

**QUARTERLY STATEMENT**

**OF THE**

**New Mexico Property and Casualty Company**  
of **Albuquerque**  
in the state of **New Mexico**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**New Mexico**

**FOR THE QUARTER ENDED**

**June 30, 2019**

**PROPERTY AND CASUALTY**

**2019**



12242201920100102

QUARTERLY STATEMENT

AS OF JUNE 30, 2019  
OF THE CONDITION AND AFFAIRS OF THE

New Mexico Property and Casualty Company

NAIC Group Code0000,0000  
(Current Period)(Prior Period)

NAIC Company Code12242

Employer's ID Number46-0510470

Organized under the Laws ofNew Mexico

State of Domicile or Port of EntryNe

Country of DomicileUnited States

Incorporated/OrganizedJanuary 23, 2003

Commenced BusinessJanuary 1, 2005

Statutory Home Office6300 Jefferson St NE  
(Street and Number)

Albuquerque, NM US 87109  
(City or Town, State, Country and Zip Code)

Main Administrative Office6300 Jefferson St NE  
(Street and Number)

Albuquerque, NM US 87109  
(City or Town, State, Country and Zip Code)

(505) 559-5883  
(Area Code)(Telephone Number)

Mail Address6300 Jefferson St NE  
(Street and Number or P.O. Box)

Albuquerque, NM US 87109  
(City or Town, State, Country and Zip Code)

Primary Location of Books and Records6300 Jefferson St NE  
(Street and Number)

Albuquerque, NM US 87109  
(City or Town, State, Country and Zip Code)

(505) 559-5883  
(Area Code)(Telephone Number)

Internet Website Addressn/a

Statutory Statement ContactMaria Cassimus  
(Name)  
maria@atlasresources.com  
(E-Mail Address)

(505) 559-5883  
(Area Code)(Telephone Number)(Extension)  
(505) 872-3900  
(Fax Number)

OFFICERS

Nick P. Kapnison

|    | Name              | Title     |
|----|-------------------|-----------|
| 1. | Jimmy D. Daskalos | President |
| 2. | None None         | None      |
| 3. | None None         | None      |

VICE-PRESIDENTS

| Name | Title | Name | Title |
|------|-------|------|-------|
|      |       |      |       |
|      |       |      |       |
|      |       |      |       |
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|      |       |      |       |
|      |       |      |       |

DIRECTORS OR TRUSTEES

|                   |                      |                |                    |
|-------------------|----------------------|----------------|--------------------|
| Nick P. Kapnison  | Jeanette Chavez-Bath | Maria Cassimus | Nadine M. Daskalos |
| Jimmy D. Daskalos |                      |                |                    |
|                   |                      |                |                    |
|                   |                      |                |                    |
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|                   |                      |                |                    |

State ofNew Mexico

County ofBernalilloss

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

|                                                                                             |                                                                               |                                                                          |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| (Signature)<br>Nick P. Kapnison<br>(Printed Name)<br>1.<br>Chairman of the Board<br>(Title) | (Signature)<br>Jimmy Daskalos<br>(Printed Name)<br>2.<br>President<br>(Title) | (Signature)<br>None None<br>(Printed Name)<br>3.<br>Secretary<br>(Title) |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------|

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

- a. Is this an original filing?

[X] Yes [ ] No
- b. If no:

1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

|                                                                                                                                             | Current Statement Date |                                |                                                  | 4<br><br>December 31<br>Prior Year Net<br>Admitted Assets |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------------|--------------------------------------------------|-----------------------------------------------------------|
|                                                                                                                                             | 1<br><br>Assets        | 2<br><br>Nonadmitted<br>Assets | 3<br><br>Net Admitted<br>Assets<br>(Cols. 1 - 2) |                                                           |
| 1. Bonds                                                                                                                                    | 724,884                |                                | 724,884                                          | 714,063                                                   |
| 2. Stocks:                                                                                                                                  |                        |                                |                                                  |                                                           |
| 2.1 Preferred stocks                                                                                                                        |                        |                                |                                                  |                                                           |
| 2.2 Common stocks                                                                                                                           |                        |                                |                                                  |                                                           |
| 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 (\$ 39,921), cash equivalents (\$ 0), and short-term investments (\$ 0)                                                             | 39,921                 |                                | 39,921                                           | (2,559)                                                   |
| 6. Contract loans (including \$ 0 premium notes)                                                                                            |                        |                                |                                                  |                                                           |
| 7. Derivatives                                                                                                                              |                        |                                |                                                  |                                                           |
| 8. Other invested assets                                                                                                                    |                        |                                |                                                  |                                                           |
| 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)                                                                                     | 764,805                |                                | 764,805                                          | 711,504                                                   |
| 13. Title plants less \$ 0 charged off (for Title insurers only)                                                                            |                        |                                |                                                  |                                                           |
| 14. Investment income due and accrued                                                                                                       | 244                    |                                | 244                                              | 505                                                       |
| 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 \$ 0 earned but unbilled premiums) |                        |                                |                                                  |                                                           |
| 15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)                                                  |                        |                                |                                                  |                                                           |
| 16. Reinsurance:                                                                                                                            |                        |                                |                                                  |                                                           |
| 16.1 Amounts recoverable from reinsurers                                                                                                    | 977                    |                                | 977                                              | 62,239                                                    |
| 16.2 Funds held by or deposited with reinsured companies                                                                                    | 481,036                |                                | 481,036                                          | 479,869                                                   |
| 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                                                                                                                 |                        |                                |                                                  |                                                           |
| 19. Guaranty funds receivable or on deposit                                                                                                 |                        |                                |                                                  |                                                           |
| 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                                                                                    | 32,003                 |                                | 32,003                                           |                                                           |
| 24. Health care (\$ 0) and other amounts receivable                                                                                         |                        |                                |                                                  |                                                           |
| 25. Aggregate write-ins for other than invested assets                                                                                      |                        |                                |                                                  |                                                           |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)                              | 1,279,065              |                                | 1,279,065                                        | 1,254,117                                                 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts                                                                 |                        |                                |                                                  |                                                           |
| 28. Total (Lines 26 and 27)                                                                                                                 | 1,279,065              |                                | 1,279,065                                        | 1,254,117                                                 |

| DETAILS OF WRITE-IN LINES                                           |  |  |  |  |
|---------------------------------------------------------------------|--|--|--|--|
| 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. Other                                                         |  |  |  |  |
| 2502. Premium Tax Receivable                                        |  |  |  |  |
| 2503. Deductible Receivables                                        |  |  |  |  |
| 2598. Summary of remaining write-ins for Line 25 from overflow page |  |  |  |  |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)    |  |  |  |  |

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

|                                                                                                                                                                                                                                                                         | 1                         | 2                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------|
|                                                                                                                                                                                                                                                                         | Current<br>Statement Date | December 31,<br>Prior Year |
| 1. Losses (current accident year \$ 0)                                                                                                                                                                                                                                  | 119,874                   | 118,094                    |
| 2. Reinsurance payable on paid losses and loss adjustment expenses                                                                                                                                                                                                      |                           |                            |
| 3. Loss adjustment expenses                                                                                                                                                                                                                                             | 94,575                    | 95,386                     |
| 4. Commissions payable, contingent commissions and other similar charges                                                                                                                                                                                                |                           |                            |
| 5. Other expenses (excluding taxes, licenses and fees)                                                                                                                                                                                                                  | 3,000                     | 1,550                      |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes)                                                                                                                                                                                                |                           |                            |
| 7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))                                                                                                                                                                       |                           |                            |
| 7.2. Net deferred tax liability                                                                                                                                                                                                                                         |                           |                            |
| 8. Borrowed money \$ 0 and interest thereon \$ 0                                                                                                                                                                                                                        |                           |                            |
| 9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 0 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act) |                           |                            |
| 10. Advance premium                                                                                                                                                                                                                                                     |                           |                            |
| 11. Dividends declared and unpaid:                                                                                                                                                                                                                                      |                           |                            |
| 11.1. Stockholders                                                                                                                                                                                                                                                      |                           |                            |
| 11.2. Policyholders                                                                                                                                                                                                                                                     |                           |                            |
| 12. Ceded reinsurance premiums payable (net of ceding commissions)                                                                                                                                                                                                      |                           |                            |
| 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                                                                                                                                                                                                                      | 118,124                   | 95,124                     |
| 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                                                                                                                                                                                                                                 |                           |                            |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)                                                                                                                                                                                         | 335,573                   | 310,154                    |
| 27. Protected cell liabilities                                                                                                                                                                                                                                          |                           |                            |
| 28. Total liabilities (Lines 26 and 27)                                                                                                                                                                                                                                 | 335,573                   | 310,154                    |
| 29. Aggregate write-ins for special surplus funds                                                                                                                                                                                                                       |                           |                            |
| 30. Common capital stock                                                                                                                                                                                                                                                | 500,000                   | 500,000                    |
| 31. Preferred capital stock                                                                                                                                                                                                                                             |                           |                            |
| 32. Aggregate write-ins for other than special surplus funds                                                                                                                                                                                                            |                           |                            |
| 33. Surplus notes                                                                                                                                                                                                                                                       |                           |                            |
| 34. Gross paid in and contributed surplus                                                                                                                                                                                                                               | 2,296,488                 | 2,296,488                  |
| 35. Unassigned funds (surplus)                                                                                                                                                                                                                                          | (1,852,996)               | (1,852,525)                |
| 36. Less treasury stock, at cost:                                                                                                                                                                                                                                       |                           |                            |
| 36.1. 0 shares common (value included in Line 30 \$ 0)                                                                                                                                                                                                                  |                           |                            |
| 36.2. 0 shares preferred (value included in Line 31 \$ 0)                                                                                                                                                                                                               |                           |                            |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36)                                                                                                                                                                                                          | 943,492                   | 943,963                    |
| 38. Totals (Page 2, Line 28, Col. 3)                                                                                                                                                                                                                                    | 1,279,065                 | 1,254,117                  |

| DETAILS OF WRITE-IN LINES                                           |      |  |
|---------------------------------------------------------------------|------|--|
| 2501.                                                               | NONE |  |
| 2502.                                                               |      |  |
| 2503.                                                               |      |  |
| 2598. Summary of remaining write-ins for Line 25 from overflow page |      |  |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)    |      |  |
| 2901.                                                               | NONE |  |
| 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.                                                               | NONE |  |
| 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<br>To Date | Prior Year<br>To Date | Prior Year Ended<br>December 31 |
| UNDERWRITING INCOME                                                                                                                                     |                         |                       |                                 |
| 1. Premiums earned:                                                                                                                                     |                         |                       |                                 |
| 1.1 Direct (written \$ 0)                                                                                                                               |                         |                       | (52)                            |
| 1.2 Assumed (written \$ 0)                                                                                                                              |                         | 111                   |                                 |
| 1.3 Ceded (written \$ 0)                                                                                                                                |                         |                       |                                 |
| 1.4 Net (written \$ 0)                                                                                                                                  |                         | 111                   | (52)                            |
| DEDUCTIONS:                                                                                                                                             |                         |                       |                                 |
| 2. Losses incurred (current accident year \$ 0):                                                                                                        |                         |                       |                                 |
| 2.1 Direct                                                                                                                                              | (1,108,022)             |                       | (1,971)                         |
| 2.2 Assumed                                                                                                                                             |                         | (7,196)               |                                 |
| 2.3 Ceded                                                                                                                                               | (1,108,022)             |                       |                                 |
| 2.4 Net                                                                                                                                                 |                         | (7,196)               | (1,971)                         |
| 3. Loss adjustment expenses incurred                                                                                                                    |                         |                       |                                 |
| 4. Other underwriting expenses incurred                                                                                                                 | 15,372                  | 18,757                | 39,098                          |
| 5. Aggregate write-ins for underwriting deductions                                                                                                      |                         |                       |                                 |
| 6. Total underwriting deductions (Lines 2 through 5)                                                                                                    | 15,372                  | 11,561                | 37,127                          |
| 7. Net income of protected cells                                                                                                                        |                         |                       |                                 |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)                                                                                          | (15,372)                | (11,450)              | (37,179)                        |
| INVESTMENT INCOME                                                                                                                                       |                         |                       |                                 |
| 9. Net investment income earned                                                                                                                         | 14,902                  | 13,224                | 19,384                          |
| 10. Net realized capital gains (losses) less capital gains tax of \$ 0                                                                                  |                         |                       |                                 |
| 11. Net investment gain (loss) (Lines 9 + 10)                                                                                                           | 14,902                  | 13,224                | 19,384                          |
| 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                                                                                                        |                         |                       |                                 |
| 15. Total other income (Lines 12 through 14)                                                                                                            |                         |                       |                                 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)     | (470)                   | 1,774                 | (17,795)                        |
| 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) | (470)                   | 1,774                 | (17,795)                        |
| 19. Federal and foreign income taxes incurred                                                                                                           |                         |                       |                                 |
| 20. Net income (Line 18 minus Line 19) (to Line 22)                                                                                                     | (470)                   | 1,774                 | (17,795)                        |
| CAPITAL AND SURPLUS ACCOUNT                                                                                                                             |                         |                       |                                 |
| 21. Surplus as regards policyholders, December 31 prior year                                                                                            | 943,962                 | 961,757               | 961,757                         |
| 22. Net income (from Line 20)                                                                                                                           | (470)                   | 1,774                 | (17,795)                        |
| 23. Net transfers (to) from Protected Cell accounts                                                                                                     |                         |                       |                                 |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0                                                                   |                         |                       |                                 |
| 25. Change in net unrealized foreign exchange capital gain (loss)                                                                                       |                         |                       |                                 |
| 26. Change in net deferred income tax                                                                                                                   |                         |                       |                                 |
| 27. Change in nonadmitted assets                                                                                                                        |                         |                       |                                 |
| 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                                                                                                                           |                         |                       |                                 |
| 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)                                                                                    | (470)                   | 1,774                 | (17,795)                        |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)                                                                           | 943,492                 | 963,531               | 943,962                         |

|                                                                     |  |  |  |
|---------------------------------------------------------------------|--|--|--|
| DETAILS OF WRITE-IN LINES                                           |  |  |  |
| 0501.                                                               |  |  |  |
| 0502.                                                               |  |  |  |
| 0503.                                                               |  |  |  |
| 0598. Summary of remaining write-ins for Line 05 from overflow page |  |  |  |
| 0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)    |  |  |  |
| 1401.                                                               |  |  |  |
| 1402.                                                               |  |  |  |
| 1403.                                                               |  |  |  |
| 1498. Summary of remaining write-ins for Line 14 from overflow page |  |  |  |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)    |  |  |  |
| 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                       | 2                     | 3                               |
|--------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------|---------------------------------|
| Cash from Operations                                                                                               | Current Year<br>To Date | Prior Year<br>To Date | Prior Year<br>Ended December 31 |
| 1. Premiums collected net of reinsurance                                                                           | 60,096                  | (19,251)              | (26,060)                        |
| 2. Net investment income                                                                                           | 14,690                  | 12,691                | 18,347                          |
| 3. Miscellaneous income                                                                                            |                         |                       |                                 |
| 4. Total (Lines 1 to 3)                                                                                            | 74,786                  | (6,560)               | (7,713)                         |
| 5. Benefit and loss related payments                                                                               | (969)                   | 48,386                | 104,879                         |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts                             |                         |                       |                                 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions                                               | (9,075)                 | (12,524)              | (65,405)                        |
| 8. Dividends paid to policyholders                                                                                 |                         |                       |                                 |
| 9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)                     |                         |                       |                                 |
| 10. Total (Lines 5 through 9)                                                                                      | (10,044)                | 35,862                | 39,474                          |
| 11. Net cash from operations (Line 4 minus Line 10)                                                                | 84,830                  | (42,422)              | (47,187)                        |
| Cash from Investments                                                                                              |                         |                       |                                 |
| 12. Proceeds from investments sold, matured or repaid:                                                             |                         |                       |                                 |
| 12.1 Bonds                                                                                                         |                         |                       |                                 |
| 12.2 Stocks                                                                                                        |                         |                       |                                 |
| 12.3 Mortgage loans                                                                                                |                         |                       |                                 |
| 12.4 Real estate                                                                                                   |                         |                       |                                 |
| 12.5 Other invested assets                                                                                         |                         |                       |                                 |
| 12.6 Net gains (or losses) on cash, cash equivalents and short-term investments                                    |                         |                       |                                 |
| 12.7 Miscellaneous proceeds                                                                                        |                         |                       |                                 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7)                                                                |                         |                       |                                 |
| 13. Cost of investments acquired (long-term only):                                                                 |                         |                       |                                 |
| 13.1 Bonds                                                                                                         | 10,347                  |                       |                                 |
| 13.2 Stocks                                                                                                        |                         |                       |                                 |
| 13.3 Mortgage loans                                                                                                |                         |                       |                                 |
| 13.4 Real estate                                                                                                   |                         |                       |                                 |
| 13.5 Other invested assets                                                                                         |                         |                       |                                 |
| 13.6 Miscellaneous applications                                                                                    |                         |                       |                                 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6)                                                               | 10,347                  |                       |                                 |
| 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)                                              | (10,347)                |                       |                                 |
| 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                                                                                     |                         |                       |                                 |
| 16.6 Other cash provided (applied)                                                                                 | (32,003)                |                       |                                 |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) | (32,003)                |                       |                                 |
| 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)                | 42,480                  | (42,422)              | (47,187)                        |
| 19. Cash, cash equivalents and short-term investments:                                                             |                         |                       |                                 |
| 19.1 Beginning of year                                                                                             | (2,559)                 | 44,628                | 44,628                          |
| 19.2 End of period (Line 18 plus Line 19.1)                                                                        | 39,921                  | 2,206                 | (2,559)                         |

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

|         |  |  |  |
|---------|--|--|--|
| 20.0001 |  |  |  |
| 20.0002 |  |  |  |
| 20.0003 |  |  |  |

# NOTES TO FINANCIAL STATEMENTS

## New Mexico Property & Casualty Company

### Notes to Statutory Financial Statements

#### 1. Summary of Significant Accounting Policies and Going Concern

##### A. Accounting Practices

The accompanying financial statements of the Company have been prepared in accordance with the NAIC Annual Statement Instructions, Accounting Policies and Procedures Manual and State of New Mexico Office of the Superintendent of Insurance with no exceptions.

The New Mexico Office of the Superintendent of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of New Mexico for determining and reporting the financial condition and results of operations of an insurance company for determining its solvency under the New Mexico Insurance Law. The National Association of Insurance Commissioner's Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of New Mexico.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the Office of the Superintendent of Insurance is shown below:

| <u>Net Income</u>                                                              | <u>2019</u> | <u>2018</u> |
|--------------------------------------------------------------------------------|-------------|-------------|
| 1. Net Income New Mexico State basis                                           | (\$420)     | (\$17,795)  |
| 2. State Prescribed Practices (Income):<br>Depreciation on fixed assets        |             |             |
| 3. State Permitted Practices (Income):<br>Depreciation, home office property   |             |             |
| 4. Net Income, NAIC SAP                                                        | (\$420)     | (\$17,795)  |
| <u>Surplus</u>                                                                 |             |             |
| 5. Statutory Surplus New Mexico State basis                                    | \$ 943,492  | \$943,962   |
| 6. State Prescribed Practices (Surplus):<br>Goodwill, net<br>Fixed Assets, net |             |             |
| 7. State Permitted Practices (Surplus):<br>Home Office Property                |             |             |
| 8. Statutory Surplus, NAIC SAP                                                 | \$ 943,492  | \$943,962   |

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

##### C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

Expenses are incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies:

- Short - term investments are stated at amortized cost.
- Bonds not backed by other loans are stated at amortized cost using the straight line method.
- Common stocks – none
- Preferred stocks – none
- Mortgage loans – none

**NOTES TO FINANCIAL STATEMENTS**

- ~~Loan backed securities – none~~

- The company does not own any non-insurance companies

- The company does not own any joint ventures

- Derivatives – none

- Premium deficiency - none

- Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessary based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

- The Company has not modified its capitalization policy from prior period.

**D. Going Concern**

Not applicable

**2. Accounting Changes and Corrections of Errors**

None

**3. Business Combinations and Goodwill**

None

**4. Discontinued Operations**

None

**5. Investments****A. Mortgage Loans**

None

**B. Debt Restructuring**

None

**C. Reverse Mortgages**

None

**D. Loan-Backed Securities**

None

**E. Repurchase Agreements and/or Securities Lending Transactions**

None

**F. Real Estate**

None

**G. Investments in Low Income Housing Tax Credits**

None

**H. Restricted Assets**

None

NOTES TO FINANCIAL STATEMENTS

I. Working Capital Finance Investments

None

J. Offsetting and Netting of Assets and Liabilities

None

K. Structured Notes

None

L. 5\*Securities

None

6. Joint Ventures, Partnerships and Limited Liability Companies

None

7. Investment Income

A. Accrued Investment Income

The company non-admits investment income due and accrued if amounts are over 90 days past due.

B. Amounts Non-Admitted

None

8. Derivative Instruments

None

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

|        |    |                                                                                |
|--------|----|--------------------------------------------------------------------------------|
| 9.A.1. | 1a | Gross Deferred Tax Assets                                                      |
|        | 1b | Statutory Valuation Allowance Adjustment                                       |
|        | 1c | Adjusted Gross Deferred Tax Assets (1a-1b)                                     |
|        | 1d | Deferred Tax Assets Non admitted                                               |
|        | 1e | Subtotal (Net Deferred Tax Assets) (1c-1d)                                     |
|        | 1f | Deferred Tax Liabilities                                                       |
|        | 1g | Net Admitted Adjusted Deferred Tax Assets/(Net Deferred Tax Liability) (1e-1f) |

| 6/30/2019 |         |           |
|-----------|---------|-----------|
| (1)       | (2)     | (3)       |
|           |         | (Col 1+2) |
| Ordinary  | Capital | Total     |
| -         | -       | -         |
| -         | -       | -         |
| -         | -       | -         |
| -         | -       | -         |
| -         | -       | -         |
| -         | -       | -         |
| -         | -       | -         |

|        |                                                                                                                                                                                                           |  |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 9.A.2. | Admission Calculation Components                                                                                                                                                                          |  |
|        | (SSAP No. 101, paragraph 11):                                                                                                                                                                             |  |
| 2a     | Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks                                                                                                                              |  |
| 2b     | Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount of Deferred Tax Assets From a, above) After Application of the Threshold Limitation (The Lesser of b.i. and b.ii. Below) |  |
| 2c     | i. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.                                                                                                           |  |
| 2d     | ii. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.                                                                                                                                  |  |

|    |    |   |
|----|----|---|
| -  | -  | - |
| -  | -  | - |
| NA | NA | - |
| NA | NA | - |

**NOTES TO FINANCIAL STATEMENTS**

|    |                                                                                                       |   |   |   |
|----|-------------------------------------------------------------------------------------------------------|---|---|---|
| 2e | Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From a. and b. above) |   |   |   |
| 2f | Deferred Tax Assets Admitted as the result of application of SSAP No. 101.                            | - | - | - |
| 2g | Deferred tax liabilities                                                                              | - | - | - |
|    | Net admitted deferred tax asset/liability                                                             | - | - | - |

| 12/31/2018                                                                     |          |           |
|--------------------------------------------------------------------------------|----------|-----------|
| (4)                                                                            | (5)      | (6)       |
|                                                                                |          | (Col 4+5) |
| Ordinary                                                                       | Capital  | Total     |
| Gross Deferred Tax Assets                                                      | 90,452   | 90,452    |
| Statutory Valuation Allowance Adjustment                                       | (90,452) | (90,452)  |
| Adjusted Gross Deferred Tax Assets (1a-1b)                                     | -        | -         |
| Deferred Tax Assets Nonadmitted                                                | -        | -         |
| Subtotal (Net Deferred Tax Assets) (1c-1d)                                     | -        | -         |
| Deferred Tax Liabilities                                                       | -        | -         |
| Net Admitted Adjusted Deferred Tax Assets/(Net Deferred Tax Liability) (1e-1f) | -        | -         |

Admission Calculation Components  
(SSAP No. 101, paragraph 11):

|                                                                                                                                                                                                           |    |    |   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|---|
| Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks                                                                                                                              | -  | -  | - |
| Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount of Deferred Tax Assets From a, above) After Application of the Threshold Limitation (The Lesser of b.i. and b.ii. Below) |    |    |   |
| i. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.                                                                                                           | NA | NA | - |
| ii. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.                                                                                                                                  | NA | NA | - |
| Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From a. and b. above)                                                                                                     |    |    | - |
| Deferred Tax Assets Admitted as the result of application of SSAP No. 101.                                                                                                                                | -  | -  | - |
| Deferred tax liabilities                                                                                                                                                                                  | -  | -  | - |
| Net admitted deferred tax asset/liability                                                                                                                                                                 | -  | -  | - |

| Change                                                                         |           |           |
|--------------------------------------------------------------------------------|-----------|-----------|
| (7)                                                                            | (8)       | (9)       |
| (Col 1-4)                                                                      | (Col 2-5) | (Col 7+8) |
|                                                                                | Capital   | Total     |
| Gross Deferred Tax Assets                                                      | (90,452)  | (90,452)  |
| Statutory Valuation Allowance Adjustment                                       | 90,452    | 90,452    |
| Adjusted Gross Deferred Tax Assets (1a-1b)                                     | -         | -         |
| Deferred Tax Assets Non admitted                                               | -         | -         |
| Subtotal (Net Deferred Tax Assets) (1c-1d)                                     | -         | -         |
| Deferred Tax Liabilities                                                       | -         | -         |
| Net Admitted Adjusted Deferred Tax Assets/(Net Deferred Tax Liability) (1e-1f) | -         | -         |

Admission Calculation Components  
(SSAP No. 101, paragraph 11):

|                                                                                                                                                                                                           |    |    |    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|----|
| Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks                                                                                                                              | -  | -  | -  |
| Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount of Deferred Tax Assets From a, above) After Application of the Threshold Limitation (The Lesser of b.i. and b.ii. Below) |    |    |    |
| i. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.                                                                                                           | NA | NA | NA |

**NOTES TO FINANCIAL STATEMENTS**

**ii. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.**

Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From a. and b. above)

Deferred Tax Assets Admitted as the result of application of SSAP No. 101.

Deferred tax liabilities

Net admitted deferred tax asset/liability

| NA | NA | NA |
|----|----|----|
| -  | -  | -  |
| -  | -  | -  |
| -  | -  | -  |
| -  | -  | -  |

9.A.2.

2h Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount

2i Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation

| 2019       | 2018       |
|------------|------------|
| Percentage | Percentage |
| 100%       | 100%       |
| \$         | \$         |

9.A.3.

Impact on Tax Planning Strategies

| 06/30/2019 |         |           |
|------------|---------|-----------|
| (1)        | (2)     | (3)       |
|            |         | (Col 1+2) |
| Ordinary   | Capital | Total     |
| Percent    | Percent | Percent   |

4a Adjusted Gross DTAs (% of Total Adjusted DTAs)

4b Net Admitted Adjusted Gross DTAs(% of Total Net Admit Adj Gross DTAs)

|      |    |      |
|------|----|------|
| 100% | 0% | 100% |
| 100% | 0% | 100% |

Impact on Tax Planning Strategies

| 12/31/2018 |         |           |
|------------|---------|-----------|
| (1)        | (2)     | (3)       |
|            |         | (Col 1+2) |
| Ordinary   | Capital | Total     |
| Percent    | Percent | Percent   |

4a Adjusted Gross DTAs (% of Total Adjusted DTAs)

4b Net Admitted Adjusted Gross DTAs(% of Total Net Admit Adj Gross DTAs)

|      |    |      |
|------|----|------|
| 100% | 0% | 100% |
| 100% | 0% | 100% |

Impact on Tax Planning Strategies

| Change   |         |           |
|----------|---------|-----------|
| (1)      | (2)     | (3)       |
|          |         | (Col 1+2) |
| Ordinary | Capital | Total     |
| Percent  | Percent | Percent   |

4a Adjusted Gross DTAs (% of Total Adjusted DTAs)

4b Net Admitted Adjusted Gross DTAs(% of Total Net Admit Adj Gross DTAs)

4c The Company's tax planning strategies include the use of reinsurance-related tax-planning strategies.

|      |    |      |
|------|----|------|
| 100% | 0% | 100% |
| 100% | 0% | 100% |

9B. Unrecognized DTLs--Not applicable

9C. Current Tax and Change in Deferred Tax

| (1)       | (2)        | (3)       |
|-----------|------------|-----------|
|           |            | (Col 1-2) |
| 6/30/2019 | 12/31/2018 | Change    |

9.C.1

The provisions for incurred taxes on earnings for the years ended December 31 are:

a Federal

b Foreign

c Subtotal

d Federal Income Tax on Net Capital Gains

e Utilization of Capital Loss Carry forwards

f Other

|   |   |   |
|---|---|---|
| 0 | 0 | 0 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |

NOTES TO FINANCIAL STATEMENTS

Federal and Foreign Income Taxes Incurred

0

0

0

| (1)       | (2)        | (3)       |
|-----------|------------|-----------|
|           |            | (Col 1-2) |
| 6/30/2019 | 12/31/2018 | Change    |

9.C.2

Deferred Tax Assets:

a Ordinary:

a1 Discounting of Unpaid Losses

a2 Unearned Premium Reserve

a3 Policyholder reserves

a4 Investments

a5 Deferred Acquisition Costs

a6 Policyholder Dividends Accrual

a7 Fixed Assets

a8 Compensation & Benefits Accrual

a9 Pension Accrual

a10 Receivables – Non admitted

a11 Net Operating Loss Carry forward

a12 Tax Credit Carry forward

a13 Life Reserves

a14 Claim Reserve

a15 Due & Deferred Premiums

a16 Due and Accrued Dividends

a17 Unearned Investment Income

a18 Other (Including Items <5% of Total Ordinary Deferred Tax Assets)

a99 Subtotal

b Statutory Valuation Allowance Adjustment

c Non admitted

d Admitted Ordinary Deferred Tax Assets (2a99 - 2b - 2c)

e Capital:

e1 Investments

e2 Net Capital Loss Carry forwards

e3 Permanent Investment Write-Downs

e4 Unrealized Loss

e5 Policyholder reserves

e6

e7 Other (Including Items <5% of Total Capital Deferred Tax Assets)

e99 Subtotal

f Statutory Valuation Allowance Adjustment

g Non admitted

h Admitted Capital Deferred Tax Assets (2e99 - 2f - 2g)

i Admitted Deferred Tax Assets (2d + 2h)

|   |          |          |
|---|----------|----------|
| - | 8,755    | (8,755)  |
|   |          | -        |
|   |          | -        |
|   |          | -        |
|   |          | -        |
|   |          | -        |
|   |          | -        |
|   |          | -        |
|   |          | -        |
|   |          | -        |
|   |          | -        |
| - | 81,696   | (81,696) |
|   |          | -        |
|   |          | -        |
|   |          | -        |
|   |          | -        |
|   |          | -        |
|   |          | -        |
|   | 90,452   | (90,452) |
|   | (90,452) | 90,452   |
| - | -        | -        |
| - | -        | -        |

|   |   |   |
|---|---|---|
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |

|   |   |   |
|---|---|---|
| - | - | - |
|---|---|---|

9.C.3

Deferred Tax Liabilities:

a Ordinary:

a1 Investments

a2 Fixed Assets

a3

|   |   |   |
|---|---|---|
| - | - | - |
| - | - | - |
| - | - | - |

**NOTES TO FINANCIAL STATEMENTS**

|     |                                                                        |   |   |
|-----|------------------------------------------------------------------------|---|---|
| a4  |                                                                        | - | - |
| a5  |                                                                        | - | - |
| a6  |                                                                        | - | - |
| a7  | Other (Including Items <5% of Total Ordinary Deferred Tax Liabilities) | - | - |
| a99 | Subtotal                                                               | - | - |

|     |                                                                       |   |   |   |
|-----|-----------------------------------------------------------------------|---|---|---|
| b   | Capital:                                                              |   |   |   |
| b1  | Investments                                                           | - | - | - |
| b2  | Real Estate                                                           | - | - | - |
| b3  |                                                                       | - | - | - |
| b4  |                                                                       | - | - | - |
| b5  |                                                                       | - | - | - |
| b6  | Other (Including Items <5% of Total Capital Deferred Tax Liabilities) | - | - | - |
| b99 | Subtotal                                                              | - | - | - |

|   |                                        |   |   |   |
|---|----------------------------------------|---|---|---|
| c | Deferred Tax Liabilities (3a99 + 3b99) | - | - | - |
|---|----------------------------------------|---|---|---|

9.C.4 Net Admitted Deferred Tax Assets/Liabilities (2i - 3c)

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the Change in Non admitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

|                                                                         | (1)       | (2)        | (3)       |
|-------------------------------------------------------------------------|-----------|------------|-----------|
|                                                                         |           |            | (Col 1-2) |
|                                                                         | 6/30/2019 | 12/31/2018 | Change    |
| Total deferred tax assets                                               | \$ -      | 90,452     | (90,452)  |
| Total deferred tax liabilities                                          | -         | -          | -         |
| Net deferred tax assets(liabilities)                                    |           | 90,452     | (90,452)  |
| Statutory valuation allowance adjustment                                |           | (90,452)   | 90,452    |
| Net deferred tax assets/liabilities after statutory valuation allowance | -         | -          | -         |
| Tax effect of unrealized gains (losses)                                 | -         | -          | -         |
| Statutory valuation allowance adjustment allocated to unrealized        | -         | -          | -         |
| Change in net deferred income tax                                       | -         | -          | -         |

9.D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

Among the more significant book to tax adjustments at June 30, 2019 were the following:

|                                                       |                   |
|-------------------------------------------------------|-------------------|
|                                                       | Tax Effect at 34% |
| Income From Operations Before Taxes                   | (420)             |
| Capital Gain/(Loss) Before Taxes                      | -                 |
| Rate Difference                                       | -                 |
| Prior year Under accrual/(Over accrual)-Cap Gains Tax | -                 |
| Prior year Under accrual/(Over accrual) -Current      | -                 |
| Prior year Under accrual/(Over accrual) -SLICD        | -                 |
| Prior year Under accrual/(Over accrual) - Reserves    | -                 |
| Prior year Under accrual/(Over accrual) - DAC         | -                 |
| Statutory Valuation Allowance Adjustment              | -                 |
| Tax-Exempt Interest                                   | -                 |
| Dividends Received Deduction                          | -                 |
| Small Life Deduction                                  | -                 |
| Meals & Entertainment                                 | -                 |
| Miscellaneous Permanent Items                         | -                 |
| Non-Admitted Assets                                   | -                 |

**NOTES TO FINANCIAL STATEMENTS**

|                                                                                  |      |
|----------------------------------------------------------------------------------|------|
| IMR                                                                              |      |
| Tax loss carry forward                                                           | 420  |
| Total                                                                            |      |
| Federal Income Tax Incurred                                                      | \$ 0 |
| Change in net deferred income tax (exclusive<br>of net unrealized gains(losses)) |      |
| Total statutory income taxes                                                     | \$ 0 |

9.E. At December 31, 2018, the Company had a capital loss carry forward of \$1,852,525 which expires if unused.

9.F. The Company's does not file a Federal income tax return that is consolidated with affiliates.

9.G. The Company believes it is reasonably possible that the liability related to any federal or foreign tax loss contingencies may significantly increase within the next 12 months. However, an estimate of the reasonably possible increase cannot be made at this time.

**10. Information Concerning Parent, Subsidiaries Affiliates and Other Related Parties****A. Nature of Relationships**

Nick Kapnison and Jimmy Daskalos own New Mexico Property and Casualty Insurance Company. They own AR3, LLC, dba Atlas Resources, FDC Contractors, Employers Reinsurance and NMPC MGA-TPA LLC. AR3, LLC, dba Atlas Resources provides payroll and shares certain expenses with New Mexico Property and Casualty Company. NMPC MGA-TPA LLC provides managing general agent and third party administrative services commencing in 2011. Such transactions are detailed on Schedule Y.

**B. Details of Transactions Greater Than ½ of 1% of Admitted Assets**

None

**C. Change in Terms of Inter-company Arrangements**

An Expense Sharing Agreement is in effect between New Mexico Property and Casualty Company and AR3, LLC dba Atlas Resources. The agreement was effective 10/01/08. There were no changes to the contract thereafter.

**D. Amounts Due To Or From Related Parties**

NMPCC owes \$118,124 to related parties at June 30, 2019.

**E. Guarantees or Contingencies for Related Plans**

None

**F. Management, Service Contracts, Cost Sharing Arrangements**

An Expense Sharing Agreement is in effect between New Mexico Property and Casualty Company and AR3, LLC dba Atlas Resources. The agreement was effective 10/01/08

New Mexico Property and Casualty Company entered into a MGA and Third Party Administrator agreement with NMPC MGA-TPA effective 09/01/2010.

**G. Nature of Relationships That Could Affect Operations**

See note 10 A, B and C

**H. Amount Deducted for Investment in Upstream Company**

None

**NOTES TO FINANCIAL STATEMENTS****I. Detail of Investments in Affiliates Greater Than 10% of Admitted Assets**

None

**J. Write Downs for Impairments of Investments in Subsidiaries, Controlled or Affiliated Companies**

None

**K. Investment in Foreign Insurance Subsidiary**

None

**L. Investment in downstream noninsurance holding company**

None

**M. SCA Investments**

None

**N. Investments in Insurance SCA**

None

**11. Debt**

None

**12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

None

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

The Company has 10,000,000 shares of common stock authorized of which 100,000 have been issued and outstanding as of June 30, 2019. The par value of the common stock is \$5.00 per share

The Company has no preferred stock outstanding

The maximum amount of dividends which can be paid to shareholders without prior approval of the New Mexico State Insurance Commissioner is subject to restrictions relating to statutory surplus. Statutory surplus as of June 30, 2019 was \$943,492. The Company is unable to pay any dividends at this time since there is no earned surplus.

There have been no Surplus Advances, Company Stock Held for Special Purposes, Changes in Special Surplus Funds, Changes in Unassigned Funds, Surplus Notes or Quasi-Reorganizations.

**14. Liabilities, Contingencies and Assessments**

None

**15. Leases**

There are no material lease obligations at this time.

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

None

NOTES TO FINANCIAL STATEMENTS

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

None

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

None

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

None

20. Fair Value Measurements

(1) Fair Value Measurements at Reporting Date

| Description                  | (Level 1)  | (Level 2) | (Level 3) | Total      |
|------------------------------|------------|-----------|-----------|------------|
| Assets at fair value         |            |           |           |            |
| Bonds                        |            |           |           |            |
| U.S. Governments             | \$ 409,643 | \$0       | \$0       | \$ 409,643 |
| Industrial and Miscellaneous | 315,241    | 0         | 0         | 315,241    |
| Separate account assets      | 0          | 0         | 0         | 0          |
| Total assets at fair value   | \$ 724,884 | \$0       | \$0       | \$724,884  |
| Liabilities at fair value    | \$0        | \$0       | \$0       | \$0        |

(2) Fair Value Measurements in Level 3

None

| (3)         | Aggregate  | Admitted  | (Level 1) | (Level 2) | (Level 3) | Not         |
|-------------|------------|-----------|-----------|-----------|-----------|-------------|
| Description | Fair Value | Assets    |           |           |           | Practicable |
| Bonds       | \$ 724,884 | \$724,884 | \$724,884 | \$0       | \$0       | \$0         |

(3) Not Practicable to Estimate Fair Value

None

21. Other Items

All figures within this statement have been rounded to the nearest dollar.

A. Unusual or Infrequent Items

Not Applicable

B. Troubled Debt Restructuring; Debtors

Not Applicable

C. Other Disclosures

The Company had no agent balances receivable at 6/30/2019 and 12/31/18.

Uncollectible Premium Receivable

At June 30, 2019, the Company had no admitted assets in premium receivables due from policyholders. The Company routinely assesses the collect-ability of the receivables and has written off amounts deemed uncollectible.

Non cash investing...

Not Applicable

D. Business Interruption Recoveries..

Not Applicable

NOTES TO FINANCIAL STATEMENTS

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

22. Events Subsequent

In our opinion there are no events subsequent to the close of the books which have a material effect on the financial condition of the Company.

23. Reinsurance

A. Unsecured Reinsurance Recoverable

None

B. Reinsurance Recoverable in Dispute

None

C. Reinsurance Assumed and Ceded

|               | Assumed<br>Reinsurance    |                             | Ceded<br>Reinsurance      |                             | Net                       |                             |
|---------------|---------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
|               | (1)<br>Premium<br>Reserve | (2)<br>Commission<br>Equity | (3)<br>Premium<br>Reserve | (4)<br>Commission<br>Equity | (5)<br>Premium<br>Reserve | (6)<br>Commission<br>Equity |
| i. Affiliates | \$ 0                      | \$0                         | \$0                       | \$0                         | \$0                       | \$0                         |
| ii. All Other | 0                         | 0                           | 0                         | 0                           | 0                         | 0                           |
| iii. Total    | \$ 0                      | \$ 0                        | \$ 0                      | \$0                         | \$0                       | \$0                         |

iv. Direct Unearned Premium Reserve \$0

New Mexico Property and Casualty has a reinsurance contract predicated on loss experience. In particular a sliding scale profit commission ranging from 24% with a 69% loss ratio to 40% with a 50% loss ratio is included with the 2008/2009 Quota Share Agreement. There is no contingent commission adjustment as of December 31, 2018 and December 31, 2017. The quota share agreement was terminated on June 30, 2009.

REINSURANCE

|                              | (1)<br>Direct | (2)<br>Assumed | (3)<br>Ceded | (4)<br>Net |
|------------------------------|---------------|----------------|--------------|------------|
| a. Contingent Commission     | \$0           | \$0            | \$0          | \$0        |
| b. Sliding Scale Adjustments | 0             | 0              | 0            | 0          |
| c. Other                     | 0             | 0              | 0            | 0          |
| d. Total                     | \$0           | \$0            | \$0          | \$0        |

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

None

**NOTES TO FINANCIAL STATEMENTS**

**F. Retroactive Reinsurance**

There were no retroactive reinsurance transactions during 2019.

**G. Reinsurance Accounted for as a Deposit**

None

**H. Disclosures for the Transfer of Property and Casualty Run – Off Agreements**

None

**I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation**

None

**J. Reinsurance Agreements Qualify for Reinsurer Aggregation**

None

**24. Retrospectively Rated Contract & Contracts Subject to Re-determination**

None

**25. Changes in Incurred Losses and Loss Adjustment Expenses**

The activity in the liability for unpaid claims and claim adjustment expenses is summarized as follows:

|                                            |                  |   |
|--------------------------------------------|------------------|---|
| Balance at January 1, 2019                 | \$213,479        |   |
| <u>Incurred</u>                            |                  |   |
| Current Year                               | 0                |   |
| Prior Year                                 | <u>62,176</u>    | - |
| Total Incurred                             | 62,176           |   |
| <u>Paid</u>                                |                  |   |
| Current Year                               | 0                |   |
| Prior Year                                 | <u>61,207</u>    |   |
| Total Paid                                 | 61,207           |   |
| Net Unpaid Losses and LAE at June 30, 2019 | <u>\$214,448</u> |   |

**26. Inter-company Pooling Arrangements**

None

**27. Structured Settlements**

None

**28. Health Care Receivables**

None

**29. Participating Policies**

None

**30. Premium Deficiency Reserves**

None

**NOTES TO FINANCIAL STATEMENTS**

---

**31. High Deductibles**

None

**32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses**

None

**33. Asbestos and Environmental Reserves**

None

**34. Subscriber Savings Accounts**

None

**35. Multiple Crop Insurance**

None

**36. Financial Guaranty Insurance**

None

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.

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

N/A

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 for the annual filing corresponding to this period.

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<br>Name of Entity | 2<br>NAIC Company Code | 3<br>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 ☐ N/A ☒

If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2012

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.

12/31/2012

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).

04/23/2013

6.4 By what department or departments?

New Mexico

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

Yes ☐ No ☐ N/A ☒

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

Yes ☐ No ☐ N/A ☒

GENERAL INTERROGATORIES

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information

.....

.....

.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

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

.....

.....

.....

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

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

| 1<br>Affiliate<br>Name | 2<br>Location<br>(City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|------------------------|--------------------------------|----------|----------|-----------|----------|
| .....                  | .....                          | .....    | .....    | .....     | .....    |
| .....                  | .....                          | .....    | .....    | .....     | .....    |

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

(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 [ ] No [X]

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 [ ] No [X]

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

GENERAL INTERROGATORIES

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes ☒ No ☐

11.2 If yes, give full and complete information relating thereto:  
Bonds held on deposit with State of New Mexico.  
.....  
.....  
.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ .....

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 ☐ No ☒

14.2 If yes, please complete the following:

|                                                                                                        | 1                                                 | 2                                                  |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------|
|                                                                                                        | Prior Year-End<br>Book/Adjusted<br>Carrying Value | Current Quarter<br>Book/Adjusted<br>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 .....                                                                                  | \$ .....                                          | \$ .....                                           |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates<br>(Subtotal Lines 14.21 to 14.26) ..... | \$ .....                                          | \$ .....                                           |
| 14.28 Total Investment in Parent included in Lines 14.21 to<br>14.26 above .....                       | \$ .....                                          | \$ .....                                           |

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes ☐ No ☒

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

16. For the reporting entity's security lending program, state the amount of the following as 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 \$ .....

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

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

| 1                         | 2                     |
|---------------------------|-----------------------|
| Name of Custodian(s)      | Custodian Address     |
| Bank of Albuquerque ..... | Albuquerque, NM ..... |
| .....                     | .....                 |

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       | 2           | 3                       |
|---------|-------------|-------------------------|
| Name(s) | Location(s) | Complete Explanation(s) |
| .....   | .....       | .....                   |
| .....   | .....       | .....                   |

GENERAL INTERROGATORIES

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<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
| .....              | .....              | .....               | .....       |
| .....              | .....              | .....               | .....       |

17.5 Investment management - Identify all investment advisors, investment managers, broker/dealers. Including individuals that have the authority to make investments 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<br>Name of Firm or Individual | 2<br>Affiliation |
|---------------------------------|------------------|
| .....                           | .....            |
| .....                           | .....            |

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

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

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

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

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

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

- a. Documentation necessary to permit a full credit analysis of the security does not exist.  
or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [ ] No [X]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

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

Has the reporting entity self-designated PLGI securities? Yes [ ] No [X]

**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?  
If yes, attach an explanation. Yes [ ☐ ] No [ ☒ ] N/A [ ☐ ]

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?  
If yes, attach an explanation. Yes [ ☐ ] No [ ☒ ]

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

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 [ ☒ ]

4.2 If yes, complete the following schedule:

| 1                | 2                | 3             | TOTAL DISCOUNT |            |       |       | DISCOUNT TAKEN DURING PERIOD |            |       |       |
|------------------|------------------|---------------|----------------|------------|-------|-------|------------------------------|------------|-------|-------|
|                  |                  |               | 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 [ ☒ ]

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 [ ☒ ]

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 [ ☐ ] 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 [ ☒ ]

**NONE      Schedule F**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN  
Current Year To Date - Allocated by States and Territories

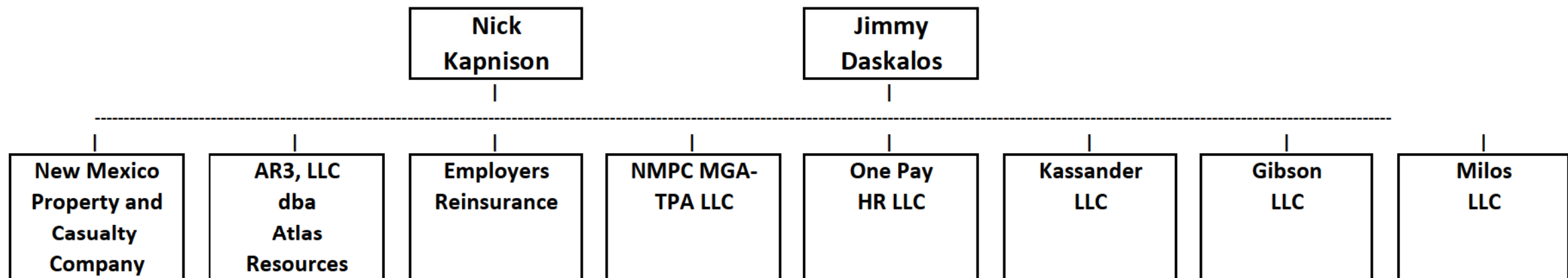
|                              |     |       | Direct Premiums Written |                    | Direct Losses Paid (Deducting Salvage) |                    | Direct Losses Unpaid |                    |
|------------------------------|-----|-------|-------------------------|--------------------|----------------------------------------|--------------------|----------------------|--------------------|
|                              |     |       | 2                       | 3                  | 4                                      | 5                  | 6                    | 7                  |
| States, Etc.                 |     |       | Current Year to Date    | Prior Year to Date | Current Year to Date                   | Prior Year to Date | Current Year to Date | Prior Year to Date |
| 1. Alabama                   | AL  | N     |                         |                    |                                        |                    |                      |                    |
| 2. Alaska                    | AK  | N     |                         |                    |                                        |                    |                      |                    |
| 3. Arizona                   | AZ  | N     |                         |                    |                                        |                    |                      |                    |
| 4. Arkansas                  | AR  | N     |                         |                    |                                        |                    |                      |                    |
| 5. California                | CA  | N     |                         |                    |                                        |                    |                      |                    |
| 6. Colorado                  | CO  | N     |                         |                    |                                        |                    |                      |                    |
| 7. Connecticut               | CT  | N     |                         |                    |                                        |                    |                      |                    |
| 8. Delaware                  | DE  | N     |                         |                    |                                        |                    |                      |                    |
| 9. District of Columbia      | DC  | N     |                         |                    |                                        |                    |                      |                    |
| 10. Florida                  | FL  | N     |                         |                    |                                        |                    |                      |                    |
| 11. Georgia                  | GA  | N     |                         |                    |                                        |                    |                      |                    |
| 12. Hawaii                   | HI  | N     |                         |                    |                                        |                    |                      |                    |
| 13. Idaho                    | ID  | N     |                         |                    |                                        |                    |                      |                    |
| 14. Illinois                 | IL  | N     |                         |                    |                                        |                    |                      |                    |
| 15. Indiana                  | IN  | N     |                         |                    |                                        |                    |                      |                    |
| 16. Iowa                     | IA  | N     |                         |                    |                                        |                    |                      |                    |
| 17. Kansas                   | KS  | N     |                         |                    |                                        |                    |                      |                    |
| 18. Kentucky                 | KY  | N     |                         |                    |                                        |                    |                      |                    |
| 19. Louisiana                | LA  | N     |                         |                    |                                        |                    |                      |                    |
| 20. Maine                    | ME  | N     |                         |                    |                                        |                    |                      |                    |
| 21. Maryland                 | MD  | N     |                         |                    |                                        |                    |                      |                    |
| 22. Massachusetts            | MA  | N     |                         |                    |                                        |                    |                      |                    |
| 23. Michigan                 | MI  | N     |                         |                    |                                        |                    |                      |                    |
| 24. Minnesota                | MN  | N     |                         |                    |                                        |                    |                      |                    |
| 25. Mississippi              | MS  | N     |                         |                    |                                        |                    |                      |                    |
| 26. Missouri                 | MO  | N     |                         |                    |                                        |                    |                      |                    |
| 27. Montana                  | MT  | N     |                         |                    |                                        |                    |                      |                    |
| 28. Nebraska                 | NE  | N     |                         |                    |                                        |                    |                      |                    |
| 29. Nevada                   | NV  | N     |                         |                    |                                        |                    |                      |                    |
| 30. New Hampshire            | NH  | N     |                         |                    |                                        |                    |                      |                    |
| 31. New Jersey               | NJ  | N     |                         |                    |                                        |                    |                      |                    |
| 32. New Mexico               | NM  | L     |                         |                    | 83,897                                 | 59,132             | 190,511              | 1,441,729          |
| 33. New York                 | NY  | N     |                         |                    |                                        |                    |                      |                    |
| 34. North Carolina           | NC  | N     |                         |                    |                                        |                    |                      |                    |
| 35. North Dakota             | ND  | N     |                         |                    |                                        |                    |                      |                    |
| 36. Ohio                     | OH  | N     |                         |                    |                                        |                    |                      |                    |
| 37. Oklahoma                 | OK  | N     |                         |                    |                                        |                    |                      |                    |
| 38. Oregon                   | OR  | N     |                         |                    |                                        |                    |                      |                    |
| 39. Pennsylvania             | PA  | N     |                         |                    |                                        |                    |                      |                    |
| 40. Rhode Island             | RI  | N     |                         |                    |                                        |                    |                      |                    |
| 41. South Carolina           | SC  | N     |                         |                    |                                        |                    |                      |                    |
| 42. South Dakota             | SD  | N     |                         |                    |                                        |                    |                      |                    |
| 43. Tennessee                | TN  | N     |                         |                    |                                        |                    |                      |                    |
| 44. Texas                    | TX  | N     |                         |                    |                                        |                    |                      |                    |
| 45. Utah                     | UT  | N     |                         |                    |                                        |                    |                      |                    |
| 46. Vermont                  | VT  | N     |                         |                    |                                        |                    |                      |                    |
| 47. Virginia                 | VA  | N     |                         |                    |                                        |                    |                      |                    |
| 48. Washington               | WA  | N     |                         |                    |                                        |                    |                      |                    |
| 49. West Virginia            | WV  | N     |                         |                    |                                        |                    |                      |                    |
| 50. Wisconsin                | WI  | N     |                         |                    |                                        |                    |                      |                    |
| 51. Wyoming                  | WY  | N     |                         |                    |                                        |                    |                      |                    |
| 52. American Samoa           | AS  | N     |                         |                    |                                        |                    |                      |                    |
| 53. Guam                     | GU  | N     |                         |                    |                                        |                    |                      |                    |
| 54. Puerto Rico              | PR  | N     |                         |                    |                                        |                    |                      |                    |
| 55. U.S. Virgin Islands      | VI  | N     |                         |                    |                                        |                    |                      |                    |
| 56. Northern Mariana Islands | MP  | N     |                         |                    |                                        |                    |                      |                    |
| 57. Canada                   | CAN | N     |                         |                    |                                        |                    |                      |                    |
| 58. Aggregate Other Alien    | OT  | X X X |                         |                    |                                        |                    |                      |                    |
| 59. Totals                   |     | X X X |                         |                    | 83,897                                 | 59,132             | 190,511              | 1,441,729          |

| DETAILS OF WRITE-INS |                                                               |       |      |  |  |  |  |
|----------------------|---------------------------------------------------------------|-------|------|--|--|--|--|
| 58001.               |                                                               | X X X | NONE |  |  |  |  |
| 58002.               |                                                               | X X X |      |  |  |  |  |
| 58003.               |                                                               | X X X |      |  |  |  |  |
| 58998.               | Summary of remaining write-ins for Line 58 from overflow page | X X X |      |  |  |  |  |
| 58999.               | Totals (Lines 58001 through 58003 plus 58998) (Line 58 above) | X X X |      |  |  |  |  |

|     |                                                                                                                            |    |
|-----|----------------------------------------------------------------------------------------------------------------------------|----|
| (a) | Active Status Counts                                                                                                       |    |
|     | L – Licensed or Chartered - Licensed insurance carrier or domiciled RRG                                                    | 1  |
|     | E – Eligible - Reporting entities eligible or approved to write surplus lines in the state                                 |    |
|     | D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile |    |
|     | R - Registered - Non-domiciled RRGs                                                                                        |    |
|     | Q - Qualified - Qualified or accredited reinsurer                                                                          |    |
|     | N – None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLII)        | 56 |

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

### PART 1 - ORGANIZATIONAL CHART



## SCHEDULE Y

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

[illegible]

| Asterik | Explanation |
|---------|-------------|
|         | NONE        |

PART 1 – LOSS EXPERIENCE

| Lines of Business                                       | Current Year to Date           |                                |                                | 4<br>Prior Year to Date<br>Direct Loss<br>Percentage |
|---------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------------------------------|
|                                                         | 1<br>Direct Premiums<br>Earned | 2<br>Direct Losses<br>Incurred | 3<br>Direct<br>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                               |                                | (1,108,022)                    |                                |                                                      |
| 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                                              |                                | (1,108,022)                    |                                |                                                      |

| DETAILS OF WRITE-INS                                                |      |  |  |  |
|---------------------------------------------------------------------|------|--|--|--|
| 3401.                                                               | NONE |  |  |  |
| 3402.                                                               |      |  |  |  |
| 3403.                                                               |      |  |  |  |
| 3498. Summary 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

| Lines of Business                                       | 1<br>Current<br>Quarter | 2<br>Current<br>Year to Date | 3<br>Prior Year<br>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                               |                         |                              |                                 |
| 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                                              |                         |                              |                                 |

| DETAILS OF WRITE-INS                                                |      |  |  |
|---------------------------------------------------------------------|------|--|--|
| 3401.                                                               | NONE |  |  |
| 3402.                                                               |      |  |  |
| 3403.                                                               |      |  |  |
| 3498. Summary of remaining write-ins for Line 34 from overflow page |      |  |  |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)          |      |  |  |

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<br>Losses<br>Occurred | Prior Year-End<br>Known Case<br>Loss and LAE<br>Reserves | Prior Year-End<br>IBNR<br>Loss and LAE<br>Reserves | Total<br>Prior Year-End<br>Loss and LAE<br>Reserves<br>(Cols. 1 + 2) | 2019 Loss and<br>LAE<br>Payments on<br>Claims Reported<br>as of Prior<br>Year-End | 2019 Loss and<br>LAE Payments<br>on Claims<br>Unreported<br>as of Prior<br>Year-End | Total 2019<br>Loss and LAE<br>Payments<br>(Cols 4 + 5) | Q.S. Date Known<br>Case Loss and<br>LAE Reserves on<br>Claims Reported<br>and Open as of<br>Prior Year-End | Q.S. Date Known<br>Case Loss and<br>LAE Reserves on<br>Claims Reported or<br>Reopened Subsequent<br>to Prior Year-End | Q.S. Date<br>IBNR<br>Loss & LAE<br>Reserves | Total Q.S.<br>Loss and LAE<br>Reserves<br>(Cols 7 + 8 + 9) | Prior Year-End<br>Known Case Loss<br>and LAE Reserves<br>Developed<br>(Savings)/Deficiency<br>(Cols. 4 + 7 - 1) | Prior Year-End<br>IBNR Loss and LAE<br>Reserves Developed<br>(Savings)/Deficiency<br>(Cols. 5 + 8 + 9 - 2) | Prior Year-End<br>Total Loss and LAE<br>Reserve Developed<br>(Savings)/Deficiency<br>(Cols. 11 + 12) |
| 1. 2016 + prior                      | 55                                                       | 158                                                | 213                                                                  |                                                                                   |                                                                                     |                                                        | 122                                                                                                        |                                                                                                                       | 92                                          | 214                                                        | 67                                                                                                              | (66)                                                                                                       | 1                                                                                                    |
| 2. 2017                              |                                                          |                                                    |                                                                      |                                                                                   |                                                                                     |                                                        |                                                                                                            |                                                                                                                       |                                             |                                                            |                                                                                                                 |                                                                                                            |                                                                                                      |
| 3. Subtotals 2017 + prior            | 55                                                       | 158                                                | 213                                                                  |                                                                                   |                                                                                     |                                                        | 122                                                                                                        |                                                                                                                       | 92                                          | 214                                                        | 67                                                                                                              | (66)                                                                                                       | 1                                                                                                    |
| 4. 2018                              |                                                          |                                                    |                                                                      |                                                                                   |                                                                                     |                                                        |                                                                                                            |                                                                                                                       |                                             |                                                            |                                                                                                                 |                                                                                                            |                                                                                                      |
| 5. Subtotals 2018 + prior            | 55                                                       | 158                                                | 213                                                                  |                                                                                   |                                                                                     |                                                        | 122                                                                                                        |                                                                                                                       | 92                                          | 214                                                        | 67                                                                                                              | (66)                                                                                                       | 1                                                                                                    |
| 6. 2019                              | X X X                                                    | X X X                                              | X X X                                                                | X X X                                                                             |                                                                                     |                                                        | X X X                                                                                                      |                                                                                                                       |                                             |                                                            | X X X                                                                                                           | X X X                                                                                                      | X X X                                                                                                |
| 7. Totals                            | 55                                                       | 158                                                | 213                                                                  |                                                                                   |                                                                                     |                                                        | 122                                                                                                        |                                                                                                                       | 92                                          | 214                                                        | 67                                                                                                              | (66)                                                                                                       | 1                                                                                                    |

8. Prior Year-End Surplus As

Regards Policyholders 943,962

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. 121.818 2. -41.772 3. 0.469

Col. 13, Line 7  
Line 8

4.

**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:**

- Question 1:

The Company does not write this line of business.
- Question 2:

The Company does not write this line of business.
- Question 3:

The Company does not write this line of business.
- Question 4:

The Company does not write this line of business.

**Bar Code:**



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**OVERFLOW PAGE FOR WRITE-INS**

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SCHEDULE A - VERIFICATION  
Real Estate

|                                                                                                    | 1<br>Year To Date | 2<br>Prior Year<br>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<br>Year To Date | 2<br>Prior Year<br>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<br>Year To Date | 2<br>Prior Year<br>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. Capitalized deferred interest and other                                                               |                   |                                      |
| 4. Accrual of discount                                                                                   |                   |                                      |
| 5. Unrealized valuation increase (decrease)                                                              |                   |                                      |
| 6. Total gain (loss) on disposals                                                                        |                   |                                      |
| 7. Deduct amounts received on disposals                                                                  |                   |                                      |
| 8. Deduct amortization of premium and depreciation                                                       |                   |                                      |
| 9. Total foreign exchange change in book/adjusted carrying value                                         |                   |                                      |
| 10. Deduct current year's other than temporary impairment recognized                                     |                   |                                      |
| 11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) |                   |                                      |
| 12. Deduct total nonadmitted amounts                                                                     |                   |                                      |
| 13. Statement value at end of current period (Line 11 minus Line 12)                                     |                   |                                      |

SCHEDULE D - VERIFICATION  
Bonds and Stocks

|                                                                                                          | 1<br>Year To Date | 2<br>Prior Year<br>Ended December 31 |
|----------------------------------------------------------------------------------------------------------|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year                           | 714,064           | 713,009                              |
| 2. Cost of bonds and stocks acquired                                                                     | 10,347            |                                      |
| 3. Accrual of discount                                                                                   | 473               | 1,055                                |
| 4. Unrealized valuation increase (decrease)                                                              |                   |                                      |
| 5. Total gain (loss) on disposals                                                                        |                   |                                      |
| 6. Deduct consideration for bonds and stocks disposed of                                                 |                   |                                      |
| 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. 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) | 724,884           | 714,064                              |
| 12. Deduct total nonadmitted amounts                                                                     |                   |                                      |
| 13. Statement value at end of current period (Line 11 minus Line 12)                                     | 724,884           | 714,064                              |

SCHEDULE D - PART 1B

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

|                                   | 1                                                                  | 2                                         | 3                                         | 4                                                 | 5                                                          | 6                                                           | 7                                                          | 8                                                            |
|-----------------------------------|--------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|---------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------|
| NAIC Designation                  | Book/Adjusted<br>Carrying Value<br>Beginning<br>of Current Quarter | Acquisitions<br>During Current<br>Quarter | Dispositions<br>During Current<br>Quarter | Non-Trading<br>Activity During<br>Current Quarter | Book/Adjusted<br>Carrying Value<br>End of<br>First Quarter | Book/Adjusted<br>Carrying Value<br>End of<br>Second Quarter | Book/Adjusted<br>Carrying Value<br>End of<br>Third Quarter | Book/Adjusted<br>Carrying Value<br>December 31<br>Prior Year |
| <b>BONDS</b>                      |                                                                    |                                           |                                           |                                                   |                                                            |                                                             |                                                            |                                                              |
| 1. NAIC 1 (a)                     | 721,634                                                            | 2,881                                     |                                           | 369                                               | 721,634                                                    | 724,884                                                     |                                                            | 714,064                                                      |
| 2. NAIC 2 (a)                     |                                                                    |                                           |                                           |                                                   |                                                            |                                                             |                                                            |                                                              |
| 3. NAIC 3 (a)                     |                                                                    |                                           |                                           |                                                   |                                                            |                                                             |                                                            |                                                              |
| 4. NAIC 4 (a)                     |                                                                    |                                           |                                           |                                                   |                                                            |                                                             |                                                            |                                                              |
| 5. NAIC 5 (a)                     |                                                                    |                                           |                                           |                                                   |                                                            |                                                             |                                                            |                                                              |
| 6. NAIC 6 (a)                     |                                                                    |                                           |                                           |                                                   |                                                            |                                                             |                                                            |                                                              |
| 7. Total Bonds                    | 721,634                                                            | 2,881                                     |                                           | 369                                               | 721,634                                                    | 724,884                                                     |                                                            | 714,064                                                      |
| <b>PREFERRED STOCK</b>            |                                                                    |                                           |                                           |                                                   |                                                            |                                                             |                                                            |                                                              |
| 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 | 721,634                                                            | 2,881                                     |                                           | 369                                               | 721,634                                                    | 724,884                                                     |                                                            | 714,064                                                      |

SI02

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

- NONE     Schedule DA - Part 1 and Verification**
- NONE     Schedule DB - Part A and B Verification**
- NONE     Schedule DB - Part C - Section 1**
- NONE     Schedule DB - Part C - Section 2**
- NONE     Schedule DB - Verification**
- NONE     Schedule E Verification**
- NONE     Schedule A - Part 2 and 3**
- NONE     Schedule B - Part 2 and 3**
- NONE     Schedule BA - Part 2 and 3**

### SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

[illegible]

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

- NONE     Schedule D - Part 4**
- NONE     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 DL - Part 1**
- NONE     Schedule DL - Part 2**



**NONE      Schedule E - Part 2**