



PROPERTY AND CASUALTY COMPANIES—ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF MARCH 31, 2021
OF THE CONDITION AND AFFAIRS OF THE

Illinois Insurance Company

NAIC Group Code	04962	, 04962	NAIC Company Code	35246	Employer's ID Number	58-1811419
	(Current Period)	(Prior Period)				
Organized under the Laws of	New Mexico	, State of Domicile or Port of Entry	New Mexico			
Country of Domicile	United States					
Incorporated/Organized	10/21/1988	Commenced Business	04/06/1989			
Statutory Home Office	308 Catron Street	, Santa Fe, NM, USA 87501				
	(Street and Number)	(City or Town, State, Country and Zip Code)				
Main Administrative Office	10805 Old Mill Road	Omaha, NE, USA 68154-2607	402-827-3424			
	(Street and Number)	(City or Town, State, Country and Zip Code)	(Area Code) (Telephone Number)			
Mail Address	P.O. Box 3646	Omaha, NE, USA 68103-0646				
	(Street and Number or P.O. Box)	(City or Town, State, Country and Zip Code)				
Primary Location of Books and Records	10805 Old Mill Road	Omaha, NE, USA 68154-2607	402-827-3424			
	(Street and Number)	(City or Town, State, Country and Zip Code)	(Area Code) (Telephone Number)			
Internet Web Site Address	www.auw.com					
Statutory Statement Contact	Robert L. Stafford	402-827-3424-4094				
	(Name)	(Area Code) (Telephone Number) (Extension)				
	rstafford@auw.com	402-827-3432				
	(E-Mail Address)	(Fax Number)				

OFFICERS

Name	Title	Name	Title
Steven M. Menzies	President/Chief Executive Officer	Steven M. Menzies	Treasurer
Jeffrey A. Silver	Secretary		

OTHER OFFICERS

Justin N. Smith	Vice President	Robert L. Stafford	Vice President
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DIRECTORS OR TRUSTEES

Jon M. McCright	Steven M. Menzies	Jeffrey A. Silver	Robert L. Stafford
Marc M. Tract			

State ofNebraska.....
County ofDouglas.....ss

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

Steven M. Menzies President/Chief Executive Officer	Steven M. Menzies Treasurer	Jeffrey A. Silver Secretary
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		

Patricia V. Ahern, Insurance Accounting Supervisor
08/26/2023

STATEMENT AS OF MARCH 31, 2021 OF THE Illinois Insurance Company

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	16,004,642		16,004,642	21,275,292
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	2,896,850		2,896,850	2,891,115
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$0 encumbrances)				
4.2 Properties held for the production of income (less \$0 encumbrances)				
4.3 Properties held for sale (less \$0 encumbrances)				
5. Cash (\$26,503,243), cash equivalents (\$11,744) and short-term investments (\$0)	26,514,987		26,514,987	28,360,343
6. Contract loans (including \$0 premium notes)				
7. Derivatives				
8. Other invested assets	14,193,696		14,193,696	14,172,613
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	59,610,175		59,610,175	66,699,363
13. Title plants less \$0 charged off (for Title insurers only)				
14. Investment income due and accrued	152,338		152,338	128,417
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$2,465 earned but unbilled premiums)	1,536,242	247	1,535,995	3,069,779
15.3 Accrued retrospective premiums (\$0) and contracts subject to redetermination (\$0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	282,252		282,252	160,924
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	999,172	371,561	627,611	604,845
19. Guaranty funds receivable or on deposit	14,915		14,915	7,716
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	705		705	500,000
24. Health care (\$0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	7,131,191	7,365	7,123,826	42,343
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	69,726,990	379,173	69,347,817	71,213,387
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	69,726,990	379,173	69,347,817	71,213,387
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid expenses	5,096	5,096		
2502. NE sales tax paid	1,479		1,479	1,287
2503. Domain name	2,269	2,269		
2598. Summary of remaining write-ins for Line 25 from overflow page	7,122,347		7,122,347	41,056
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	7,131,191	7,365	7,123,826	42,343

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$1,620,047)	23,521,053	25,649,427
2. Reinsurance payable on paid losses and loss adjustment expenses	775,244	533,845
3. Loss adjustment expenses	3,849,446	4,262,419
4. Commissions payable, contingent commissions and other similar charges	42,704	40,538
5. Other expenses (excluding taxes, licenses and fees)	14,732	9,275
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	144,172	126,713
7.1 Current federal and foreign income taxes (including \$0 on realized capital gains (losses))	1,428,441	942,896
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 \$23,481 and including warranty reserves of \$2,737 and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	4,165,316	2,793,267
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		3,500,000
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	247,765	200,992
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$0 certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	329,521	306,975
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	18,272	13,218
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	34,536,666	38,379,565
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	34,536,666	38,379,565
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	3,420,000	3,420,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	4,030,000	4,030,000
35. Unassigned funds (surplus)	27,361,151	25,383,822
36. Less treasury stock, at cost:		
36.10 shares common (value included in Line 30 \$0)		
36.20 shares preferred (value included in Line 31 \$0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	34,811,151	32,833,822
38. Totals (Page 2, Line 28, Col. 3)	69,347,817	71,213,387
DETAILS OF WRITE-INS		
2501. Escheatment payable.....	13,722	12,720
2502. Other liability - related party.....	4,550	498
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	18,272	13,218
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended
	to Date	to Date	December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 799,045)	799,045	524,182	2,142,052
1.2 Assumed (written \$ 3,832,123)	2,468,905	3,317,645	11,684,783
1.3 Ceded (written \$ 801,272)	810,103	525,957	2,253,180
1.4 Net (written \$ 3,829,896)	2,457,847	3,315,870	11,573,655
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 1,699,758):			
2.1 Direct	941,236	722,661	826,318
2.2 Assumed	(517,210)	2,500,958	7,230,757
2.3 Ceded	938,846	730,762	919,028
2.4 Net	(514,820)	2,492,857	7,138,047
3. Loss adjustment expenses incurred	104,782	790,847	2,190,951
4. Other underwriting expenses incurred	544,220	821,640	3,150,527
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	134,182	4,105,344	12,479,525
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	2,323,665	(789,474)	(905,870)
INVESTMENT INCOME			
9. Net investment income earned	104,908	289,967	869,347
10. Net realized capital gains (losses) less capital gains tax of \$ 252	947		5,806
11. Net investment gain (loss) (Lines 9 + 10)	105,855	289,967	875,153
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	123	240	500,243
15. Total other income (Lines 12 through 14)	123	240	500,243
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	2,429,643	(499,267)	469,526
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)	2,429,643	(499,267)	469,526
19. Federal and foreign income taxes incurred	485,293	19,925	224,776
20. Net income (Line 18 minus Line 19)(to Line 22)	1,944,350	(519,192)	244,750
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	32,833,822	36,525,410	36,525,410
22. Net income (from Line 20)	1,944,350	(519,192)	244,750
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 1,204	11,900	25,524	(424,614)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(26,558)	118,960	114,858
27. Change in nonadmitted assets	47,637	(70,546)	(126,582)
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			(3,500,000)
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,977,329	(445,254)	(3,691,588)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	34,811,151	36,080,156	32,833,822
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			
1401. Miscellaneous income.	123	240	243
1402. Claims service contract income.			500,000
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	123	240	500,243
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	5,411,033	3,051,749	10,928,973
2. Net investment income	93,435	179,079	862,824
3. Miscellaneous income	124	240	500,243
4. Total (Lines 1 to 3)	5,504,592	3,231,068	12,292,040
5. Benefit and loss related payments	1,550,939	1,599,239	6,032,347
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	993,812	1,433,700	5,460,290
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses).....	1,204		
10. Total (Lines 5 through 9)	2,545,955	3,032,939	11,492,637
11. Net cash from operations (Line 4 minus Line 10)	2,958,637	198,129	799,403
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	5,258,482	3,668,677	20,713,756
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			1,558,277
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	918		
12.7 Miscellaneous proceeds	1		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,259,401	3,668,677	22,272,033
13. Cost of investments acquired (long-term only):			
13.1 Bonds			4,317,478
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets	13,714	1,558,714	3,620,524
13.6 Miscellaneous applications		4,058,214	4,058,214
13.7 Total investments acquired (Lines 13.1 to 13.6)	13,714	5,616,928	11,996,216
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)	5,245,687	(1,948,251)	10,275,817
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.....			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders	3,500,000		
16.6 Other cash provided (applied).....	(6,549,680)	1,780,659	1,102,675
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(10,049,680)	1,780,659	1,102,675
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(1,845,356)	30,537	12,177,895
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	28,360,343	16,182,448	16,182,448
19.2 End of period (Line 18 plus Line 19.1)	26,514,987	16,212,985	28,360,343

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of Illinois Insurance Company ("the Company") have been prepared in conformity with accounting practices prescribed or permitted by New Mexico Office of Superintendent of Insurance ("OSI"), and the National Association of Insurance Commissioners ("NAIC").

The OSI requires its domiciled insurance companies to prepare their statutory financial statements in accordance with the NAIC *Statement of Statutory Accounting Principles* ("SSAP"), subject to any deviations prescribed or permitted by the OSI.

Beginning in 2019, there were differences between the Iowa Insurance Division ("Division") prescribed practices for the Company in relation to investment restrictions with foreign common stock. The Division allows up to 5% of the company's prior year admitted assets to be admitted in miscellaneous investments using a basket clause (Division code 515.35 4n) After redomiciling to New Mexico in January 2020, the Company has three years to dispose of the foreign common stock (New Mexico Insurance code 59A-9-24). The OSI restricts the investment of foreign common stock (New Mexico Insurance Code 59A-9-10).

	SSAP #	F/S Page	F/S Line #	03/31/2021	12/31/2020
Net Income					
(1) State basis (Page 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$ 1,944,350	\$ 244,750
(2) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(3) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 1,944,350</u>	<u>\$ 244,750</u>
Surplus					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 34,811,151	\$ 32,833,822
(6) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
Non-admitted unaffiliated common stock	000	Assets	2.2	-	
(7) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 34,811,151</u>	<u>\$ 32,833,822</u>

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

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in these financial statements and notes. Actual results could differ from those estimates.

C. Accounting Policy

Direct, assumed, and ceded workers' compensation premiums are earned as collected per the installment method in accordance with *SSAP, No. 53 – Property-Casualty Contracts – Premiums*, of the *Accounting Practices and Procedures Manual*. Unearned premium reserves pursuant to an intercompany pooling agreement (see Note 26) have only been established for the workers' compensation line with regard to residual markets mandatory pooling. For Federal Tax purposes the installment method of recording premium is not recognized. As a result, unearned premium has been calculated as if the pro-rata method has been used and has been recorded as a temporary item within deferred tax assets.

All assumed lines of business other than workers' compensation pursuant to an intercompany pooling agreement (see Note 26) are earned over the term and life of the related policies. Unearned premium reserves are established to cover the unexpired portion of premiums written on these policies.

The Company's participation in involuntary risk pools ("residual markets") is mandatory and generally a function of its proportionate share of the voluntary market, by line of insurance, in each state in which it does business. The Company's participation in mandatory residual markets requires it to record premiums, losses and expenses in the same manner as it would record similar, voluntary business that is written by the Company. In addition to its proportional share of losses and expenses incurred by the residual market facility, the Company is responsible for its share of any otherwise unrecoverable obligations of other residual market participants.

Net investment income earned consists primarily of interest less investment related expense. Interest is recognized on an accrual basis. Net realized capital gains (losses) are recognized using the specific identification method when securities are sold, redeemed or otherwise disposed.

In addition, the Company uses the following accounting policies:

- (1) Short-Term Investments
- Short-term investments are stated at amortized cost.
- (2) Bonds
- Investment grade bonds not backed by other loans are stated at amortized cost using the scientific method. Non-investment grade bonds not backed by other loans are stated at the lower of fair value or amortized cost.
- (3) Common Stocks
- Common stocks are stated at fair value.
- (4) Preferred stocks - Not Applicable
- (5) Mortgage loans - Not Applicable
- (6) Loan-backed securities
- U.S. government agency mortgage-backed securities are stated at amortized cost.
- (7) Investments in subsidiaries, controlled and affiliated entities - Not Applicable
- (8) Investments in joint ventures, partnerships and limited liability companies

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern (Continued)

Investments in limited liability companies are valued using the audited U.S. GAAP equity method. Loans are stated at their unpaid principal balances.

- (9) Derivatives - Not Applicable
- (10) Investment income as a factor in the premium deficiency calculation - Not Applicable
- (11) Loss and Loss Adjustment Expense

The liabilities for estimated losses and loss adjustment expenses (LAE) represent the estimated liabilities for reported claims plus those incurred but not yet reported and the related estimated claim expenses. The liabilities for estimated losses and LAE are determined using case-basis evaluations and statistical analyses and represent estimates of the ultimate net cost of all claims incurred through December 31 of each year. Although considerable variability is inherent in such estimates, management believes that the liability for estimated losses and LAE is adequate. The estimates are continually reviewed and adjusted as necessary. These adjustments are included in current operations and are accounted for as changes in estimates.

- (12) Changes in capitalization policy - Not Applicable
- (13) Pharmaceutical rebate receivables - Not Applicable

D. Going Concern - Not Applicable

2. Accounting Changes and Corrections of Errors - Not Applicable

3. Business Combinations and Goodwill

- A. Statutory Purchase Method - Not Applicable
- B. Statutory Merger - Not Applicable
- C. Impairment Loss - Not Applicable

4. Discontinued Operations - Not Applicable

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - Not Applicable
- B. Debt Restructuring - Not Applicable
- C. Reverse Mortgages - Not Applicable
- D. Loan-Backed Securities
 - (1) Assumptions regarding prepayments on loan-backed securities were determined by using data provided to the Company from our broker.
 - (2) Loan-backed and structured securities with a recognized other-than-temporary impairment (OTTI) - Not Applicable
 - (3) Securities held that were other-than-temporarily impaired due to the present value of cash flows expected to be collected was less than the amortized cost of securities - Not Applicable
 - (4) All impaired securities for which an OTTI has not been recognized in earnings as a realized loss - Not Applicable
 - (5) Support for concluding impairments are not other-than-temporary - Not Applicable
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - Not Applicable
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not Applicable
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not Applicable
- H. Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable
- J. Real Estate - Not Applicable
- K. Low-Income Housing Tax Credits (LIHTC) - Not Applicable

Notes to the Financial Statements

5. Investments (Continued)

L. Restricted Assets

(1) Restricted assets (including pledged)

Gross (Admitted & Nonadmitted) Restricted											
Current Year							Current Year				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase / (Decrease) (5 - 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5-8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted Restricted to Total Admitted Assets, %
a. Subject to contractual obligation for which liability is not shown.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending agreements										%	%
c. Subject to repurchase agreements										%	%
d. Subject to reverse repurchase agreements										%	%
e. Subject to dollar repurchase agreements										%	%
f. Subject to dollar reverse repurchase agreements										%	%
g. Placed under option contracts										%	%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock										%	%
i. FHLB capital stock										%	%
j. On deposit with states	23,035,997				23,035,997	23,037,159	(1,162)		23,035,997	33.041 %	33.222 %
k. On deposit with other regulatory bodies										%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)										%	%
m. Pledged as collateral not captured in other categories										%	%
n. Other restricted assets										%	%
o. Total restricted assets	\$ 23,035,997	\$	\$	\$	\$ 23,035,997	\$ 23,037,159	\$ (1,162)	\$	\$ 23,035,997	33.041 %	33.222 %

(2) Detail of assets pledged as collateral not captured in other categories (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - Not Applicable

(3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - Not Applicable

(4) Collateral received and reflected as assets within the reporting entity's financial statements - Not Applicable

M. Working Capital Finance Investments - Not Applicable

N. Offsetting and Netting of Assets and Liabilities - Not Applicable

O. 5GI Securities - Not Applicable

P. Short Sales - Not Applicable

Q. Prepayment Penalty and Acceleration Fees - Not Applicable

R. Reporting Entity's Share of Cash Pool by Asset type - Not Applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in Joint Ventures, Partnerships or Limited Liability Companies that Exceed 10% of Admitted Assets - Not Applicable

B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies - Not Applicable

Notes to the Financial Statements

7. Investment Income

A. Due and Accrued Income Excluded from Surplus

The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Total Amount Excluded - Not Applicable

8. Derivative Instruments - Not Applicable

9. Income Taxes

A. Components of the Net Deferred Tax Asset/(Liability)

(1) Change between years by tax character

	03/31/2021			12/31/2020			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Gross deferred tax assets	\$ 1,104,640	\$ 125,389	\$ 1,230,029	\$ 1,112,908	\$ 126,593	\$ 1,239,501	\$ (8,268)	\$ (1,204)	\$ (9,472)
(b) Statutory valuation allowance adjustments									
(c) Adjusted gross deferred tax assets (1a - 1b)	1,104,640	125,389	1,230,029	1,112,908	126,593	1,239,501	(8,268)	(1,204)	(9,472)
(d) Deferred tax assets nonadmitted	246,172	125,389	371,561	295,496	126,593	422,089	(49,324)	(1,204)	(50,528)
(e) Subtotal net admitted deferred tax asset (1c - 1d)	\$ 858,468	\$ -	\$ 858,468	\$ 817,412	\$ -	\$ 817,412	\$ 41,056	\$ -	\$ 41,056
(f) Deferred tax liabilities	230,857		230,857	212,567		212,567	18,290		18,290
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	\$ 627,611	\$ -	\$ 627,611	\$ 604,845	\$ -	\$ 604,845	\$ 22,766	\$ -	\$ 22,766

(2) Admission calculation components SSAP No. 101

	03/31/2021			12/31/2020			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 627,611		\$ 627,611	\$ 604,845		\$ 604,845	\$ 22,766		\$ 22,766
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (lesser of 2(b)1 and 2(b)2 below)									
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date									
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	5,072,060	XXX	XXX	4,771,033	XXX	XXX	301,027
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	230,857		230,857	212,567		212,567	18,290		18,290
(d) Deferred tax assets admitted as the result of application of SSAP No. 101.									
Total (2(a) + 2(b) + 2(c))	\$ 858,468	\$ -	\$ 858,468	\$ 817,412	\$ -	\$ 817,412	\$ 41,056	\$ -	\$ 41,056

(3) Ratio used as basis of admissibility

	03/31/2021	12/31/2020
(a) Ratio percentage used to determine recovery period and threshold limitation amount	1,131.170 %	1,066.439 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 34,183,540	\$ 32,228,977

Notes to the Financial Statements

9. Income Taxes (Continued)

(4) Impact of tax-planning strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage

	03/31/2021		12/31/2020		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	Ordinary (Col. 1-3)	Capital (Col. 2-4)
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 1,104,640	\$ 125,389	\$ 1,112,908	\$ 126,593	\$ (8,268)	\$ (1,204)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	— %	— %	%	%	— %	— %
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 858,468	\$ —	\$ 817,412	\$ —	\$ 41,056	\$ —
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	— %	— %	%	%	— %	— %

(b) Use of reinsurance-related tax-planning strategies

Does the company's tax-planning strategies include the use of reinsurance? No

B. Regarding Deferred Tax Liabilities That Are Not Recognized - Not Applicable

C. Major Components of Current Income Taxes Incurred

Current income taxes incurred consist of the following major components:				(1)	(2)	(3)
				03/31/2021	12/31/2020	Change (1-2)
1. Current Income Tax						
(a) Federal				\$ 485,293	\$ 224,776	\$ 260,517
(b) Foreign						
(c) Subtotal				\$ 485,293	\$ 224,776	\$ 260,517
(d) Federal income tax on net capital gains				252	1,543	(1,291)
(e) Utilization of capital loss carry-forwards						
(f) Other						
(g) Federal and foreign income taxes incurred				\$ 485,545	\$ 226,319	\$ 259,226
				(1)	(2)	(3)
				03/31/2021	12/31/2020	Change (1-2)
2. Deferred Tax Assets						
(a) Ordinary						
(1) Discounting of unpaid losses				\$ 776,630	\$ 832,446	\$ (55,816)
(2) Unearned premium reserve				328,010	280,462	47,548
(3) Policyholder reserves						
(4) Investments						
(5) Deferred acquisition costs						
(6) Policyholder dividends accrual						
(7) Fixed assets						
(8) Compensation and benefits accrual						
(9) Pension accrual						
(10) Receivables - nonadmitted						
(11) Net operating loss carry-forward						
(12) Tax credit carry-forward						
(13) Other (including items less than 5% of total ordinary tax assets)						
(99) Subtotal				\$ 1,104,640	\$ 1,112,908	\$ (8,268)
(b) Statutory valuation allowance adjustment						
(c) Nonadmitted				246,172	295,496	(49,324)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)				\$ 858,468	\$ 817,412	\$ 41,056
(e) Capital						
(1) Investments				\$ 125,389	\$ 126,593	\$ (1,204)
(2) Net capital loss carry-forward						
(3) Real estate						
(4) Other (including items <5% of total capital tax assets)						
(99) Subtotal				\$ 125,389	\$ 126,593	\$ (1,204)
(f) Statutory valuation allowance adjustment						
(g) Nonadmitted				125,389	126,593	(1,204)
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)				—	—	—
(i) Admitted deferred tax assets (2d + 2h)				\$ 858,468	\$ 817,412	\$ 41,056

Notes to the Financial Statements

9. Income Taxes (Continued)

	(1)	(2)	(3)
	03/31/2021	12/31/2020	Change (1-2)
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	\$ 17,577	\$ 17,872	\$ (295)
(2) Fixed assets			
(3) Deferred and uncollected premium			
(4) Policyholder reserves	213,280		213,280
(5) Other (including items <5% of total ordinary tax liabilities) [†]		194,695	(194,695)
(99) Subtotal	\$ 230,857	\$ 212,567	\$ 18,290
(b) Capital			
(1) Investments	\$	\$	\$
(2) Real estate			
(3) Other (including items <5% of total capital tax liabilities)			
(99) Subtotal	\$	\$	\$
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 230,857	\$ 212,567	\$ 18,290
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 627,611	\$ 604,845	\$ 22,766
	(1)	(2)	(3)
	03/31/2021	12/31/2020	Change (1-2)
[†] Items >5% of total ordinary tax liabilities included in Other			
TCJA transition adjustment to loss reserves	\$ 127,909	\$ 134,641	\$ (6,732)
Safe harbor adjustment to premium acquisition expenses	85,371	60,054	25,317

D. Among the More Significant Book to Tax Adjustments

	03/31/2021	Effective Tax Rate
Provision computed at statutory rate	\$ 510,278	%
Current Tax on Unrealized LLC Interest Income	1,548	%
Permanent differences:		%
Meals and entertainment	194	%
Penalties	84	%
Other	(1)	%
		%
Total	\$ 512,103	%
	03/31/2021	Effective Tax Rate
Federal and foreign income taxes incurred	\$ 485,293	%
Realized capital gains/(loss) tax	252	%
Change in net deferred income taxes	26,558	%
Total statutory income taxes	\$ 512,103	%

E. Operating Loss and Tax Credit Carryforwards

- (1) Unused loss carryforwards available - Not Applicable
- (2) Income tax expense available for recoupment

	Ordinary	Capital	Total
2019	\$	\$	\$
2020	226,319		226,319
2021	485,545		485,545

- (3) Deposits admitted under IRC Section 6603 - Not Applicable

F. Consolidated Federal Income Tax Return

- (1) The Company files a consolidated federal income tax return and has an income tax sharing agreement with AU Holding Company as common parent of the consolidated group. Pursuant to the agreement, the Company makes quarterly transfers to AU Holding Company an amount equal to its pro rata share of the total consolidated tax liability, based upon the amount each member of the group would owe if filing a separate return. This agreement was approved by the OSI.
- (2) Method of allocation - Not Applicable

G. Federal or Foreign Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax (RTT) - Not Applicable

I. Alternative Minimum Tax (AMT) Credit - Not Applicable

Notes to the Financial Statements

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

A. Nature of Relationships

The Company is a wholly owned subsidiary of North American Casualty Co. ("NAC"; "Direct Parent"), a subsidiary of AU Holding Company, Inc. ("AUH"; "Indirect Parent"). NAC became the Direct Parent of the Company on December 17, 2010 pursuant to approval of a Form A filing with the Wisconsin Department of Insurance and became a member of Berkshire Hathaway, Inc. in 2006. Thereafter, the Company redomesticated from Wisconsin to Iowa with approval from both the Wisconsin Department of Insurance and the Division on December 28, 2010. Through a series of transactions with Berkshire Hathaway, Inc. and a minority stockholder in AUH, through multiple Form A's, Steven Menzies became the owner of 100% of AUH, the Ultimate Parent, on October 10, 2019 and indirectly the 100% owner of the Company. The Company redomiciled to New Mexico on January 4, 2020 with the approval of the Division.

B. Significant Transactions and Changes in Terms of Intercompany Arrangements

The Company has an Agency Agreement in place with a related party, Applied Risk Services, Inc. ("ARS") in which ARS receives the premium from policyholders and pays commissions to brokers on behalf of the Company, which has been previously submitted and approved by the Division. ARS receives no fees for performing these services.

The Company has no transactions during the period ending March 31, 2021 that are greater than ½% of admitted assets.

Effective November 1, 2020, the Companies in the Second Pooling Agreement agreed to add Amendment No. 5 to the change the lead company from California Insurance Company ("CIC") to Continental Indemnity Company ("CNI"). This change did not result in any changes to the participation percentages (see Note 26).

In 2020, the Company entered into a Claims Service Contract with affiliate Applied Underwriters Captive Risk Assurance Company, Inc. ("AUCRA"). AUCRA on a case-by-case basis allow some clients to terminate their reinsurance participation agreements via a Plan Closure Proposal. The remaining losses related to these Plan Closure Proposals remain with AUCRA and are administered by the Company and other affiliates. Income earned under the Claims Service Contract is reported as a write in for miscellaneous income.

C. Transactions With Related Party Who Are Not Reported on Schedule Y

(1) Detail of material related party transactions

Ref #	Date of Transaction	Name of Related Party	Nature of Relationship	Type of Transaction	Written Agreement (Yes/No)	Due Date	Reporting Period Date Amount Due From (To)
.....1.....	...10/10/2020...	Applied Underwriters..	Related Party.....	Loan.....	YES.....	...10/10/2021..	\$..... 5,000,000 ..

(2) Detail of material related party transactions involving services - Not Applicable

(3) Detail of material related party transactions involving exchange of assets and liabilities - Not Applicable

(4) Detail of amounts owed to/from a related party

Ref #	Name of Related Party	Aggregate Reporting Period Amount Due From	Aggregate Reporting Period (Amount Due To)	Amount Offset in Financial Statement (if qualifying)	Net Amount Recoverable / (Payable) by Related Party	Admitted Recoverable
Total.....		\$.....	\$.....	\$.....	\$.....	\$.....

D. Amounts Due to or from Related Parties

	March 31, 2021	December 31, 2020
Due to California Insurance Company	\$ 329,521	\$ 306,975
Due to Applied Risk Services, Inc.	\$ 4,550	\$ 498
Total	\$ 334,071	\$ 307,473
Due from Pennsylvania Insurance Company	\$ 705	\$ -
Due from Applied Underwriters Captive Risk Assurance	\$ -	\$ 500,000
Total	\$ 705	\$ 500,000

All balances are settled within 30 days.

E. Management, Service Contracts, Cost Sharing Arrangements

Applied Underwriters, Inc. ("AUI"), a related party, has agreed to provide certain management, claims processing, premium processing, and data processing services for an affiliate of the Company, CIC, at actual cost, pursuant to a Management Services Agreement for rent, salaries, and general administrative expenses, which has been submitted and approved by the California Department of Insurance. The Company shares these costs as part of its Second Pooling Agreement.

F. Guarantees or Contingencies - Not Applicable

G. Nature of Relationships that Could Affect Operations - Not Applicable

H. Amount Deducted for Investment in Upstream Company - Not Applicable

I. Detail of Investments in Affiliates Greater Than 10% of Admitted Assets - Not Applicable

J. Write-Down for Impairments of Investments in Subsidiary Controlled or Affiliated Companies - Not Applicable

K. Foreign Subsidiary Value Using CARVM - Not Applicable

L. Downstream Holding Company Value Using Look-Through Method - Not Applicable

M. All SCA Investments - Not Applicable

N. Investment in Insurance SCAs - Not Applicable

O. SCA and SSAP No. 48 Entity Loss Tracking - Not Applicable

Notes to the Financial Statements

11. Debt

- A. Debt, Including Capital Notes - Not Applicable
- B. FHLB (Federal Home Loan Bank) Agreements - Not Applicable

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

- A. Defined Benefit Plan - Not Applicable
- B. Investment Policies and Strategies of Plan Assets - Not Applicable
- C. Fair Value of Each Class of Plan Assets - Not Applicable
- D. Expected Long-Term Rate of Return for the Plan Assets - Not Applicable
- E. Defined Contribution Plans - Not Applicable
- F. Multiemployer Plans - Not Applicable
- G. Consolidated/Holding Company Plans - Not Applicable
- H. Postemployment Benefits and Compensated Absences - Not Applicable
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - Not Applicable

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

- A. Outstanding Shares

The Company has 3,420,000 shares of \$1.00 par value Common Stock authorized, issued and outstanding.

- B. Dividend Rate of Preferred Stock - Not Applicable
- C. Dividend Restrictions

Under the insurance regulations of the OSI, the maximum amount of dividends that the Company may pay to shareholders in a twelve-month period is limited to the lesser of 10% of the Company's policyholders' surplus as of the most recent December 31 or the net income, not including realized capital gains, for the twelve-month period ending December 31 next preceding, and the net income from the second and third preceding calendar years, not including realized capital gains, less dividends paid in the second and immediate preceding calendar years. Accordingly, the maximum dividend payout to shareholders that may be made in 2020 without prior approval from the OSI is \$3,652,541.

- D. Dates and Amounts of Dividends Paid

The company declared ordinary dividends of \$3,500,000 to its Direct Parent on December 31, 2020. Stockholders dividends are accrued and charged to unassigned funds based on the declaration date approved by the OSI. The \$3,500,000 amount paid on January, 21 2021 was accrued effective December, 31 2020.

- E. Amount of Ordinary Dividends That May Be Paid

Within the limitations of (C) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

- F. Restrictions on Unassigned Surplus

There are no restrictions on the unassigned funds of the Company other than those described in paragraph (C) above.

- G. Surplus Advances - Not Applicable
- H. Stock Held for Special Purposes - Not Applicable
- I. Changes in Special Surplus Funds - Not Applicable
- J. Unassigned Funds (Surplus)

The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains (losses) is \$(551,207) less applicable deferred taxes of \$126,593 for a net balance of \$(424,614).

- K. Company-Issued Surplus Debentures or Similar Obligations - Not Applicable
- L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - Not Applicable
- M. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - Not Applicable

14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments - Not Applicable
- B. Assessments

- (1) Liability and Related Assets

The Company is subject to other assessments by the states in which it writes business. Most assessments are accrued either at the time of assessment or in the case of premium-based assessments, at the time the premiums were written, or in the case of loss-based assessments, at the time the losses are incurred.

The Company has accrued a liability for guaranty funds and other assessments in the amount of \$35,754 and a related premium tax credit asset of \$10,575 as of March 31, 2021. The liability is included in the taxes, licenses and fees and is expected to be paid in the next twelve months. The asset is included in the guaranty funds receivable and is expected to be realized over the next five years. These represent management's best estimates based on information received from the state in which the Company writes business and may change due to many factors.

Notes to the Financial Statements

14. Liabilities, Contingencies and Assessments (Continued)

The Company has accrued a liability for premium-based assessments of \$13,882 and a related admitted receivable for policy surcharges of \$8378 as of March 31, 2021. The liability is included in the taxes, licenses and fees and is expected to be paid of the next five years. The asset is included in aggregate write-ins for other than invested assets, and is expected to be realized over the next year.

(2) Assets (Liabilities) recognized from paid and accrued premium tax offsets and policy surcharges	
a. Assets recognized from paid and accrued premium tax offsets and policy surcharges, prior year-end.....	\$..... 9,500
b. Decreases current year:	
Premium tax offsets applied.....	\$..... 4,593
Policy surcharges collected.....	25,503
c. Increases current year:	
Premium tax offsets accrued.....	\$..... 11,792
Policy surcharges accrued.....	15,341
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges, current year-end.....	<u>\$ 6,537</u>

(3) Guaranty fund liabilities and assets related to long-term care insolvencies - Not Applicable

- C. Gain Contingencies - Not Applicable
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - Not Applicable
- E. Product Warranties - Not Applicable
- F. Joint and Several Liabilities - Not Applicable
- G. All Other Contingencies

As of March 31, 2021 and December 31, 2021, the Company had admitted assets of \$1,535,995 and \$3,069,779, respectively, in premiums receivable (Page 2, Line 15.2) due from affiliated ceding insurers and its agent ARS. This amount will be collected within 30 days.

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes, and other matters are not considered material in relation to the financial position of the Company. The Company does not have any asset that it considers to be impaired.

15. Leases

- A. Lessee Operating Lease - Not Applicable
- B. Lessor Leases - Not Applicable

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

- 1. Face Amount of the Company's Financial Instruments with Off-Balance-Sheet Risk - Not Applicable
- 2. Nature of Terms - Not Applicable
- 3. Exposure to Credit Related Losses - Not Applicable
- 4. Collateral Policy - Not Applicable

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

- A. Transfers of Receivables Reported as Sales - Not Applicable
- B. Transfers and Servicing of Financial Assets - Not Applicable
- C. Wash Sales - Not Applicable

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

- A. ASO Plans - Not Applicable
- B. ASC Plans - Not Applicable
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract - Not Applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators - Not Applicable

20. Fair Value Measurements

- A. Fair Value Measurement

(1) Fair value measurements at reporting date

Description for each class of asset or liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash equivalents - Money market mutual funds.....	\$.....	\$.....	\$.....	\$..... 11,744	\$..... 11,744
Common Stock - Industrial and miscellaneous.....			2,896,850		2,896,850
Total assets at fair value/NAV.....	<u>\$.....</u>	<u>\$.....</u>	<u>\$ 2,896,850</u>	<u>\$ 11,744</u>	<u>\$ 2,908,594</u>
b. Liabilities at fair value					
Total liabilities at fair value.....	<u>\$.....</u>	<u>\$.....</u>	<u>\$.....</u>	<u>\$.....</u>	<u>\$.....</u>

Notes to the Financial Statements

20. Fair Value Measurements (Continued)

(2) Fair value measurements in Level 3 of the fair value hierarchy

Description	Ending balance as of 12/31/2020	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance for 03/31/2021
a. Assets										
Common Stock - Industrial and miscellaneous	\$ 2,891,115	\$	\$	\$	\$ 5,735	\$	\$	\$	\$	\$ 2,896,850
Total assets	\$ 2,891,115	\$	\$	\$	\$ 5,735	\$	\$	\$	\$	\$ 2,896,850
b. Liabilities										
Total liabilities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

- (3) The Company's policy is to recognize transfers in and out of Level 3 as of the actual date of the event or change in circumstances that caused the transfer.
- (4) Common stocks carried at fair value at Level 3 are based primarily on valuation techniques that are believed to be used by market participants. Unobservable inputs require management to make certain projections and assumptions about the information that would be used by market participants in pricing assets. The Company has no assets or liabilities measured at fair value in the Level 2 category.

(5) Derivatives - Not Applicable

- B. Other Fair Value Disclosures - Not Applicable
- C. Fair Values for All Financial Instruments by Level 1, 2 and 3

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Loans	\$ 10,441,723	\$ 10,441,723	\$	\$	\$ 10,441,723	\$	\$
Bonds	16,110,243	16,004,642		16,110,243			
Common Stock	2,896,850	2,896,850			2,896,850		
Cash, cash equivalents, and short- term investments	26,514,987	26,514,987	26,503,243			11,744	
Total assets							

- D. Not Practicable to Estimate Fair Value - Not Applicable
- E. Nature and Risk of Investments Reported at NAV

In 2018, the Company began utilizing NAV as the valuation method for all of its money market funds. The money market funds owned by the Company are comprised of high quality, short-term investments and it is very unlikely any of these funds would be sold at a price other than NAV.

21. Other Items

- A. Unusual or Infrequent Items - Not Applicable
- B. Troubled Debt Restructuring - Not Applicable
- C. Other Disclosures - Not Applicable
- D. Business Interruption Insurance Recoveries - Not Applicable
- E. State Transferable and Non-Transferable Tax Credits - Not Applicable
- F. Subprime-Mortgage-Related Risk Exposure - Not Applicable
- G. Insurance-Linked Securities (ILS) Contracts - Not Applicable
- H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy - Not Applicable

22. Events Subsequent

Subsequent events have been considered through May 13, 2021, the date of issuance of these statutory financial statements.

Type I. Recognized Subsequent Events - Not Applicable

Type II. Non-recognized Subsequent Events - Not Applicable

23. Reinsurance

- A. Unsecured Reinsurance Recoverables

The Company had unsecured aggregate recoverable for losses (paid and unpaid, including IBNR), loss adjustment expenses and unearned premiums, less ceded balances, that exceed 3% of policyholders' surplus with the following reinsurers as of December 31, 2020:

Individual Reinsurers with Unsecured Reinsurance Recoverables Exceeding 3% of Policyholder Surplus

Individual Reinsurers Who Are Not Members of a Group

FEIN	Reinsurer Name	Unsecured Amount
31-1191023	Continental Indemnity Company	\$ 6,809,999

- B. Reinsurance Recoverable in Dispute - Not Applicable

Notes to the Financial Statements

23. Reinsurance (Continued)

- C. Reinsurance Assumed and Ceded
- (1) Maximum amount of return commission that would have been due reinsurers if all of the company's reinsurance was canceled or if the company's insurance assumed was canceled - Not Applicable

(2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this statement as a result of existing contractual arrangements is accrued as follows:

Per the Second Pooling Agreement, the Company assumes commission sliding scale adjustments from the lead company. The lead company holds the payable/receivable for commission sliding scale adjustments.

(3) Risks attributed to each of the company's protected cells - Not Applicable
- D. Uncollectible Reinsurance - Not Applicable
- E. Commutation of Ceded Reinsurance - Not Applicable
- F. Retroactive Reinsurance - Not Applicable
- G. Reinsurance Accounted for as a Deposit - Not Applicable
- H. Disclosures for the Transfer of Property and Casualty Run-Off Agreements - Not Applicable
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - Not Applicable
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation - Not Applicable
- K. Reinsurance Credit - Not Applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Method Used to Estimate - Not Applicable
- B. Method Used to Record - Not Applicable
- C. Amount and Percent of Net Retrospective Premiums - Not Applicable
- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act - Not Applicable
- E. Calculation of Nonadmitted Retrospective Premium - Not Applicable
- F. Risk-Sharing Provisions of the Affordable Care Act (ACA)
- (1) Accident and health insurance premium subject to the Affordable Care Act risk-sharing provisions

Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions?
NO

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year - Not Applicable

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance - Not Applicable

(4) Roll-forward of risk corridors asset and liability balances by program benefit year - Not Applicable

(5) ACA risk corridors receivable as of reporting date - Not Applicable

25. Changes in Incurred Losses and Loss Adjustment Expenses

- A. Reasons for Changes in the Provision for Incurred Loss and Loss Adjustment Expenses Attributable to Insured Events of Prior Years
- The estimated cost of loss and LAE attributable to insured events of prior years decreased by \$2,464,000 during 2021. This decreased the current calendar year losses and LAE incurred by this amount as shown in the chart below. The redundancy of \$2,464,000 is approximately 8.24% of the unpaid losses and LAE of \$29,912,000 at year end. The majority of this decrease occurred in the workers' compensation liability line of business. The last two columns display which parts of this deficiency are attributable to the defense and cost containment ("DCC") portion of LAE and the adjusting and other expense ("AO") portion of LAE.

Schedule P Lines of Business	Current Calendar Year Losses & LAE Incurred	Current Loss Year Losses and LAE Incurred Sch. P - Part 1	Total Deficiency (Redundancy)	Loss and DCC Deficiency (Redundancy) Sch. P-Part 2	Impact of AO on Total Deficiency (Redundancy)
Fire	4	4	-	1	(1)
Allied lines	18	31	(13)	(13)	-
Homeowners multiple peril	160	166	(6)	(8)	2
Commercial multiple peril (non-liability)	48	37	11	10	1
Commercial multiple peril (liability)	(1)	6	(7)	(7)	-
Ocean marine	2	2	-	-	-
Earthquake	2	1	1	(1)	2
Other accident and health- collectively renewable	1	1	-	-	-
Other accident and health- other accident only	1	1	-	-	-
Workers' compensation	(1,199)	\$81	(2,080)	(2,162)	\$2
Other liability - occurrence	5	44	(39)	(39)	-
Other liability - claims made	1	27	(26)	(24)	(2)
Other private passenger auto liability	95	113	(18)	(14)	(4)
Other commercial auto liability	591	679	(88)	(149)	61
Private passenger auto physical damage	(15)	7	(22)	(22)	-
Commercial auto physical damage	(124)	(108)	(16)	(16)	-
Surety	(11)	21	(32)	(30)	(2)
Credit	5	5	-	-	-
Reinsurance - nonproportional assumed property	-	124	(124)	(124)	-
Reinsurance - nonproportional assumed liability	4	4	-	-	-
Legal	2	7	(5)	(4)	(1)
Totals	(411)	2,053	(2,464)	(2,602)	138

Notes to the Financial Statements

25. Changes in Incurred Losses and Loss Adjustment Expenses (Continued)

- B. Significant Changes in Methodologies and Assumptions Used in Calculating the Liability for Unpaid Losses and Loss Adjustment Expenses - Not Applicable

26. Intercompany Pooling Arrangements

- A. On January 1, 2015, the Company entered into a Second Pooling Agreement with affiliates CIC, CNI, Texas Insurance Company ("TIC"), and Pennsylvania Insurance Company ("PIC"). CIC was the lead company taking a 70% share, while CNI takes a 15% share, TIC, PIC, and the Company each take a 5% share. The Second Pooling Agreement was previously approved by the California Department of Insurance, the Division, and the Texas Department of Insurance. On November 1, 2020, in an administrative change, CNI was made the lead company in the Second Pooling Agreement per Addendum No. 5. There were no changes to the pooling percentages.
- B. All direct business written by each of the pool participants is subject to pooling. Business assumed from non-affiliates is also subject to pooling.
- C. Cession to most outside reinsurers, subject to the pooling agreement, is ceded on CNI, the lead company, and then the net remaining business is pooled back to the other members of the pool, with the exception of the Minnesota Workers' Compensation Reinsurance Association business that is ceded on CNI and any run-off business on CIC, CNI, PIC, and TIC from prior to joining the pool.
- D. Each pool participant has a contractual right of direct recovery from each non-affiliated reinsurer for business that is covered by the Second Pooling Agreement.
- E. There are no discrepancies related to the pooled business between the assumed and ceded reinsurance schedules of the pool participants.
- F. There is no provision for reinsurance or write-offs of uncollectible reinsurance for any ceded reinsurance contract subject to the pool.
- G. Amounts due to/from pool participants as of March 31, 2021 are as follows:

Name of Insurer	NAIC Company Code	Amounts Receivable	Amounts Payable
California Insurance Company	38865	\$ -	\$ 329,521
Continental Indemnity Company	28258	1,516,151	1,018,661
Totals		\$ 1,516,151	\$ 1,348,182

27. Structured Settlements

- A. Reserves Eliminated by Annuities and Unrecorded Loss Contingencies - Not Applicable
- B. Aggregate Statement Value of Annuities Due from Life Insurers Equaling or Exceeding 1% of Policyholders' Surplus - Not Applicable

28. Health Care Receivables

- A. Pharmaceutical Rebate Receivables - Not Applicable
- B. Risk-Sharing Receivables - Not Applicable

29. Participating Policies - Not Applicable

30. Premium Deficiency Reserves

Premium deficiency reserves and the related expense are recognized when it is probable that losses, loss adjustment expense and policy maintenance costs under a group of existing contracts will exceed net earned premiums, reinsurance recoveries, and anticipated investment incomes. The Company performed an evaluation as of April 30, 2021. Due to the collection of premiums by the installment method in accordance with *SSAP, No. 53 – Property-Casualty Contracts—Premiums*, of the *Accounting Practices and Procedures Manual* for the workers' compensation and surety lines of business and low loss ratios in the other liability, warranty and legal (write-in) lines, as shown below, no such reserves were required at March 31, 2021.

- 1. Liability carried for premium deficiency reserves: \$—
- 2. Date of the most recent evaluation of this liability: 04/30/2021
- 3. Was anticipated investment income utilized in the calculation? NO

31. High Deductibles - Not Applicable

32. Discounting of Liabilities For Unpaid Losses or Unpaid Loss Adjustment Expenses

- A. Tabular Discount - Not Applicable
- B. Nontabular Discount - Not Applicable
- C. Rates used for discounting - Not Applicable

33. Asbestos/Environmental Reserves

- A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos losses? - Not Applicable
- B. Amount of the Ending Reserves for Bulk + IBNR Included in A (Loss & LAE) - Not Applicable
- C. Amount of the Ending Reserves for Loss Adjustment Expenses Included in A (Case, Bulk + IBNR) - Not Applicable
- D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to environmental losses? - Not Applicable
- E. Amount of the Ending Reserves for Bulk + IBNR Included in D (Loss & LAE) - Not Applicable

Notes to the Financial Statements

33. Asbestos/Environmental Reserves (Continued)

F. Amount of the Ending Reserves for Loss Adjustment Expenses Included in D (Case, Bulk + IBNR) - Not Applicable

34. Subscriber Savings Accounts - Not Applicable

35. Multiple Peril Crop Insurance - Not Applicable

36. Financial Guaranty Insurance

A. Financial Guaranty Insurance Contracts - Not Applicable

B. Schedule of Insured Financial Obligations at the End of the Period - Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 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 ☒
- 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 ☒ 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 ☐
- 3.3

If the response to 3.2 is yes, provide a brief description of those changes.
Centauri National Insurance Company and Centauri Specialty Insurance Company were acquired.
- 3.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes ☐ No ☒
- 3.5

If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒

If yes, complete and file the merger history data file with the NAIC.
- 4.2

If yes, provide the 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 ☒ NA ☐

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.

12/31/2017
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2017
- 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).

05/17/2019
- 6.4

By what department or departments?
Iowa Insurance Division.
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☒ No ☐ NA ☐
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ NA ☐
- 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 ☒
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒
- 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 ☒
- 8.4

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

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

GENERAL INTERROGATORIES

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes [X] No []

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).
.....

FINANCIAL

10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes [X] No []

10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$705

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 [X] No []

11.2

If yes, give full and complete information relating thereto:
\$23,035,997 on deposit with states.....

12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:\$3,751,973

13.

Amount of real estate and mortgages held in short-term investments:\$

14.1

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

Yes [X] No []

14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$8,730,890	\$8,751,973
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$8,730,890	\$8,751,973
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes [] No [X]

15.2

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

Yes [] No [] NA [X]

16

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

16.1

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

\$

16.2

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

\$

16.3

Total payable for securities lending reported on the liability page

\$

GENERAL INTERROGATORIES

17. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes [X] No []

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
First National Capital Markets.....	1620 Dodge Street, Omaha, NE 68197-1089.....

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 [X]

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
Robert Stafford, Senior V.P. - manages assets.....	I.....
RVK - investment advisor.....	U.....

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 [X]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity’s invested assets?

Yes [] No [X]

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
18005.....	RVK.....	SEC.....		NO.....

18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

Yes [X] No []

18.2 If no, list exceptions:
.....

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or
a. PL security is not available.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities?.....

Yes [] No [X]

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

Has the reporting entity self-designated PLGI securities?.....

Yes [] No [X]

GENERAL INTERROGATORIES

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

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

GENERAL INTERROGATORIES
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 [X] NA []
If yes, attach an explanation.

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

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

3.2 If yes, give full and complete information thereto.
.....

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

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
TOTAL										

5. Operating Percentages:

5.1 A&H loss percent %
5.2 A&H cost containment percent %
5.3 A&H expense percent excluding cost containment expenses %

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..... \$

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

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

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

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

SCHEDULE F - CEDED REINSURANCE

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					
2. Alaska	AK	L					
3. Arizona	AZ	L					
4. Arkansas	AR	L					
5. California	CA	L					
6. Colorado	CO	L					
7. Connecticut	CT	N					
8. Delaware	DE	N					
9. Dist. Columbia	DC	L					
10. Florida	FL	L	346,373	339,998	494,383	407,517	3,679,912
11. Georgia	GA	L	316,235		670	244,015	
12. Hawaii	HI	N					
13. Idaho	ID	L	34,406	107,009		75,138	40,304
14. Illinois	IL	L	31,814	36,583	15,374	534,849	1,292,382
15. Indiana	IN	L	31,818	17,734		59,158	36,279
16. Iowa	IA	L	17,161	6,983	31,097	908	37,953
17. Kansas	KS	L					
18. Kentucky	KY	L					
19. Louisiana	LA	N					
20. Maine	ME	N					
21. Maryland	MD	L					
22. Massachusetts	MA	N					
23. Michigan	MI	L					
24. Minnesota	MN	L					
25. Mississippi	MS	N					
26. Missouri	MO	N					
27. Montana	MT	L					
28. Nebraska	NE	L					
29. Nevada	NV	L					
30. New Hampshire	NH	N					
31. New Jersey	NJ	L	2,910	321		929	5,801
32. New Mexico	NM	L					4,562
33. New York	NY	N					
34. No. Carolina	NC	N					
35. No. Dakota	ND	L					
36. Ohio	OH	L					
37. Oklahoma	OK	L					
38. Oregon	OR	L					
39. Pennsylvania	PA	L	18,329	15,554	1,588	23,743	8,332
40. Rhode Island	RI	N					
41. So. Carolina	SC	L					
42. So. Dakota	SD	L					
43. Tennessee	TN	N					
44. Texas	TX	L					
45. Utah	UT	L					
46. Vermont	VT	N					
47. Virginia	VA	L					
48. Washington	WA	L					
49. West Virginia	WV	L					
50. Wisconsin	WI	L					
51. Wyoming	WY	L					
52. American Samoa	AS	N					
53. Guam	GU	N					
54. Puerto Rico	PR	N					
55. U.S. Virgin Islands	VI	N					
56. Northern Mariana Islands	MP	N					
57. Canada	CAN	N					
58. Aggregate Other Alien	OT	XXX					
59. Totals	XXX	799,046	524,182	543,112	1,003,361	5,395,223	6,320,823
DETAILS OF WRITE-INS							
58001.	XXX						
58002.	XXX						
58003.	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page.....	XXX						
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX						

(a) Active Status Counts

L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG37 R – Registered – Non-domiciled RRGs
E – Eligible – Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSLI) Q – Qualified – Qualified or accredited reinsurer
D – Domestic Surplus Lines Insurer (DSLII) – Reporting entities authorized to write surplus lines in the state of domicile N – None of the above – Not allowed to write business in the state20
Premiums are allocated to those states where the insured risks are located: main place of work for Workers' Compensation.

STATEMENT AS OF March 31, 2021 OF THE Illinois Insurance Company

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

PART 1 - ORGANIZATIONAL CHART

	NAIC	DOMICILE	FED ID#
AU Holding Company, Inc. (100% owned by Steven Menzies)		DE	20-4746240
Applied Group Insurance Holdings, Inc.		HI	91-2106584
Centauri Acquisition Corporation, LLC		DE	85-0568732
Centauri Specialty Managers, Inc.		FL	45-2689025
Centauri Specialty Insurance Holdings, Inc.		DE	45-2647338
Centauri Specialty Insurance Company, Inc.	12573	FL	20-3990357
Centauri National Insurance Company	16181	LA	81-5075976
North American Casualty Co.		NE	20-3785366
Applied Underwriters Captive Risk Assurance Company, Inc.	14144	NM	45-3353082
AUCRA NEB RE ONE LLC		NE	84-3312003
AUCRA Land 1, LLC		NE	84-3295303
Ashmere Insurance Company	40398	FL	36-3155373
California Insurance Company	38865	CA	94-1627528
CIC NEB RE ONE, LLC		NE	84-3311198
CIC Land 1, LLC		NE	84-3243923
CIC NEB RE TWO, LLC		NE	84-3311824
CIC Land 2, LLC		NE	84-3259779
CIC NEB RE THREE, LLC		NE	84-3311908
CIC Land 3, LLC		NE	84-3290902
CIC Land 4, LLC		NE	84-3488475
California Insurance Company		NM	84-3264205
Commercial General Indemnity, Inc.	12040	HI	99-0338446
Continental Indemnity Company	28258	NM	31-1191023
CNI NEB RE ONE, LLC		NE	84-3311709
CNI Land 1, LLC		NE	84-3326350
Illinois Insurance Company	35246	NM	58-1811419
IIC NEB RE ONE, LLC		NE	84-4057482
IIC Land 1, LLC		NE	84-3399777
Oklahoma Property and Casualty Insurance Company	36382	OK	73-1020784
Pennsylvania Insurance Company	21962	PA	23-1471444
Texas Insurance Company	16543	TX	75-1906915

STATEMENT AS OF MARCH 31, 2021 OF THE Illinois Insurance Company

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)	*
00000		00000					Steven Menzies		UIP		Ownership			N	
00000		00000	20-4746240				AU Holding Company, Inc.	DE	UIP	Steven Menzies	Ownership	100.0	Steven Menzies	N	
00000		00000	91-2106584				Applied Group Insurance Holdings, Inc.	HI	NIA	AU Holding Company, Inc.	Ownership	100.0	Steven Menzies	N	
00000		00000	85-0568732				Centauri Acquisition Corporation LLC	DE	NIA	Applied Group Insurance Holdings, Inc.	Ownership	90.0	Steven Menzies	N	
00000		00000	45-2689025				Centauri Specialty Managers, Inc.	FL	NIA	Centauri Acquisition Corporation LLC	Ownership	100.0	Steven Menzies	N	
00000		00000	45-2647338				Centauri Specialty Insurance Holdings, Inc.	DE	NIA	Centauri Acquisition Corporation LLC	Ownership	100.0	Steven Menzies	N	
04898	Centauri Specialty Ins Holdings Grp	12573	20-3990357				Centauri Specialty Insurance Company	FL	IA	Centauri Specialty Insurance Holdings, Inc.	Ownership	100.0	Steven Menzies	N	
04898	Centauri Specialty Ins Holdings Grp	16181	81-5075976				Centauri National Insurance Company	LA	IA	Centauri Specialty Insurance Company	Ownership	100.0	Steven Menzies	N	
00000		00000	20-3785366				North American Casualty Co.	NE	UDP	AU Holding Company, Inc.	Ownership	100.0	Steven Menzies	N	
00000		00000	84-3312003				AUCRA NEB RE ONE LLC	NE	NIA	Applied Underwriters Captive Risk Assurance Company, Inc.	Ownership	49.9	Steven Menzies	N	
00000		00000	84-3295303				AUCRA Land 1 LLC	NE	NIA	AUCRA NEB RE ONE LLC	Ownership	100.0	Steven Menzies	N	
00000		00000	84-3488475				CIC Land 4, LLC	NE	NIA	California Insurance Company	Ownership	100.0	Steven Menzies	N	
00000		00000	84-3311198				CIC NEB RE ONE LLC	NE	NIA	California Insurance Company	Ownership	49.9	Steven Menzies	N	
00000		00000	84-3311824				CIC NEB RE TWO LLC	NE	NIA	California Insurance Company	Ownership	49.9	Steven Menzies	N	
00000		00000	84-3311908				CIC NEB RE THREE LLC	NE	NIA	California Insurance Company	Ownership	49.9	Steven Menzies	N	
00000		00000	84-3243923				CIC Land 1, LLC	NE	NIA	CIC NEB RE ONE LLC	Ownership	100.0	Steven Menzies	N	
00000		00000	84-3290902				CIC Land 3, LLC	NE	NIA	CIC NEB RE THREE LLC	Ownership	100.0	Steven Menzies	N	
00000		00000	84-3259779				CIC Land 2, LLC	NE	NIA	CIC NEB RE TWO LLC	Ownership	100.0	Steven Menzies	N	
00000		00000	84-3326350				CNI Land 1, LLC	NE	NIA	CNI NEB RE ONE LLC	Ownership	100.0	Steven Menzies	N	
00000		00000	84-3311709				CNI NEB RE ONE LLC	NE	NIA	Continental Indemnity Company	Ownership	49.9	Steven Menzies	N	
00000		00000	84-3399777				IIC Land 1, LLC	NE	DS	IIC NEB RE ONE LLC	Ownership	100.0	Steven Menzies	N	
00000		00000	84-4057482				IIC NEB RE ONE LLC	NE	DS	Illinois Insurance Company	Ownership	49.9	Steven Menzies	N	
04962	AU Holding Co Grp	40398	36-3155373				Ashmere Insurance Company	FL	IA	North American Casualty Co.	Ownership	100.0	Steven Menzies	N	
04962	AU Holding Co Grp	14144	45-3353082				Applied Underwriters Captive Risk Assurance Company, Inc.	NM	IA	North American Casualty Co.	Ownership	100.0	Steven Menzies	N	
04962	AU Holding Co Grp	38865	94-1627528				California Insurance Company	CA	IA	North American Casualty Co.	Ownership	100.0	Steven Menzies	N	
04962	AU Holding Co Grp	00000	84-3264205				California Insurance Company	NM	IA	North American Casualty Co.	Ownership	100.0	Steven Menzies	N	
04962	AU Holding Co Grp	28258	31-1191023				Continental Indemnity Company	NM	IA	North American Casualty Co.	Ownership	100.0	Steven Menzies	N	
04962	AU Holding Co Grp	12040	99-0338446				Commercial General Indemnity, Inc.	HI	IA	North American Casualty Co.	Ownership	100.0	Steven Menzies	N	
04962	AU Holding Co Grp	35246	58-1811419				Illinois Insurance Company	NM	RE	North American Casualty Co.	Ownership	100.0	Steven Menzies	N	
04962	AU Holding Co Grp	36382	73-1020784				Oklahoma Property and Casualty Insurance Company	OK	IA	North American Casualty Co.	Ownership	100.0	Steven Menzies	N	
04962	AU Holding Co Grp	21962	23-1471444				Pennsylvania Insurance Company	NM	IA	North American Casualty Co.	Ownership	100.0	Steven Menzies	N	
04962	AU Holding Co Grp	16543	75-1906915				Texas Insurance Company	TX	IA	North American Casualty Co.	Ownership	100.0	Steven Menzies	N	

Asterisk	Explanation

PART 1 - LOSS EXPERIENCE

Line 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				
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	799,045	941,236	117.8	137.9
17.1	Other liability occurrence				
17.2	Other liability-claims made				
17.3	Excess Workers' Compensation				
18.1	Products liability-occurrence				
18.2	Products liability-claims made				
19.1,19.2	Private passenger auto liability				
19.3,19.4	Commercial auto liability				
21.	Auto physical damage				
22.	Aircraft (all perils)				
23.	Fidelity				
24.	Surety				
26.	Burglary and theft				
27.	Boiler and machinery				
28.	Credit				
29.	International				
30.	Warranty				
31.	Reinsurance - Nonproportional Assumed Property	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				
35.	TOTALS	799,045	941,236	117.8	137.9
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498.	Sum. of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)				

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1.	Fire			
2.	Allied lines			
3.	Farmowners multiple peril			
4.	Homeowners multiple peril			
5.	Commercial multiple peril			
6.	Mortgage guaranty			
8.	Ocean marine			
9.	Inland marine			
10.	Financial guaranty			
11.1	Medical professional liability-occurrence			
11.2	Medical professional liability-claims made			
12.	Earthquake			
13.	Group accident and health			
14.	Credit accident and health			
15.	Other accident and health			
16.	Workers' compensation	799,045	799,045	524,182
17.1	Other liability occurrence			
17.2	Other liability-claims made			
17.3	Excess Workers' Compensation			
18.1	Products liability-occurrence			
18.2	Products liability-claims made			
19.1,19.2	Private passenger auto liability			
19.3,19.4	Commercial auto liability			
21.	Auto physical damage			
22.	Aircraft (all perils)			
23.	Fidelity			
24.	Surety			
26.	Burglary and theft			
27.	Boiler and machinery			
28.	Credit			
29.	International			
30.	Warranty			
31.	Reinsurance - Nonproportional Assumed Property	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			
35.	TOTALS	799,045	799,045	524,182
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498.	Sum. of remaining write-ins for Line 34 from overflow page			
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

STATEMENT AS OF MARCH 31, 2021 OF THE Illinois Insurance Company

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)	2021 Loss and LAE Payments on Claims Reported as of Prior Year-End	2021 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2021 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. 2018 + Prior	6,237	9,940	16,177	712	6	718	6,128	20	7,454	13,602	603	(2,460)	(1,857)
2. 2019	2,731	4,440	7,171	636	2	639	2,706	7	3,718	6,430	611	(714)	(102)
3. Subtotals 2019 + prior	8,968	14,380	23,348	1,349	8	1,357	8,834	27	11,171	20,032	1,214	(3,174)	(1,960)
4. 2020	1,707	4,856	6,564	616	30	646	1,853	23	3,538	5,414	761	(1,265)	(504)
5. Subtotals 2020 + prior	10,675	19,236	29,912	1,965	38	2,002	10,686	50	14,710	25,446	1,976	(4,439)	(2,464)
6. 2021	XXX	XXX	XXX	XXX	129	129	XXX	365	1,560	1,925	XXX	XXX	XXX
7. Totals	10,675	19,236	29,912	1,965	167	2,132	10,686	415	16,270	27,370	1,976	(4,439)	(2,464)
8. Prior Year-End Surplus As Regards Policy-holders	32,834										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. 18.5	2. (23.1)	3. (8.2)
											Col. 13, Line 7 Line 8		
											4. (7.5)		

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:

Bar Code:

1.



352462021490000001

2.



352462021455000001

3.



352462021365000001

4.



352462021505000001

OVERFLOW PAGE FOR WRITE-INS

PQ002 Additional Aggregate Lines for Page 02 Line 25.
*ASSETS

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
2504. Other receivable.....				1,784
2505. Policyholder surcharges.....				14,702
2506. Premium tax receivable.....	30,961		30,961	24,570
2507. Equity in pools and associations.....	26,468		26,468	
2508. Other receivable - related party.....				
2509. Deposits.....	7,064,918		7,064,918	
2597. Summary of remaining write-ins for Line 25 from Page 02	7,122,347		7,122,347	41,056

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		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other-than-temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

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		
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 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)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

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	14,172,613	12,058,749
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		3,558,277
2.2 Additional investment made after acquisition	13,714	62,247
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	7,369	51,617
6. Total gain (loss) on disposals		1,558,277
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)	14,193,696	14,172,613
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	14,193,696	14,172,613

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	24,166,407	41,098,589
2. Cost of bonds and stocks acquired		4,317,478
3. Accrual of discount	9,195	130,231
4. Unrealized valuation increase (decrease)	5,734	(602,824)
5. Total gain (loss) on disposals	281	7,349
6. Deduct consideration for bonds and stocks disposed of	5,258,482	20,713,756
7. Deduct amortization of premium	21,643	70,660
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)	18,901,492	24,166,407
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	18,901,492	24,166,407

STATEMENT AS OF MARCH 31, 2021 OF THE Illinois Insurance Company

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).....	34,771,257	11,998,405	30,752,571	(12,449)	16,004,642			34,771,257
2. NAIC 2 (a).....								
3. NAIC 3 (a).....								
4. NAIC 4 (a).....								
5. NAIC 5 (a).....								
6. NAIC 6 (a).....								
7. Total Bonds	34,771,257	11,998,405	30,752,571	(12,449)	16,004,642			34,771,257
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock.....								
15. Total Bonds & Preferred Stock	34,771,257	11,998,405	30,752,571	(12,449)	16,004,642			34,771,257

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

SCHEDULE DA - PART 1
Short-Term Investments

	1 Book/adjusted Carrying value	2 Prior Year Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999		XXX			

SCHEDULE DA - VERIFICATION
Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	1,498,285	
2. Cost of short-term investments acquired		1,498,285
3. Accrual of discount		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals	46	
6. Deduct consideration received on disposals	1,498,331	
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....		1,498,285
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11)		1,498,285

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E – PART 2 – VERIFICATION
(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	11,997,680	12,351,383
2. Cost of cash equivalents acquired	12,010,149	38,518,940
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals.....	872	
6. Deduct consideration received on disposals	23,996,957	38,872,643
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	11,744	11,997,680
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	11,744	11,997,680

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

STATEMENT AS OF MARCH 31, 2021 OF THE Illinois Insurance Company

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation, NAIC Designation Modifier and SVO Administrative Symbol	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
Oil and Gas Production - Unaffiliated												
Oil and Gas Production - Affiliated												
Transportation Equipment - Unaffiliated												
Transportation Equipment - Affiliated												
Mineral Rights - Unaffiliated												
Mineral Rights - Affiliated												
Non-Registered Private Funds with Underlying Assets Having Characteristics of: Bonds - NAIC Designation Assigned by the SVO - Unaffiliated												
Non-Registered Private Funds with Underlying Assets Having Characteristics of: Bonds - NAIC Designation Assigned by the SVO - Affiliated												
Non-Registered Private Funds with Underlying Assets Having Characteristics of: Bonds - NAIC Designation Not Assigned by the SVO - Unaffiliated												
Non-Registered Private Funds with Underlying Assets Having Characteristics of: Bonds - NAIC Designation Not Assigned by the SVO - Affiliated												
Non-Registered Private Funds with Underlying Assets Having Characteristics of: Mortgage Loans - Unaffiliated												
Non-Registered Private Funds with Underlying Assets Having Characteristics of: Mortgage Loans - Affiliated												
Non-Registered Private Funds with Underlying Assets Having Characteristics of: Other Fixed Income Instruments - Unaffiliated												
Non-Registered Private Funds with Underlying Assets Having Characteristics of: Other Fixed Income Instruments - Affiliated												
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Fixed Income Instruments - NAIC Designation Assigned by the SVO - Unaffiliated												
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Fixed Income Instruments - NAIC Designation Assigned by the SVO - Affiliated												
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Fixed Income Instruments - NAIC Designation Not Assigned by the SVO - Unaffiliated												
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Fixed Income Instruments - NAIC Designation Not Assigned by the SVO - Affiliated												
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Common Stocks - Unaffiliated												
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Common Stocks - Affiliated												
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Real Estate - Unaffiliated												
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Real Estate - Affiliated												
000000-00-0.....	IIC NEB RE ONE, LLC.....	Omaha.....	NE.....	Applied Underwriters.....		10/09/2019.....		3,585,666	13,714			49,900
2299999 - Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Real Estate - Affiliated								3,585,666	13,714			XXX
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Mortgage Loans - Unaffiliated												
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Mortgage Loans - Affiliated												
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Other - Unaffiliated												
Joint Venture, Partnership or Limited Liability Co. Interests for Which the Underlying Assets Have the Characteristics of: Other - Affiliated												
Surplus Debentures, etc. – Unaffiliated												
Surplus Debentures, etc. - Affiliated												
Collateral Loans - Unaffiliated												
Collateral Loans - Affiliated												
Non-collateral Loans - Unaffiliated												
Non-collateral Loans - Affiliated												
Capital Notes - Unaffiliated												
Capital Notes - Affiliated												
Guaranteed Federal Low Income Housing Tax Credit - Unaffiliated												
Guaranteed Federal Low Income Housing Tax Credit - Affiliated												
Non-Guaranteed Federal Low Income Housing Tax Credit - Unaffiliated												
Non-Guaranteed Federal Low Income Housing Tax Credit - Affiliated												
Guaranteed State Low Income Housing Tax Credit - Unaffiliated												
Guaranteed State Low Income Housing Tax Credit - Affiliated												
Non-Guaranteed State Low Income Housing Tax Credit - Unaffiliated												
Non-Guaranteed State Low Income Housing Tax Credit - Affiliated												
All Other Low Income Housing Tax Credit - Unaffiliated												
All Other Low Income Housing Tax Credit - Affiliated												
Working Capital Finance Investment - Unaffiliated												
Any Other Class of Assets - Unaffiliated												
Any Other Class of Assets - Affiliated												
4899999 – Subtotals - Unaffiliated												XXX
4999999 – Subtotals - Affiliated								3,585,666	13,714			XXX
5099999 Totals								3,585,666	13,714			XXX

STATEMENT AS OF MARCH 31, 2021 OF THE Illinois Insurance Company

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

[illegible]

STATEMENT AS OF MARCH 31, 2021 OF THE Illinois Insurance Company

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the 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, NAIC Designation Modifier and SVO Administrative Symbol
				NONE					
9999999 Totals							XXX		XXX

E05

E05

E05

E05

Schedule DB - Part A - Section 1
NONE

Schedule DB - Part B - Section 1
NONE

Schedule DB - Part D - Section 1
NONE

Schedule DB - Part D - Section 2
NONE

Schedule DB - Part E
NONE

Schedule DL - Part 1
NONE

Schedule DL - Part 2
NONE

SCHEDULE E - PART 1 - CASH

E13

STATEMENT AS OF MARCH 31, 2021 OF THE Illinois Insurance Company

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter								
1	2	3	4	5	6	7	8	9
CUSIP	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
Bonds - U.S. Governments - Issuer Obligations								
Bonds - U.S. Governments - Residential Mortgage-Backed Securities								
Bonds - U.S. Governments - Commercial Mortgage-Backed Securities								
Bonds - U.S. Governments - Other Loan-Backed and Structured Securities								
Bonds - All Other Governments - Issuer Obligations								
Bonds - All Other Governments - Residential Mortgage-Backed Securities								
Bonds - All Other Governments - Commercial Mortgage-Backed Securities								
Bonds - All Other Governments - Other Loan-Backed and Structured Securities								
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations								
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities								
Bonds - .S. States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities								
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities								
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations								
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities								
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Commercial Mortgage-Backed Securities								
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Loan-Backed and Structured Securities								
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations								
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Residential Mortgage-Backed Securities								
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Commercial Mortgage-Backed Securities								
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Other Loan-Backed and Structured Securities								
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations								
Bonds - Industrial and Miscellaneous (Unaffiliated) - Residential Mortgage-Backed Securities								
Bonds - Industrial and Miscellaneous (Unaffiliated) - Commercial Mortgage-Backed Securities								
Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Loan-Backed and Structured Securities								
Bonds - Hybrid Securities - Issuer Obligations								
Bonds - Hybrid Securities - Residential Mortgage-Backed Securities								
Bonds - Hybrid Securities - Commercial Mortgage-Backed Securities								
Bonds - Hybrid Securities - Other Loan-Backed and Structured Securities								
Bonds - Parent, Subsidiaries and Affiliates Bonds - Issuer Obligations								
Bonds - Parent, Subsidiaries and Affiliates Bonds - Residential Mortgage-Backed Securities								
Bonds - Parent, Subsidiaries and Affiliates Bonds - Commercial Mortgage-Backed Securities								
Bonds - Parent, Subsidiaries and Affiliates Bonds - Other Loan-Backed and Structured Securities								
Bonds - Parent, Subsidiaries and Affiliates Bonds - Affiliated Bank Loans - Issued								
Bonds - Parent, Subsidiaries and Affiliates Bonds - Affiliated Bank Loans - Acquired								
Bonds - SV0 Identified Funds - Exchange Traded Funds - as Identified by the SV0								
Bonds - SV0 Identified Funds - Bond Mutual Funds - as Identified by the SV0								
Bonds - Unaffiliated Bank Loans - Unaffiliated Bank Loans - Issued								
Bonds - Unaffiliated Bank Loans - Unaffiliated Bank Loans - Acquired								
Sweep Accounts								
Exempt Money Market Mutual Funds - as Identified by SV0								
94975H-29-6.....	Wells Fargo Adv Tr Pl Mm Ins.....		03/31/2021.....	0.030.....	XXX.....	1,744.....		
8599999 - Exempt Money Market Mutual Funds - as Identified by SV0						1,744.....		
All Other Money Market Mutual Funds								
31846V-10-4.....	First Amer Prime Oblig Fund Cl Y.....		03/31/2021.....	0.020.....	XXX.....	10,000.....		
8699999 - All Other Money Market Mutual Funds						10,000.....		
Qualified Cash Pools Under SSAP No. 2R								
Other Cash Equivalents								
9999999 Total Cash Equivalents						11,744.....		

Medicare Part D Coverage Supplement

NONE

Supp "A" to T - Physicians

NONE

Supp "A" to T - Hospitals

NONE

Supp "A" to T - Other HC Professionals

NONE

Supp "A" to T - Other HC Facilities

NONE

Trusteed Surplus - Cover

NONE

Trusteed Surplus - Assets

NONE

TRUSTEED SURPLUS STATEMENT

LIABILITIES AND TRUSTEED SURPLUS

		1
		Current Quarter
1. Total Liabilities		34,536,666
ADDITIONS TO LIABILITIES:		
2. Ceded Reinsurance Balances Payable		
3. Agents' Credit Balances		
4. Aggregate Write-ins For Other Additions to Liabilities		
5. Total Additions (Lines 2 + 3 + 4)		
6. Total (Lines 1 + 5)		34,536,666
DEDUCTIONS FROM LIABILITIES:		
7. Reinsurance Recoverable on Paid Losses and Loss Adjustment Expenses:		
7.1 Authorized Companies		
7.2 Unauthorized Companies		
7.3 Certified Companies		
7.4 Reciprocal Jurisdiction Companies		
8. Special State Deposits, not exceeding net liabilities carried in this statement on business in each respective state:		
8.1 Special State Deposits (submit schedule)		
8.2 Accrued interest on Special State Deposits		
9. Agents' balances or uncollected premiums not more than ninety days past due, not exceeding unearned premium reserves carried thereon		
10. Unpaid Reinsurance Premiums Receivable, not exceeding losses and loss adjustment expenses due to reinsured:		
10.1 Authorized Companies		
10.2 Unauthorized Companies		
11. Aggregate write-ins for other deductions from liabilities		
12. Total Deductions (Lines 7 thru 11).....		
13. Total Adjusted Liabilities (Line 6 minus Line 12).....		34,536,666
14. Trusteed Surplus.....		(34,536,666)
15. Total		
DETAILS OF WRITE-INS		
0401.		
0402.		
0403.		
0498. Summary of remaining write-ins for Line 4 from overflow page		
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)		
1101.		
1102.		
1103.		
1198. Summary of remaining write-ins for Line 11 from overflow page		
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)		

OVERFLOW PAGE FOR WRITE-INS



SUPPLEMENT FOR THE QUARTER ENDING MARCH 31, 2021 OF THE Illinois Insurance Company

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

NAIC Group Code 04962 Year To Date For The Period Ended 2021 NAIC Company Code 35246

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$	\$	\$

2. Commercial Multiple Peril (CMP) Packaged Policies

- 2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes [] No []
- 2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? Yes [] No []
- 2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified: \$

2.32 Amount estimated using reasonable assumptions: \$
- 2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies. \$