,261,147)
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	20,054,752	18,599,475
38. Totals (Page 2, Line 28, Col. 3).....	73,859,300	74,298,383

DETAILS OF WRITE-INS

2501. Retroactive Reinsurance.....	5,615,324	5,841,641
2502. Assumed Reserves.....		
2503. Payable to TPA.....	(398,601)	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	5,216,723	5,841,641
2901. Special Surplus.....	9,862,873	9,843,810
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	9,862,873	9,843,810
3201. Non-admit AUI note.....		(253,925)
3202. Non-admit prepaids.....	(91,984)	(15,202)
3203. Non-admit health insurance payable.....		(11,432)
3298. Summary of remaining write-ins for Line 32 from overflow page.....	(806,378)	(261,054)
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	(898,362)	(541,613)

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....12,259,563).....	9,085,606	8,358,384	10,380,362
1.2 Assumed..... (written \$.....0).....	1,831,156	796,352	549,999
1.3 Ceded..... (written \$.....0).....	15,121,559	241,729	487,720
1.4 Net..... (written \$.....12,259,563).....	(4,204,796)	8,913,007	10,442,641
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....0):			
2.1 Direct.....	3,928,373	(744,687)	(5,819,011)
2.2 Assumed.....	571,738	1,261,038	1,727,409
2.3 Ceded.....	7,510,188	(4,452,448)	(8,875,552)
2.4 Net.....	(3,010,077)	4,968,799	4,783,950
3. Loss adjustment expenses incurred.....	(4,381,565)	538,839	3,795,533
4. Other underwriting expenses incurred.....	3,990,169	4,167,546	4,882,461
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	(3,401,474)	9,675,184	13,461,944
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(803,323)	(762,177)	(3,019,303)
INVESTMENT INCOME			
9. Net investment income earned.....	251,380	653,579	810,008
10. Net realized capital gains (losses) less capital gains tax of \$.....0.....	1,176	36,000	36,000
11. Net investment gain (loss) (Lines 9 + 10).....	252,556	689,579	846,008
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0		
13. Finance and service charges not included in premiums.....	78,928	72,460	94,579
14. Aggregate write-ins for miscellaneous income.....	(223,046)	(642,758)	(308,950)
15. Total other income (Lines 12 through 14).....	(144,118)	(570,298)	(214,371)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(694,884)	(642,896)	(2,387,665)
17. Dividends to policyholders.....			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	(694,884)	(642,896)	(2,387,665)
19. Federal and foreign income taxes incurred.....			(43,631)
20. Net income (Line 18 minus Line 19) (to Line 22).....	(694,884)	(642,896)	(2,344,034)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	18,599,472	17,912,826	17,912,826
22. Net income (from Line 20).....	(694,884)	(642,896)	(2,344,034)
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....	4,938	(11,688)	(11,875)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....		92,000	63,390
27. Change in nonadmitted assets.....	2,217,302	(890,526)	(887,761)
28. Change in provision for reinsurance.....	1,751,577		(3,202,000)
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....	600,000	3,378,387	3,378,387
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	(2,423,654)	3,357,949	3,690,539
38. Change in surplus as regards policyholders (Lines 22 through 37).....	1,455,279	5,283,226	686,646
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	20,054,751	23,196,052	18,599,472

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401.			
1402. Retroactive Reinsurance - ADC.....			
1403. Retro Reinsurance.....	(223,046)	(642,758)	(308,950)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(223,046)	(642,758)	(308,950)
3701. Special Surplus - non-admit.....	(2,491,015)	3,188,210	3,520,800
3702. US Bank/Dallas National Collateral Account Devaluation.....	48,300	169,739	169,739
3703. App Re.....	19,062		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	(2,423,654)	3,357,949	3,690,539

Accident Insurance Company, Inc. CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	6,538,996	8,904,402	10,739,709
2. Net investment income.....	438,368	626,712	819,246
3. Miscellaneous income.....	(144,118)	(570,298)	(214,371)
4. Total (Lines 1 through 3).....	6,833,246	8,960,816	11,344,584
5. Benefit and loss related payments.....	5,838,419	11,324,366	12,707,418
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	5,092,215	10,807,925	12,554,408
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....		(80,822)	(124,453)
10. Total (Lines 5 through 9).....	10,930,634	22,051,469	25,137,373
11. Net cash from operations (Line 4 minus Line 10).....	(4,097,387)	(13,090,653)	(13,792,789)
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	3,043,982	2,561,000	5,246,033
12.2 Stocks.....			
12.3 Mortgage loans.....		4,463,339	4,563,427
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....	2,203,703		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	5,247,685	7,024,339	9,809,460
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	2,182,566		
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....	195,082	79,390	
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	19,062	3,188,210	5,660,514
13.7 Total investments acquired (Lines 13.1 to 13.6).....	2,396,710	3,267,600	5,660,514
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	2,850,975	3,756,739	4,148,946
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....	600,000	3,378,387	3,378,387
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	2,829,683	6,293,718	6,288,010
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	3,429,683	9,672,105	9,666,397
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	2,183,271	338,191	22,554
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	10,623,038	10,600,485	10,600,485
19.2 End of period (Line 18 plus Line 19.1).....	12,806,309	10,938,676	10,623,038

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

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

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

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

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

The Company has a claims administration agreement with US Administrator Claims, LLC (USA), an affiliate through common ownership. USA adjudicates the direct business claims for the Company. The Company is utilizing unaffiliated TPAs to adjudicate various claims in various states. The unaffiliated TPAs are Brentwood Services, Nevada Alternative Solutions, and International Program Group.

The Company has exposure to catastrophic claims, an inherent risk of the property-liability insurance business, which may contribute to material year-to-year fluctuations in the Company's results of operations and financial position. A catastrophic event is defined by the Company as an event that produces losses in excess of the Company's catastrophic reinsurance treaty which as of December 31, 2019 and December 31, 2018 was \$25 million, per occurrence. In the opinion of management, the Company has no material exposure to environmental asbestos and other mass tort claims.

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

1. Investment in bonds are generally carried at amortized cost, while under GAAP, they are carried at either amortized cost or fair value based on their classification according to the Company's ability and intent to hold or trade the securities.
2. Investments in common stocks are valued as prescribed by the Securities valuation Office (SVO) of the NAIC, while under GAAP, they are deferred and amortized to income as premiums are earned or in relation to estimated gross profits.
3. Acquisition costs, such as commissions and other costs related to acquiring new business are expensed as incurred, while under GAAP, they are deferred and amortized to income as premiums are earned or in relation to estimated gross profits.
4. Current federal income taxes incurred are charged to income under statutory accounting and under GAAP. Under GAAP, the provision for deferred taxes on temporary differences between the financial reporting and tax basis of assets and liabilities is charged to income while under statutory accounting, this provision is charged to surplus. In addition, there are limitations as to the amount of deferred tax assets that may be reported as "admitted assets".
5. Assets are reported under NAIC SAP at "admitted-asset" value and "non-admitted" assets are excluded through a charge against surplus, while under GAAP, "non-admitted assets" are reinstated to the balance sheet, net of any valuation allowance.
6. The change in provision for reinsurance is charged or credited directly through surplus under SAP, while this provision is not recognized for GAAP purposes.
7. The balance sheet under NAIC SAP is reported net of reinsurance, while under GAAP, the balance sheet reports reinsurance recoverable, including amounts related to losses incurred but not reported, and prepaid reinsurance premiums as assets.
8. Comprehensive income and its components are not presented in the statutory basis financial statements.
9. Subsidiaries are included as common stock carried under the equity method, with the equity in net income of subsidiaries credited directly to the Company's surplus for NAIC SAP, while GAAP requires either consolidation or the equity in earnings of subsidiaries or net income of subsidiaries to be credited to the income statement.
10. The Company records workers' compensation premium under the installment method for NAIC SAP, while GAAP requires that premiums be recorded based on the total premium for the policy period.
11. Investments which the Company was unable to get a designation were sold at par value. This resulted in an increase to receivables for securities as of 12/31/19 of \$2.5M. To date installments of \$2,203,703 have been received. The balance of \$296,297 will be paid in full by 12/31/20.
12. Receivables from parent, subsidiaries and affiliates increased at year end 12/31/2019, due to owner decision to defer litigation fees for U.S. Bank court case to another affiliate. These receivables will be paid in full by 12/31/20.
13. Amounts withheld or retained by company for account of others increased due to more collateral being remitted for the PEO large deductible policy for both Invo Peo and Mid-South programs.
14. The Company was not allowed to write new business until September of 2019. Therefore, premiums decreased from 2018 to 2019. The Company is continuing to write new business in 2020 with steady growth in both direct business and PEO business.
15. Net admitted assets as of September 30, 2020 multiplied by 5% ($\$73,859,300 \times 5\% = \$3,692,965$) Amount not exceeding one percent of assets ($\$73,859,300 \times 1\% = \$738,593$) Per NM 59A-9-18 the Company does not have to non-admit any amounts.
16. Per Notes - There were no significant differences in the statutory financial statements that the Company filed with state regulatory authorities as a result of the audit prepared by Rodefer, Moss PLLC, for the year ended December 31, 2019.
17. The deferred premiums and unearned premiums increased due to the Master Policy for the PEO renewing June 1, 2020 and a large MSR policy renewing April 1, 2020. The Company is seeing growth in direct business in third and fourth quarter of 2020.

NOTES TO FINANCIAL STATEMENTS

18. Other amounts receivable under reinsurance contracts is due to fronting program with Mid-South Insurance.

19. The Company entered into a Quota Share Agreement with Iron Re Dental Insurance Company, Inc. the Company ceded to the Reinsurer a 100% quota share participation of the net retained insurance liability of the Company for general liability coverage. The limit of liability of the Reinsurer will not exceed \$19,500,00 in aggregate. This agreement resulted in increases in ceded premium earned and ceded losses incurred, and a decrease in loss adjustment expenses incurred. This also caused decreases in losses, loss adjustment expense and an increase in reinsurance payable on paid losses and loss adjustment expenses.

20. The Company previously had entered into a provision for reinsurance agreement with Appalachian Reinsurance (Bermuda) Ltd. As of 12/31/19 there were funds withheld by the Company of \$1,276,147 and net loss reserves of \$4,993,570. The difference of \$3,717,423 represents the Schedule F Penalty. Due to this there was a reduction in the Schedule F Penalty of \$1,751,577 to the provision for reinsurance and unassigned funds (surplus) and an increase in the change in provision for reinsurance and ceded reinsurance premiums payable (net of ceding commissions).

	SSAP #	F/S Page	F/S Line #	Current Year to Date	2019
NET INCOME					
(1) Accident Insurance Company, Inc. Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ (694,884)	\$ (2,344,032)
(2) State Prescribed Practice that are an increase/(decrease) from NAIC SAP				\$	\$
(3) State Permitted Practice that are an increase/(decrease) from NAIC SAP				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ (694,884)	\$ (2,344,032)
SURPLUS					
(5) Accident Insurance Company, Inc. Company state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 20,054,752	\$ 18,599,475
(6) State Prescribed Practice that are an increase/(decrease) from NAIC SAP				\$	\$
(7) State Permitted Practice that are an increase/(decrease) from NAIC SAP				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 20,054,752	\$ 18,599,475

B. Use of Estimates in the Preparation of the Financial Statement
No significant changes

C. Accounting Policy

Premiums are earned on a pro rata basis over the terms of the related insurance policies and the terms of the reinsurance contracts. The Company records its workers' compensation premiums under the installment method. Under the installment method, premiums are recorded to written premium as policies are billed. Unearned premium reserves are established to cover the unexpired portion of premiums written for lines other than workers' compensation. Ceded premiums have been reported as a reduction of premiums written and earned. Premium deficiency reserves assure that the unearned premiums are sufficient to cover the related expected future losses, loss adjustment expenses and administrative costs of the related lines of business written. In the opinion of management, no premium deficiency reserve was deemed necessary or recorded in the accompanying statutory statement of Liabilities and Surplus as of December 31, 2019.

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

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

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

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

Investment in real estate held for the production of income is stated at net book value which consists of the purchase price less encumbrances and accumulated depreciation. Depreciation is recognized on a straight-line basis.

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

- (1) Basis for Short-Term Investments
Short-term investments are stated at amortized value using the interest method. Non-investment grade short-term investments are stated at the lower of amortized value or fair value.
- (2) Basis for Bonds and Amortization Schedule
Bonds not backed by other loans are generally stated at amortized cost using the scientific method. The carrying value of bonds are evaluated based on their characteristics and performance and the carrying value is adjusted as necessary.
- (3) Basis for Common Stocks
Common stocks other than investments in stocks of subsidiaries and affiliates, are stated at fair value.
- (4) Basis for Preferred Stocks
Preferred stocks are stated at fair value.
- (5) Basis for Mortgage Loans
The Association does not participate in any first lien mortgage loans or real estate.
- (6) Basis for Loan-Backed Securities and Adjustment Methodology
The Association does not have any investments in loan-backed securities.
- (7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities
Not applicable.

NOTES TO FINANCIAL STATEMENTS

- (8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities
The Association does not participate in joint ventures or partnerships.
- (9) Accounting Policies for Derivatives
The Association does not participate in any derivatives.
- (10) Anticipated Investment Income Used in Premium Deficiency Calculation
The Association does not anticipate investment income when evaluating the need for premium deficiency reserves.
- (11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses
The Company nets loss and loss adjustment expense (lae) reserves - The Company engages an independent actuary to develop its loss and lae reserves and related estimated reinsurance recoverable amounts. Loss and lae reserves reflect the cost of present and future estimated payments on losses and the adjudication of losses prior to the end of the accounting period, whether or not reported to the Company. The Company's actuary utilizes historical claims loss, premium data and industry development factors. In the opinion of management, its reserve as developed by its actuary are adequate based on Company loss data, historical claims and industry development factors.
- (12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period
There have been no changes to the Capitalization Policy.
- (13) Method Used to Estimate Pharmaceutical Rebate Receivables
Not applicable as the Association does not write major medical insurance with prescription drug coverage.
- D. Going Concern
Management has determined there are no conditions or events, either known or anticipated, that raise substantial doubt about the Company's ability to continue as a going concern.

Note 2 – Accounting Changes and Corrections of Errors

No significant changes

Note 3 – Business Combinations and Goodwill

No significant changes

Note 4 – Discontinued Operations

No significant changes

Note 5 – Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans
Not applicable.
- B. Debt Restructuring
Not applicable.
- C. Reverse Mortgages
Not applicable.
- D. Loan-Backed Securities
Not applicable.
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions
Not applicable.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transaction – Cash Taker – Overview of Secured Borrowing Transactions
Not applicable.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions
Not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Taker – Overview of Sale Transactions
Not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Provider – Overview of Sale Transactions
Not applicable.
- J. Real Estate
No significant changes
- K. Low-Income Housing Tax Credits (LIHTC)
Not applicable.
- L. Restricted Assets
No significant changes
- M. Working Capital Finance Investments
Not applicable.
- N. Offsetting and Netting of Assets and Liabilities
Not applicable.
- O. 5GI Securities
Not applicable.
- P. Short Sales
Not applicable.

NOTES TO FINANCIAL STATEMENTS

- Q. Prepayment Penalty and Acceleration Fees
Not applicable.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies
Not applicable.

Note 7 – Investment Income

Note 8 – Derivative Instruments
Not applicable.

Note 9 – Income Taxes
No significant changes

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties
No significant changes

Note 11 – Debt

- A. Debt, Including Capital Notes
The Company does not have debt outstanding at September 30, 2020.
- B. FHLB (Federal Home Loan Bank) Agreements
The Company does not have debt outstanding at September 30, 2020.

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

- A. Defined Benefit Plan
- (1) Change in Benefit Obligation
No significant changes
 - (2) Change in Plan Assets
No significant changes
 - (3) Funded Status
No significant changes
 - (4) Components of Net Periodic Benefit Cost
No significant changes
 - (5) Amounts in Unassigned Funds (Surplus) Recognized as Components of Net Period Benefit Cost
No significant changes
 - (6) Amounts in Unassigned Funds (Surplus) That Have Not Yet Been Recognized as Components of Net Period Benefit Cost
No significant changes
 - (7) Weighted Average Assumptions Used to Determine Net Periodic Benefit Cost as of Current Period
No significant changes
 - (8) Accumulated Benefit Obligation for Defined Benefit Pension Plans
No significant changes
 - (9) For Postretirement Benefits Other Than Pensions, the Assumed Health Care Cost Trend Rate(s)
No significant changes
 - (10) Estimated Future Payments, Which Reflect Unexpected Future Service
No significant changes
 - (11) Estimate of Contributions Expected to be Paid to the Plan
No significant changes
 - (12) Amounts and Types of Securities Included in Plan Assets
No significant changes
 - (13) Alternative Method Used to Amortize Prior Service Amounts or Net Gains and Losses
No significant changes
 - (14) Substantive Comment Used to Account for Benefit Obligations
No significant changes
 - (15) Cost of Providing Special or Contractual Termination Benefits Recognized
No significant changes
 - (16) Reasons for Significant Gains/Losses Related to Changes in Defined Benefit Obligation and any Other Significant Change in the Benefit Obligations
Assets Not Otherwise Apparent
No significant changes
 - (17) Accumulated Postretirement and Pension Benefit Obligation and Fair Value of Plan Assets for Defined Postretirement and Pension Benefit Plans
No significant changes
 - (18) Full Transition Surplus Impact of SSAP 102
No significant changes
- B. Investment Policies and Strategies
Not applicable.
- C. Fair Value of Plan Assets
Not applicable.
- D. Basis Used to Determine Expected Long-Term Rate-of-Return
Not applicable.
- E. Defined Contribution Plans
Employees are eligible to participate in a defined contribution plan sponsored by an affiliate. See Note 12G.
- F. Multiemployer Plans
Not applicable.

NOTES TO FINANCIAL STATEMENTS

- G. Consolidated/Holding Company Plans
Company employees are eligible to participate in a defined contribution plan sponsored by Invo PEO, Inc., an affiliated company. Employees may contribute any percentage of their income to the plan up to the IRS mandated maximum of \$19,000 and \$19,500 in 2019 and 2020, respectively, and are eligible for up to a 1% Company match on contributions after one year of service. The match is funded bi-weekly and allocated to the Company based on employee contributions. The Company has no legal obligations for benefits under this plan.
- H. Postemployment Benefits and Compensated Absences
The Company has no obligations related to post-employment benefits or compensated absences for any current or former employees after their employment. The expense of compensated absences earned but unused by current employees has been accrued by the Company.
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)
Not applicable.

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

Shareholders of the Company made capital contributions of \$600,000 during the nine months month ended September 30, 2020.

Note 14 – Liabilities, Contingencies and Assessments

No significant changes

Note 15 – Leases

No significant changes

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

No significant changes

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

Not applicable

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

Not applicable.

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

No change.

Note 20 – Fair Value Measurements

- A. Fair Value Measurements
Fair Value Measurements at Reporting Date

Description for Each Type of Asset or Liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at Fair Value					
Bonds	\$ 16,743,496	\$	\$	\$	\$ 16,743,496
Preferred Stock	\$	\$ 550,000	\$	\$	\$ 550,000
Total	\$ 16,743,496	\$ 550,000	\$	\$	\$ 17,293,496
Liabilities at Fair Value					
	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

- B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements
Not applicable.

- C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Stocks	\$ 16,743,496	\$ 18,068,758	\$ 16,743,496	\$	\$	\$	\$
Preferred Stock	\$ 550,000	\$	\$	\$ 550,000	\$	\$	\$

- D. Not Practicable to Estimate Fair Value
Not applicable.

- E. NAV Practical Expedient Investments
Not applicable.

Note 21 – Other Items

- A. Unusual or Infrequent Items
- B. Troubled Debt Restructuring Debtors
- C. Other Disclosures
- D. Business Interruption Insurance Recoveries
- E. State Transferable and Non-Transferable Tax Credits
Not applicable.

NOTES TO FINANCIAL STATEMENTS

- F. Subprime Mortgage-Related Risk Exposure
Not applicable.
- G. Insurance-Linked Securities (ILS) Contracts
- H. The Amount that Could be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or has Otherwise Obtained Rights to Control the Policy
Not applicable.

Note 22 – Events Subsequent

- A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)? Yes [] No [X]
- | | 2020 | 2019 |
|--|------|------|
| B. ACA fee assessment payable for the upcoming year | | |
| C. ACA fee assessment paid | | |
| D. Premium written subject to ACA 9010 assessment | | |
| E. Total adjusted capital before surplus adjustment (Five-Year Historical Line 28) | | |
| F. Total adjusted capital (Five-Year Historical Line 28 minus 22B above) | | |
| G. Authorized control level (Five-Year Historical Line 29) | | |
- H. Would reporting the ACA assessment as of current year to date have triggered an RBC action level (YES/NO)? Yes [] No []

Note 23 – Reinsurance

Retroactive Reinsurance

Effective January 1, 2014, the Company entered into an assumption agreement with a third-party insurer, whereby the Company assumed approximately \$20,000,000 of loss reserves for consideration of approximately \$20,000,000. As of December 31, 2019, the net case reserves were \$1,073,427. This transaction was accounted for as retroactive reinsurance pursuant SSAP 62R. The Company is held harmless against adverse development from this transaction by an agreement with an affiliate that was approved by the Company's Board of Directors.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. Method Used by the Reporting Entity to Estimate Accrued Retrospective Premium Adjustments
Not applicable
- B. Disclose Whether Accrued Retrospective Premiums are Recorded Through Written Premium or as an Adjustment to Earned Premium
Not applicable
- C. Disclose the Amount of Net Premiums Written Subject to Retrospective Rating Features
Not applicable
- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act
Not applicable
- E. Nonadmitted Retrospective Premium
Not applicable
- F. Risk Sharing Provisions of the Affordable Care Act
Not applicable.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

- A. Change in Incurred Losses and Loss Adjustment Expenses
Estimates of incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$5,271,014 in 2019 as a result or re-estimation of unpaid losses and loss adjustment expenses principally on the Medical Malpractice line of insurance. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Increases or decreases of this nature occur as the result of claim settlements and receipt and evaluation of additional information regarding unpaid claims. Recent development trends are utilized in evaluating the overall adequacy of reserves.
- B. Information about Significant Changes in Methodologies and Assumptions
No significant changes.

Note 26 – Intercompany Pooling Arrangements

Not applicable.

Note 27 – Structured Settlements

Not applicable.

Note 28 – Health Care Receivables

Not applicable.

Note 29 – Participating Policies

Not applicable.

Note 30 – Premium Deficiency Reserves

Not applicable.

Note 31 – High Deductibles

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses
Not applicable.

Note 33 – Asbestos/Environmental Reserves
Not applicable.

Note 34 – Subscriber Savings Accounts
Not applicable.

Note 35 – Multiple Peril Crop Insurance
Not applicable.

Note 36 – Financial Guaranty Insurance
Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: _____
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.

- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. _____

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 2018/2019
- 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. 12/31/2017
- 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). 06/18/2019

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

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

- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

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

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

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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

- 9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

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

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 638,879

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No
- 14.2 If yes, please complete the following:

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

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

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.3 Total payable for securities lending reported on the liability page: \$ 0
17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes No

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

1 Name of Custodian(s)	2 Custodian Address

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

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

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes No
- 17.4 If yes, give full and complete information relating thereto:

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

17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such "[...] that have access to the investment accounts", "handle securities".

1 Name of Firm or Individual	2 Affiliation

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes No
- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes No

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

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

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes No
- 18.2 If no, list exceptions:

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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 for each self-designated PLGI security:
- a. The security was purchased prior to January 1, 2018.
 - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 - c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
 - d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities? Yes [] No [XX]
21. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
- a. The security was purchased prior to January 1, 2019.
 - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 - c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
 - d. The fund only or predominantly holds bonds in its portfolio.
 - e. The current reporting NAIC designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
 - f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
- Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No []

GENERAL INTERROGATORIES (continued)

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1 A&H loss percent 0.000%

5.2 A&H cost containment percent 0.000%

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

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

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

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

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

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

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

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
------------------------------	----------------	------------------------	----------------------------------	---------------------------	---	--

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	L	921,359	172,933	505,731	283,138	2,522,870	1,610,192
2. Alaska.....AK	N						
3. Arizona.....AZ	L	435,063	203,239	200,010	452,971	3,952,392	4,376,008
4. Arkansas.....AR	L	64,170	57,354	307,747	102,837	125,055	404,504
5. California.....CA	N			152,510	773,774	1,713,491	495,080
6. Colorado.....CO	N						
7. Connecticut.....CT	N						
8. Delaware.....DE	N						
9. District of Columbia.....DC	N						
10. Florida.....FL	L		(6,954)	3,480,480	2,036,105	10,091,506	4,754,940
11. Georgia.....GA	L	4,244,692	3,294,834	844,437	1,618,241	3,378,924	3,669,420
12. Hawaii.....HI	N						
13. Idaho.....ID	N						
14. Illinois.....IL	L	4,600,661	5,181,222	1,554,825	1,570,414	6,618,238	9,283,603
15. Indiana.....IN	L	297,385	177,979	74,099	111,491	379,983	476,131
16. Iowa.....IA	N						
17. Kansas.....KS	N			90,715			5,101
18. Kentucky.....KY	L			136,067	759,764	244,063	(603,729)
19. Louisiana.....LA	L	98,881	178,149	1,127,026	860,857	4,646,747	4,088,957
20. Maine.....ME	N						
21. Maryland.....MD	N						
22. Massachusetts.....MA	N						
23. Michigan.....MI	N						
24. Minnesota.....MN	N						
25. Mississippi.....MS	L	366,634	282,200	803,325	763,157	3,582,293	2,653,205
26. Missouri.....MO	L	514,810	246,946	123,472	238,168	490,320	639,951
27. Montana.....MT	N						
28. Nebraska.....NE	N						
29. Nevada.....NV	L	46,925	201,381	36,485	71,674	918,148	6,084,876
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	N						
32. New Mexico.....NM	L	130,943		92,672	(19)	397,348	
33. New York.....NY	N						
34. North Carolina.....NC	N				(19)		2,398
35. North Dakota.....ND	N						
36. Ohio.....OH	N						
37. Oklahoma.....OK	L	152,485	134,907	157,449	115,856	991,218	2,006,100
38. Oregon.....OR	N						
39. Pennsylvania.....PA	N						
40. Rhode Island.....RI	N						
41. South Carolina.....SC	L	385,555	1,465,328	1,304,451	1,324,531	6,110,978	3,548,725
42. South Dakota.....SD	N			461,569			
43. Tennessee.....TN	N			190,193	50,739	3,009,561	3,500,211
44. Texas.....TX	L		361	3,705,087	2,256,169	4,501,012	6,615,376
45. Utah.....UT	N						
46. Vermont.....VT	N						
47. Virginia.....VA	N			15,277	3,876	46,829	71,408
48. Washington.....WA	N						
49. West Virginia.....WV	N						
50. Wisconsin.....WI	N						
51. Wyoming.....WY	N						
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CAN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....	XXX	12,259,563	11,589,879	15,363,627	13,393,724	53,720,976	53,682,457

DETAILS OF WRITE-INS

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

(a) Active Status Count

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	16	R - Registered - Non-domiciled RRGs.....	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI).....	0	Q - Qualified - Qualified or accredited reinsurer.....	0
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile.....	0	N - None of the above - Not allowed to write business in the state.....	41

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

PART 1 – ORGANIZATIONAL CHART

Appalachian - Insurance Holding Company Group



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
Members															
Q12	Appalachian Holding Company Group	11573	61-1440952				Accident Insurance Company, Inc.	NM	RE	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		46-3044858				Accident Insurance Holding Company, Inc.	NM	UDP	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		82-0571442				AIC Holdings, LLC	SC	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		27-4359062				AIC Underwriters LLC	LA	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		45-3743203				RCS Risk Services, LLC	NV	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		62-0887639				ISG Holding Company, Inc.	TN	NIA	Appalachian Holding Company Group	Ownership	48.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		62-1756179				Appalachian Underwriters, Inc.	TN	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		98-0525785				Appalachian Reinsurance, Ltd.	BMU	IA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		26-4497969				Arrow Insurance Group, LLC	SC	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		45-4311150				Arrow PEO Brokerage, Inc.	TN	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		90-0034444				B & B Properties	TN	NIA	Appalachian Holding Company Group	Ownership	20.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		26-3983731				Clinton Insurance Services, Inc.	TN	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		26-1655771				Cornerstone RE Advisors, LLC	NJ	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		26-2498141				Cornerstone Underwriting Partners, LLC	TN	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		47-2787833				Eastern Underwriting Managers, LLC	TN	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		26-4216614				Informational Technology Partners, Inc.	TN	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		81-2153404				Innovative Work Comp Solutions, LLC	GA	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		26-1877671				Insurance Service Group, Inc.	TN	NIA	William M. Arowood	Ownership	100.000	William M. Arowood	N	
	Appalachian Holding Company Group		47-3338069				Let's Eat LLC	TN	NIA	Appalachian Holding Company Group	Ownership	50.000	Appalachian Holding Company Group	N	

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
	Appalachian Holding Company Group		26-4580233				Madison Insurance Group, Inc.	SC	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		45-2641765				Mercury Financial Banc, Inc.	TN	NIA	William M. Arowood	Ownership	100.000	William M. Arowood	N	
	Appalachian Holding Company Group		47-1531572				Mercury Financial SC, Inc.	SC	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		45-4770468				Mercury Investment Services, Inc.	TN	NIA	William M. Arowood	Ownership	100.000	William M. Arowood	N	
	Appalachian Holding Company Group		82-1547649				Mercury Motors Company, LLC	TN	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		81-2114541				MIG Payroll Services, LLC	TN	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		81-4157258				MPFL Insurance Agency, LLC	TN	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		20-1016809				MRA Inspection Service, LLC	SC	NIA	Appalachian Holding Company Group	Ownership	50	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		26-4216497				Oak Ridge Insurance Services, Inc.	TN	NIA	William M. Arowood	Ownership	100.000	William M. Arowood	N	
	Appalachian Holding Company Group		47-2809085				Seguros Underwriters, LLC	FL	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		27-3596241				Tennessee Brokers and Agents Association, Inc	TN	NIA	William M. Arowood	Ownership	100.000	William M. Arowood	N	
	Appalachian Holding Company Group		20-4494952				Travelers Aid Society, Inc.	TN	NIA	William M. Arowood	Ownership	100.000	William M. Arowood	N	
	Appalachian Holding Company Group		47-3294737				United American, Inc.	NV	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		26-3357762				US Administrator Claims, LLC	GA	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		46-5607484				US Administrator Claims of TX, LLC	TX	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		81-1468332				Viital Services LLC	NV	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		37-1840343				WRA Enterprises LLC	TN	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	
	Appalachian Holding Company Group		83-2911153				Years Younger Management LLC	TN	NIA	Appalachian Holding Company Group	Ownership	100.000	Appalachian Holding Company Group	N	

Q12.1

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
.....	Appalachian Holding Company Group	.....	00-0000000..	.....	.....	.....	AIC Risk Management, Ltd.....	BMU.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	....100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	.....	00-0000000..	.....	.....	.....	Bermuda American Intermediaries, Ltd.....	BMU.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	....100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	.....	98-0635664..	.....	.....	.....	Cherokee Reinsurance SPC.....	CYM.....	IA.....	Appalachian Holding Company Group.....	Ownership.....	....100.000	Appalachian Holding Company Group.....	.....N.....	.....
.....	Appalachian Holding Company Group	.....	00-0000000..	.....	.....	.....	Monarch Intermediaries, Ltd.....	CYM.....	NIA.....	Appalachian Holding Company Group.....	Ownership.....	....100.000	Appalachian Holding Company Group.....	.....N.....	.....

Q12.2

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.000	
2. Allied lines.....			0.000	
3. Farmowners multiple peril.....			0.000	
4. Homeowners multiple peril.....			0.000	
5. Commercial multiple peril.....			0.000	
6. Mortgage guaranty.....			0.000	
8. Ocean marine.....			0.000	
9. Inland marine.....			0.000	
10. Financial guaranty.....			0.000	
11.1. Medical professional liability - occurrence.....			0.000	
11.2. Medical professional liability - claims-made.....			0.000	
12. Earthquake.....			0.000	
13. Group accident and health.....			0.000	
14. Credit accident and health.....			0.000	
15. Other accident and health.....			0.000	
16. Workers' compensation.....	9,085,606	(1,293,469)	(14.236)	23.915
17.1. Other liability-occurrence.....		4,279,224	0.000	(348.175)
17.2. Other liability-claims made.....			0.000	
17.3. Excess workers' compensation.....			0.000	
18.1. Products liability-occurrence.....			0.000	
18.2. Products liability-claims made.....			0.000	
19.1, 19.2. Private passenger auto liability.....		(382,665)	0.000	(68,714.855)
19.3, 19.4. Commercial auto liability.....		1,332,002	0.000	
21. Auto physical damage.....		(6,721)	0.000	
22. Aircraft (all perils).....			0.000	
23. Fidelity.....			0.000	
24. Surety.....			0.000	
26. Burglary and theft.....			0.000	
27. Boiler and machinery.....			0.000	
28. Credit.....			0.000	
29. International.....			0.000	
30. Warranty.....			0.000	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.000	
35. Totals.....	9,085,606	3,928,373	43.237	(8.909)
DETAILS OF WRITE-INS				
3401.....			0.000	
3402.....			0.000	
3403.....			0.000	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.000	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.000	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical professional liability - occurrence.....			
11.2. Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....	1,521,616	12,259,560	11,586,564
17.1. Other liability-occurrence.....			3,316
17.2. Other liability-claims made.....			
17.3. Excess workers' compensation.....			
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1 19.2. Private passenger auto liability.....			
19.3 19.4. Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	1,521,616	12,259,560	11,589,880
DETAILS OF WRITE-INS			
3401.....			
3402.....			
3403.....			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2020 Loss and LAE Payments on Claims Reported as of Prior Year-End	2020 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2020 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2017 + Prior.....	12,702	14,442	27,144	6,872	126	6,998	6,512	188	4,786	11,486	682	(9,342)	(8,660)
2. 2018.....	1,689	2,248	3,937	537	1	538	1,234		952	2,186	82	(1,295)	(1,213)
3. Subtotals 2018 + Prior.....	14,391	16,690	31,081	7,409	127	7,536	7,746	188	5,738	13,672	764	(10,637)	(9,873)
4. 2019.....	1,747	2,615	4,362	780	13	793	1,026	45	1,278	2,349	59	(1,279)	(1,220)
5. Subtotals 2019 + Prior.....	16,138	19,305	35,443	8,189	140	8,329	8,772	233	7,016	16,021	823	(11,916)	(11,093)
6. 2020.....	XXX	XXX	XXX	XXX	494	494	XXX	1,464	1,743	3,207	XXX	XXX	XXX
7. Totals.....	16,138	19,305	35,443	8,189	634	8,823	8,772	1,697	8,759	19,228	823	(11,916)	(11,093)
8. Prior Year-End's Surplus As Regards Policyholders.....	18,599												
											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....5.1 %	2. ....(61.7)%	3. ....(31.3)%
													Col. 13, Line 7 Line 8
													4. ....(59.6)%

Q14

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

1. The data for this supplement is not required to be filed.
2. The data for this supplement is not required to be filed.
3. The data for this supplement is not required to be filed.
4. The data for this supplement is not required to be filed.

Bar Code:



Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. Mandatory Pool Receivables.....			0	
2505. Other.....			0	
2506. FL Corporate Tax Receivable.....			0	
2507. IL Corporate Tax Receivable.....			0	
2508. Prepaid Premium Tax and Assessments.....	43,372	43,372	0	
2509. Prepaid Software Licenses.....	(10,397)	(10,397)	0	
2510. Prepaid Expenses.....	91,984	91,984	0	
2511. Prepaid TPA.....			0	
2512. Prepaid Health Insurance.....			0	
2513. Other Amounts Receivable.....	31,835		31,835	40,000
2597. Summary of remaining write-ins for Line 25.....	156,794	124,959	31,835	40,000

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
3204. Non-admit TPA.....		(261,054)
3205. Non-admit Preferred Stocks.....	(550,000)	
3206. Non-admit EDP.....	(223,403)	
3207. Non-admit prepaid tax.....	(43,372)	
3208. Non-admit software licenses.....	10,397	
3297. Summary of remaining write-ins for Line 32.....	(806,378)	(261,054)

Accident Insurance Company, Inc.
SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	3,118,954	3,185,904
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....	195,082	
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other-than-temporary impairment recognized.....		
8. Deduct current year's depreciation.....	37,050	66,950
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	3,276,985	3,118,954
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	3,276,985	3,118,954

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	(0)	4,563,427
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		4,563,427
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	(0)	(0)
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	(0)	(0)
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	(0)	(0)

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	19,662,588	24,908,621
2. Cost of bonds and stocks acquired.....	2,182,566	
3. Accrual of discount.....	1,174	829
4. Unrealized valuation increase (decrease).....	4,938	(11,875)
5. Total gain (loss) on disposals.....	(160,449)	36,000
6. Deduct consideration for bonds and stocks disposed of.....	3,043,982	5,236,000
7. Deduct amortization of premium.....	28,077	34,987
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10).....	18,618,757	19,662,588
12. Deduct total nonadmitted amounts.....	550,000	
13. Statement value at end of current period (Line 11 minus Line 12).....	18,068,757	19,662,588

SCHEDULE D - PART 1B

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	14,719,423	179,910	299,485	(9,153)	14,797,939	14,719,423	14,590,695	14,389,463
2. NAIC 2 (a).....	5,935,000		2,500,000		5,935,000	5,935,000	3,435,000	4,685,000
3. NAIC 3 (a).....							0	
4. NAIC 4 (a).....	43,250			(188)	35,250	43,250	43,063	38,125
5. NAIC 5 (a).....							0	
6. NAIC 6 (a).....							0	
7. Total Bonds.....	20,697,673	179,910	2,799,485	(9,341)	20,768,189	20,697,673	18,068,758	19,112,588
PREFERRED STOCK								
8. NAIC 1.....	550,000				550,000	550,000	550,000	550,000
9. NAIC 2.....							0	
10. NAIC 3.....							0	
11. NAIC 4.....							0	
12. NAIC 5.....							0	
13. NAIC 6.....							0	
14. Total Preferred Stock.....	550,000	0	0	0	550,000	550,000	550,000	550,000
15. Total Bonds and Preferred Stock.....	21,247,673	179,910	2,799,485	(9,341)	21,318,189	21,247,673	18,618,758	19,662,588

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**Sch. DA - Pt. 1
NONE**

**Sch. DA - Verification
NONE**

**Sch. DB - Pt. A - Verification
NONE**

**Sch. DB - Pt. B - Verification
NONE**

**Sch. DB - Pt. C - Sn. 1
NONE**

**Sch. DB - Pt. C - Sn. 2
NONE**

**Sch. DB - Verification
NONE**

**Sch. E - Pt. 2 Verification
NONE**

**Sch. A Pt. 2
NONE**

**Sch. A Pt. 3
NONE**

**Sch. B - Pt. 2
NONE**

**Sch. B - Pt. 3
NONE**

**Sch. BA - Pt. 2
NONE**

**Sch. BA - Pt. 3
NONE**

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol
Bonds - U.S. Government									
912828 YF 1	United States Treasury Notes		08/17/2020	Raymond James		25,715	25,000	159	1
912828 YF 1	United States Treasury Notes		08/26/2020	Raymond James		154,195	150,000	1,009	1
0599999	Total - Bonds - U.S. Government					179,910	175,000	1,168	.XXX
8399997	Total - Bonds - Part 3					179,910	175,000	1,168	.XXX
8399999	Total - Bonds					179,910	175,000	1,168	.XXX
9999999	Total - Bonds, Preferred and Common Stocks					179,910	XXX	1,168	.XXX

QE04

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol
Bonds - U.S. States, Territories and Possessions																					
419560 KE 6	Haverstraw NY Publmpt (SC Plcyhdr).....		08/03/2020	US Bank.....		125,000	125,000	124,325	124,470		15		15		124,485		515	515	4,323	03/01/2037	1.....
1799999	Total - Bonds - U.S. States, Territories & Possessions.....					125,000	125,000	124,325	124,470	0	15	0	15	0	124,485	0	515	515	4,323	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
584521 EH 7	Medical Ctr Hosp Auth GA Rev Bnd.....		08/01/2020	US Bank.....		25,000	25,000	25,766	25,065		(65)		(65)		25,000			0	1,188	08/01/2032	1.....
584521 EF 1	Medical Ctr Hosp GA (FL Plcyhdr).....		08/01/2020	US Bank.....		150,000	150,000	155,102	150,437		(437)		(437)		150,000			0	7,500	08/01/2045	1.....
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments.....					175,000	175,000	180,868	175,502	0	(502)	0	(502)	0	175,000	0	0	0	8,688	XXX	XXX
Bonds - Industrial and Miscellaneous																					
38141G MR 2	Goldman Sachs Group Inc.....		09/22/2020	Raymond James.....		233,088	250,000	250,000	250,000				0		250,000		(16,913)	(16,913)	1,335	02/11/2028	2.....
38141G MR 2	Goldman Sachs Group Inc.....		09/22/2020	Raymond James.....		932,350	1,000,000	1,000,000	1,000,000				0		1,000,000		(67,650)	(67,650)	5,340	02/11/2028	2.....
38141G TW 4	Goldman Sachs Group Inc.....		09/22/2020	Raymond James.....		1,172,938	1,250,000	1,250,000	1,250,000				0		1,250,000		(77,063)	(77,063)	5,315	05/30/2028	2.....
3899999	Total - Bonds - Industrial and Miscellaneous.....					2,338,375	2,500,000	2,500,000	2,500,000	0	0	0	0	0	2,500,000	0	(161,625)	(161,625)	11,990	XXX	XXX
8399997	Total - Bonds - Part 4.....					2,638,375	2,800,000	2,805,193	2,799,972	0	(487)	0	(487)	0	2,799,485	0	(161,110)	(161,110)	25,001	XXX	XXX
8399999	Total - Bonds.....					2,638,375	2,800,000	2,805,193	2,799,972	0	(487)	0	(487)	0	2,799,485	0	(161,110)	(161,110)	25,001	XXX	XXX
9999999	Total - Bonds, Preferred and Common Stocks.....					2,638,375	XXX	2,805,193	2,799,972	0	(487)	0	(487)	0	2,799,485	0	(161,110)	(161,110)	25,001	XXX	XXX

QE05

Sch. DB - Pt. A - Sn. 1
NONE

Sch. DB - Pt. B - Sn. 1
NONE

Sch. DB - Pt. D - Sn. 1
NONE

Sch. DB - Pt. D - Sn. 2
NONE

Sch. DB - Pt. E
NONE

Sch. DL - Pt. 1
NONE

Sch. DL - Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount or interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
Central Bank.....	Jefferson City, MO.....				.....27,058	.....27,058	.....27,058	XXX
Regions Bank.....	Columbia, SC.....				.....939,288	.....3,262,748	.....4,277,209	XXX
Southwest Capital Bank.....	Albuquerque, NM.....				.....409,079	.....686,075	.....832,853	XXX
Union Bank.....	San Francisco, CA.....				.....178,673	.....178,685	.....188,691	XXX
US Bank.....	Jacksonville, FL.....				.....909,961	.....1,209,578	.....1,038,870	XXX
Wells Fargo.....	New York, NY.....				.....5,277,088	.....5,277,088	.....5,277,088	XXX
Raymond James.....	St. Petersburg, FL.....				.....966,211	.....1,014,333	.....1,164,337	XXX
Century Trust.....	Santa Fe, NM.....							XXX
Pinnacle Financial Partners.....	Nashville, TN.....				.....51,236	.....(1)	.....(1)	XXX
0199999. Total Open Depositories.....	XXX	XXX	.....0	.....0	.....8,758,594	.....11,655,565	.....12,806,106	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	.....0	.....0	.....8,758,594	.....11,655,565	.....12,806,106	XXX
0499999. Cash in Company's Office.....	XXX	XXX	XXX	XXX	.....200	.....199	.....199	XXX
0599999. Total Cash.....	XXX	XXX	.....0	.....0	.....8,758,794	.....11,655,764	.....12,806,305	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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