

ANNUAL STATEMENT

OF THE

IRONSHORE SPECIALTY INSURANCE COMPANY

of SCOTTSDALE

STATE OF ARIZONA

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2018

PROPERTY AND CASUALTY

2018



25445201820100100

ANNUAL STATEMENT

For the Year Ended December 31, 2018
OF THE CONDITION AND AFFAIRS OF THE

Ironshore Specialty Insurance Company

NAIC Group Code 0111 0111 NAIC Company Code 25445 Employer's ID Number 94-1264187
Organized under the Laws of Arizona, State of Domicile or Port of Entry AZ
Country of Domicile United States of America
Incorporated/Organized October 2, 1952 Commenced Business February 25, 1953
Statutory Home Office 8601 N. Scottsdale Road, Ste. 300, Scottsdale, AZ, US 85253
Main Administrative Office 175 Berkeley Street, Boston, MA, US 02116
Mail Address 175 Berkeley Street, Boston, MA, US 02116
Primary Location of Books and Records 175 Berkeley Street, Boston, MA, US 02116
Internet Web Site Address www.ironshore.com
Statutory Statement Contact Lindsey Pendergast, Statutory.Compliance@LibertyMutual.com

OFFICERS

Chairman of the Board
Mark Charles Touhey #

Table with 3 columns: Name, Title, #. Includes Matthew Paul Dolan #, Mark Charles Touhey, and Laurance Henry Soyer Yahia.

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Includes Alison Brooke Erbig #, James Francis Kelleher #, Neeti Bhalla Johnson #, and Christopher Locke Peirce #.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Includes Matthew Paul Dolan #, James Michael MacPhee #, Mark Charles Touhey, Alison Brooke Erbig #, Sean Bulman McSweeney #, Michael Joseph Fallon #, Elizabeth Julia Morahan #, Julie Marie Haase #, and Francis William Robinson, Jr.

State of Massachusetts
County of Suffolk ss

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

(Signature) Matthew Paul Dolan# (Printed Name) 1. President and Chief Executive Officer (Title)
(Signature) Mark Charles Touhey (Printed Name) 2. Senior Vice President and Secretary (Title)
(Signature) Laurance Henry Soyer Yahia (Printed Name) 3. Senior Vice President and Treasurer (Title)

Subscribed and sworn to (or affirmed) before me this on this 15th day of January, 2019, by

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 Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	278,728,863		278,728,863	125,923,654
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	384,900		384,900	833,000
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
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 (\$ 508,084, Schedule E - Part 1), cash equivalents (\$ 44,938,011, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	45,446,096		45,446,096	89,123,755
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				212,999
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	324,559,859		324,559,859	216,093,408
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,422,650		1,422,650	89,030
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,330,173		2,330,173	
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	119,215,399		119,215,399	80,749,122
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				49,580,885
18.2 Net deferred tax asset	157,000		157,000	544,987
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	11,027,617		11,027,617	133,805,951
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	79,756,829		79,756,829	10,737,225
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	538,469,527		538,469,527	491,600,608
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	538,469,527		538,469,527	491,600,608

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 assets	79,756,829		79,756,829	10,737,225
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)	79,756,829		79,756,829	10,737,225

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Losses (Part 2A, Line 35, Column 8)		
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)		
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)		
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))	686,930	
7.2 Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 551,802,173 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)	95,112,919	25,471,535
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	5,843,519	5,433,528
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 3 Column 78)	7,862,886	5,130,172
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	189,540,010	157,715,254
20. Derivatives		
21. Payable for securities	6,000,933	3,182
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	5,170,902	610,942
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	310,218,099	194,364,613
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	310,218,099	194,364,613
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	4,100,000	4,100,000
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	217,121,292	287,121,292
35. Unassigned funds (surplus)	7,030,138	6,014,705
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) (Page 4, Line 39)	228,251,430	297,235,997
38. Totals (Page 2, Line 28, Col. 3)	538,469,529	491,600,610

DETAILS OF WRITE-IN LINES		
2501. Other Liabilities	5,170,902	610,942
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)	5,170,902	610,942
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1	2
	Current Year	Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)		53,614,803
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)		37,087,323
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)		13,200,342
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	(9,621)	28,089,258
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	(9,621)	78,376,923
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	9,621	(24,762,120)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	8,993,634	14,339,061
10. Net realized capital gains (losses) less capital gains tax of \$ (100,025) (Exhibit of Capital Gains (Losses))	(376,284)	11,203,296
11. Net investment gain (loss) (Lines 9 + 10)	8,617,350	25,542,357
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	2,883,188	(86,468,453)
15. Total other income (Lines 12 through 14)	2,883,188	(86,468,453)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	11,510,159	(85,688,216)
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)	11,510,159	(85,688,216)
19. Federal and foreign income taxes incurred	7,374,025	(56,224,545)
20. Net income (Line 18 minus Line 19) (to Line 22)	4,136,134	(29,463,671)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	297,235,999	349,315,084
22. Net income (from Line 20)	4,136,134	(29,463,671)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0		(14,923,233)
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(15,347,000)	(226,017)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	14,959,013	(4,798,850)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(2,732,714)	(2,995,598)
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	(70,000,000)	328,284
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 (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	(68,984,567)	(52,079,085)
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	228,251,432	297,235,999

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. Other Income (Expense)	2,883,188	(89,320,450)
1402. Deferred Fee Income		2,849,267
1403. Consulting Income		2,730
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	2,883,188	(86,468,453)
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

Cash from Operations	1 Current Year	2 Prior Year
1. Premiums collected net of reinsurance	65,904,206	(26,244,680)
2. Net investment income	8,316,851	15,362,773
3. Miscellaneous income	3,290,420	(84,180,244)
4. Total (Lines 1 through 3)	77,511,477	(95,062,151)
5. Benefit and loss related payments	38,466,277	2,989,667
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	(9,621)	41,894,823
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	(42,993,815)	(4,048,800)
10. Total (Lines 5 through 9)	(4,537,159)	40,835,690
11. Net cash from operations (Line 4 minus Line 10)	82,048,636	(135,897,841)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	118,180,115	315,319,919
12.2 Stocks	448,100	139,220,956
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	(1,224)	2,581
12.7 Miscellaneous proceeds	212,999	(212,999)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	118,839,990	454,330,457
13. Cost of investments acquired (long-term only):		
13.1 Bonds	152,686,568	83,398,538
13.2 Stocks		28,007,439
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	(5,997,751)	(3,182)
13.7 Total investments acquired (Lines 13.1 to 13.6)	146,688,817	111,402,795
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(27,848,827)	342,927,662
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	(70,000,000)	328,284
16.3 Borrowed funds		(100,073,195)
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(27,877,468)	(51,588,880)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(97,877,468)	(151,333,791)
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)	(43,677,659)	55,696,030
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	89,123,755	33,427,725
19.2 End of year (Line 18 plus Line 19.1)	45,446,096	89,123,755

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

20.0001	2 - Net Investment Income	106,944	
20.0002	12.1 - Proceeds from investments sold, matured or repaid - Bonds	48,838,546	1,139,170,686
20.0003	12.2 - Proceeds from investments sold, matured or repaid - Stocks		2,085,352
20.0004	13.1 - Cost of Investment Acquired - Bonds	168,065,141	784,425,091
20.0005	16.6 Other Cash Provided	119,119,651	356,830,947

NONE Underwriting and Investment Exhibit - Part 1

NONE Underwriting and Investment Exhibit - Part 1A

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B – PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non- Affiliates	4 To Affiliates	5 To Non- Affiliates	
1. Fire	157,094,624		94,431	134,559,744	22,629,311	
2. Allied lines	20,691,009		557,396	18,533,701	2,714,704	
3. Farmowners multiple peril						
4. Homeowners multiple peril	76,520,836			70,814,310	5,706,526	
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine	14,974		60,072	72,657	2,388	1
9. Inland marine	1,777,048			1,510,545	266,503	
10. Financial guaranty						
11.1 Medical professional liability--occurrence	9,551,460			9,533,543	17,917	
11.2 Medical professional liability--claims-made	79,337,991		38,000	70,881,889	8,494,101	1
12. Earthquake	13,076,787		5,555	11,229,349	1,852,993	
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability—occurrence	280,488,045		662,892	266,352,382	14,798,556	(1)
17.2 Other liability—claims-made	304,580,513		2,293,385	287,178,258	19,695,641	(1)
17.3 Excess workers' compensation						
18.1 Products liability—occurrence	252,592			250,471	2,121	
18.2 Products liability—claims-made	27,372,221			26,881,447	490,774	
19.1,19.2 Private passenger auto liability	19,972			8,971	11,001	
19.3,19.4 Commercial auto liability						
21. Auto physical damage	88,621			40,077	48,544	
22. Aircraft (all perils)	(130,362)		354	150,280	(280,289)	1
23. Fidelity						
24. Surety	1,958,899		1,622,673	1,570,584	2,010,988	
26. Burglary and theft	763,513			750,064	13,448	1
27. Boiler and machinery	1,376,231		1,745	1,189,035	188,941	
28. Credit	15,053,315		386,936	15,637,579	(197,328)	
29. International						
30. Warranty						
31. Reinsurance-nonproportional assumed property	X X X					
32. Reinsurance-nonproportional assumed liability	X X X					
33. Reinsurance-nonproportional assumed financial lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	989,888,289		5,723,439	917,144,886	78,466,840	2

DETAILS OF WRITE-IN LINES					
3401.					
3402.					
3403.					
3498. Sum of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

NONE

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$ 0

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ 0

UNDERWRITING AND INVESTMENT EXHIBIT PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	28,428,592		28,428,592					
2. Allied lines	79,284,774	2,608,872	81,893,646					
3. Farmowners multiple peril								
4. Homeowners multiple peril	91,295,357		91,295,357					
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
10. Financial guaranty								
11.1 Medical professional liability—occurrence	4,112,293		4,112,293					
11.2 Medical professional liability—claims-made	67,202,609		67,202,609					
12. Earthquake	3,116		3,116					
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability—occurrence	154,072,207	5,060,090	159,132,297					
17.2 Other liability—claims-made	97,818,582	3,982,245	101,800,827					
17.3 Excess workers' compensation								
18.1 Products liability—occurrence	(97,960)		(97,960)					
18.2 Products liability—claims-made	154,051		154,051					
19.1,19.2 Private passenger auto liability	65,000		65,000					
19.3,19.4 Commercial auto liability								
21. Auto physical damage	53,603		53,603					
22. Aircraft (all perils)	10,878,184	29,124	10,907,308					
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery	173,350		173,350					
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-nonproportional assumed property	X X X							
32. Reinsurance-nonproportional assumed liability	X X X							
33. Reinsurance-nonproportional assumed financial lines	X X X							
34. Aggregate write-ins for other lines of business								
35. TOTALS	533,443,758	11,680,331	545,124,089					

DETAILS OF WRITE-IN LINES							
3401.							
3402.							
3403.							
3498. Sum of remaining write-ins for Line 34 from overflow page							
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)							

NONE

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	25,829,173		25,829,173		22,988,413	3,728	22,992,141		
2. Allied lines	118,320,305	607,814	118,928,119		64,374,277	186,852	64,561,129		
3. Farmowners multiple peril									
4. Homeowners multiple peril	32,581,766		32,581,766		37,584,594		37,584,594		
5. Commercial multiple peril	372,014		372,014		(364,268)		(364,268)		
6. Mortgage guaranty									
8. Ocean marine					1,519	1,748	3,267		
9. Inland marine					(2,822)		(2,822)		
10. Financial guaranty									
11.1 Medical professional liability—occurrence	8,354,227		8,354,227		9,171,375		9,171,375		
11.2 Medical professional liability—claims-made	114,877,581		114,877,581		108,519,331	412,558	108,931,889		
12. Earthquake	8,005		8,005		1,435,090	219	1,435,309		
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability—occurrence	184,486,952	1,412,634	185,899,586		783,417,050	7,647,865	791,064,914	1	
17.2 Other liability—claims-made	151,169,835	11,715,815	162,885,650		513,991,279	11,772,766	525,764,045		
17.3 Excess workers' compensation									
18.1 Products liability—occurrence	1,059,016		1,059,016		15,398,153	114,882	15,513,035		
18.2 Products liability—claims-made	3,203,638		3,203,638		54,864,970	271	54,865,241		
19.1,19.2 Private passenger auto liability					15,338		15,338		
19.3,19.4 Commercial auto liability	(3)		(3)						
21. Auto physical damage	3,262		3,262		67,694		67,694		
22. Aircraft (all perils)	18,921,594	56,354	18,977,948		1,150,738	2,357	1,153,095		
23. Fidelity						8	8		
24. Surety	388,309	97,077	485,384	2	977,811	1,196,444	2,174,257		
26. Burglary and theft					1,217,841	10,474	1,228,315		
27. Boiler and machinery	13,000		13,000		156,474	41	156,515		
28. Credit	(963,960)		(963,960)		6,325,521	961,982	7,287,502	1	
29. International									
30. Warranty									
31. Reinsurance-nonproportional assumed property	X X X				X X X				
32. Reinsurance-nonproportional assumed liability	X X X				X X X				
33. Reinsurance-nonproportional assumed financial lines	X X X				X X X				
34. Aggregate write-ins for other lines of business	1,900	(1,714)	186						
35. TOTALS	658,626,614	13,887,980	672,514,592	2	1,621,290,378	22,312,195	1,643,602,573	2	

DETAILS OF WRITE-IN LINES									
3401. Other	1,900	(1,714)	186						
3402.									
3403.									
3498. Sum of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	1,900	(1,714)	186						

(a) Including \$ 0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	122,511,861			122,511,861
1.2 Reinsurance assumed	(94,613)			(94,613)
1.3 Reinsurance ceded	122,417,248			122,417,248
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)				
2. Commission and brokerage:				
2.1 Direct, excluding contingent		134,215,899		134,215,899
2.2 Reinsurance assumed, excluding contingent		887,669		887,669
2.3 Reinsurance ceded, excluding contingent		135,103,568		135,103,568
2.4 Contingent—direct		(1,570,837)		(1,570,837)
2.5 Contingent—reinsurance assumed				
2.6 Contingent—reinsurance ceded		(1,570,837)		(1,570,837)
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)				
3. Allowances to manager and agents				
4. Advertising			234	234
5. Boards, bureaus and associations			129	129
6. Surveys and underwriting reports			135	135
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries			203,262	203,262
8.2 Payroll taxes			8,384	8,384
9. Employee relations and welfare			22,930	22,930
10. Insurance			12,990	12,990
11. Directors' fees			(6)	(6)
12. Travel and travel items			5,843	5,843
13. Rent and rent items			11,853	11,853
14. Equipment			37,463	37,463
15. Cost or depreciation of EDP equipment and software			11,268	11,268
16. Printing and stationery			520	520
17. Postage, telephone and telegraph, exchange and express			4,049	4,049
18. Legal and auditing			10,398	10,398
19. Totals (Lines 3 to 18)			329,452	329,452
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 0				
20.2 Insurance department licenses and fees				
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)		(12,006)		(12,006)
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		(12,006)		(12,006)
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses		2,385	39,419	41,804
25. Total expenses incurred		(9,621)	368,871	(a) 359,250
26. Less unpaid expenses—current year	5,137			5,137
27. Add unpaid expenses—prior year	5,137			5,137
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)		(9,621)	368,871	359,250

DETAILS OF WRITE-IN LINES				
2401. Other expenses		2,385	39,419	41,804
2402.				
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)		2,385	39,419	41,804

(a) Includes management fees of \$ 0 to affiliates and \$ 0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 1,133,788	1,149,274
1.1 Bonds exempt from U.S. tax	(a) 33,902	74,041
1.2 Other bonds (unaffiliated)	(a) 5,712,034	6,603,906
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	87,620	87,620
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 1,134,724	1,209,818
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	237,846	237,846
10. Total gross investment income	8,339,914	9,362,505
11. Investment expenses		(g) 368,871
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		368,871
17. Net investment income (Line 10 minus Line 16)		8,993,634

DETAILS OF WRITE-IN LINES			
0901. Miscellaneous Income/(Expense)		237,846	237,846
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)		237,846	237,846
1501.	NONE		
1502.			
1503.			
1598. Summary of remaining write-ins for Line 15 from overflow page			
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)			

- (a) Includes \$ 352,609 accrual of discount less \$ 805,361 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 3,037 amortization of premium and less \$ 43,039 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	300,626		300,626		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	(775,710)		(775,710)		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	(1,224)		(1,224)		
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	(476,308)		(476,308)		

DETAILS OF WRITE-IN LINES					
0901.	NONE				
0902.					
0903.					
0998. Summary of remaining write-ins for Line 09 from overflow page					
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)					

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First lines			
3.2 Other than first lines			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
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			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset		14,959,013	14,959,013
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care 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)		14,959,013	14,959,013
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)		14,959,013	14,959,013

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.			
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)			

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of Ironshore Specialty Insurance Company (the “Company”) have been prepared in conformity with accounting practices prescribed or permitted by the State of Arizona Department of Insurance (the “Department”).

The Department recognizes only accounting practices prescribed or permitted by the State of Arizona for determining and reporting the financial condition and results of operations of an insurance company and for determining solvency under the Arizona Insurance Law. The National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures Manual (“NAIC SAP”), has been adopted as a component of prescribed or permitted practices by the State of Arizona, with a few exceptions that do not impact the Company.

There are no reconciling differences for the Company’s net income and capital and surplus, between the NAIC SAP and the practices prescribed and permitted by the State of Arizona.

NET INCOME

	SSAP #	F/S Page	F/S Line #	2018	2017
1. Ironshore Specialty Insurance Company state basis (Page 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$ 4,136,136	\$ (29,463,671)
2. State Prescribed Practices that increase/(decrease) NAIC SAP: NONE .....	.....	.....	.....	\$ -	\$ -
3. State Permitted Practices that increase/(decrease) NAIC SAP: NONE.....	.....	.....	.....	.....	.....
4. NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 4,136,136	\$ (29,463,671)
SURPLUS					
5. Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 228,251,430	\$ 297,235,997
6. State Prescribed Practices that increase/(decrease) NAIC SAP: NONE.....	.....	.....	.....	.....	.....
7. State Permitted Practices that increase/(decrease) NAIC SAP: NONE.....	.....	.....	.....	.....	.....
8. NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 228,251,430	\$ 297,235,997

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

C. Accounting Policies

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

In addition, the Company applies the following accounting policies, where applicable:

1. Short term investments are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the Purposes and Procedures Manual of the NAIC Investment Analysis Office (SVO Manual).
2. Bonds are carried at cost, adjusted where appropriate for amortization of premium or discount, or fair value as specified by the SVO Manual.
3. Common stocks are carried at fair value, except that investments in stocks of subsidiaries, controlled and affiliated (“SCA”) companies are carried according to Note 1C(7).
4. Preferred stocks are carried at cost or fair value as specified by the SVO Manual. Preferred stocks of SCA companies are carried according to Note 1C(7).
5. Mortgage loans are carried at unpaid principal balances, less impairments as specified by the SVO Manual.
6. Mortgage backed/asset backed securities are carried at amortized cost or fair value based on guidance in the SVO Manual. Prepayment assumptions for mortgage backed/asset backed securities are based on market expectations. The retrospective adjustment method is used to value all mortgage backed/asset backed securities.
7. Investments in SCA companies are carried in accordance with SSAP No. 97, *Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88*, and the SVO Manual.
8. Investments in joint ventures, partnerships, and limited liability companies are carried in accordance with SSAP No. 48, *Joint Ventures, Partnerships and Limited Liability Companies*, and the SVO Manual.
9. Derivative Securities, refer to Note 8.
10. Investment income is anticipated as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, *Property Casualty Contracts - Premiums*. Refer to Note 30.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and an amount, based on past experience, for losses and loss adjustment expenses incurred but not reported. Such liabilities are necessarily 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 liability, are continually reviewed and follow current standards of practice. Any adjustments to the liability are reflected in the period that they are determined.
12. The Company did not change its capitalization policy in 2018.
13. The Company has no pharmaceutical rebate receivables.

D. Going Concern

The Company is not aware of any conditions that would impact its ability to continue as a going concern.

Note 2 – Accounting Changes and Corrections of Errors

There were no material changes in accounting principles and/or correction of errors.

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

The Company did not enter into any statutory purchases during the year.

B. Statutory Mergers

The Company did not enter into any statutory mergers during the year.

C. Impairment Loss

The Company did not recognize an impairment loss during the period.

Note 4 – Discontinued Operations

The Company has no discontinued operations.

Note 5 - Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

B. Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

NOTES TO FINANCIAL STATEMENTS

D. Loan Backed Securities

1. Prepayment speed assumptions are updated monthly with data sourced from the Bloomberg data service.
2. All Loan Backed Securities with a recognized other-than-temporary impairment disclosed in the aggregate as of December 31, 2018: None
3. Each Loan Backed Security with a recognized other-than-temporary impairment held by the company at December 31, 2018: None
4. All impaired Loan Backed Securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss as of December 30, 2018:
 - a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$ (205,336)
2. 12 Months or Longer	\$ (1,999,488)
 - b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	\$ 10,550,996
2. 12 Months or Longer	\$ 89,721,771
5. The Company reviews fixed income securities for impairment on a quarterly basis. Securities are reviewed for both quantitative and qualitative considerations including, but not limited to: (a) the extent of the decline in fair value below book value, (b) the duration of the decline, (c) significant adverse changes in the financial condition or near term prospects of the investment or issuer, (d) significant change in the business climate or credit ratings of the issuer, (e) general market conditions and volatility, (f) industry factors, and (g) the past impairment of the security holding or the issuer. If the Company believes a decline in the value of a particular investment is temporary, the decline is recorded as an unrealized loss in policyholders' equity. If the decline is believed to be "other-than-temporary," and the Company believes it will not be able to collect all cash flows due on its fixed income securities, then the carrying value of the investment is written down to the expected cash flow amount and a realized loss is recorded as a credit impairment.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

1. The Company has not entered into any repurchase agreements during the year. Refer to Note 17B for the policy on requiring collateral for securities lending.
2. The Company has not pledged any of its assets as collateral as of December 31, 2018.
3. Collateral Received

Not applicable.
4. Securities Lending Transactions Administered by an Affiliated Agent

The Company's security lending transactions are not administered by an affiliate agent.
5. Collateral Reinvestment

Not applicable.
6. The Company has not accepted collateral that it is not permitted by contract or custom to sell or re-pledge.
7. The Company has not accepted collateral that extends beyond one year from the reporting date for securities lending transactions.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable.

H. Repurchase Agreements Transactions Accounted for as a Sale

Not applicable.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not applicable.

J. Real Estate

The Company does not hold any investments in real estate.

K. Investments in Low-Income Housing Tax Credits ("LIHTC")

The Company does not hold investments in low-income housing tax credits.

L. Restricted Assets

1. Restricted Assets (Included Pledge)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year						
	1	2	3	4	5	6	7
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Collateral held under security lending agreements	-	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-
e. Subjects to dollar repurchase agreements	-	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-	-
i. FHLB capital stock	384,900	-	-	-	384,900	833,000	(448,100)
j. On deposit with states	6,388,387	-	-	-	6,388,387	6,290,941	97,446
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	41,432,793	-	-	-	41,432,793	40,113,050	1,319,743
n. Other restricted assets	-	-	-	-	-	-	-
o. Total Restricted Assets	\$ 48,206,080	\$ -	\$ -	\$ -	\$ 48,206,080	\$ 47,236,991	\$ 969,089

(a) Subset of column 1

(b) Subset of column 3

Restricted Asset Category	8	9	Percentage	
			10	11
	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	-	-	0%	0%
b. Collateral held under security lending agreements	-	-	0%	0%
c. Subject to repurchase agreements	-	-	0%	0%
d. Subject to reverse repurchase agreements	-	-	0%	0%
e. Subjects to dollar repurchase agreements	-	-	0%	0%
f. Subject to dollar reverse repurchase agreements	-	-	0%	0%
g. Placed under option contracts	-	-	0%	0%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	0%	0%
i. FHLB capital stock	-	384,900	0.07%	0.07%
j. On deposit with states	-	6,388,387	1.19%	1.19%
k. On deposit with other regulatory bodies	-	-	0.00%	0.00%
l. Pledged collateral to FHLB (including assets backing funding agreements)	-	-	0.00%	0.00%
m. Pledged as collateral not captured in other categories	-	41,432,793	7.69%	7.69%
n. Other restricted assets	-	-	0.00%	0.00%
o. Total Restricted Assets	\$ -	\$ 48,206,080	8.95%	8.95%

(c) Column 5 divided by Asset Page, Column 1, Line 28

(d) Column 9 divided by Asset Page, Column 3, Line 28

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are reported in the Aggregate)

Not applicable.

NOTES TO FINANCIAL STATEMENTS

3. Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Not applicable.

4. Collateral Received and Reflected as Assets within the Reporting Entity's Financial Statements

Not applicable.

M. Working Capital Finance Investments

The Company does not invest in working capital finance investments.

N. Offsetting and Netting of Assets and Liabilities

Not applicable.

O. Structured Notes

Not applicable.

P. 5* Securities

Not applicable.

Q. Short Sales

Not applicable.

R. Prepayment Penalty and Acceleration Fees

	General Account Protected Cell	
	1	-
Number of CUSIPs	25,670	-
Aggregate Amount of Investment Income		-

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in joint ventures, partnerships and limited liability companies that exceed 10% of its admitted assets

The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of its admitted assets.

B. Impairments on joint ventures, partnerships or limited liability companies

The Company does not own any investments in joint ventures, partnerships, and limited liability companies.

Note 7 - Investment Income

A. Accrued Investment Income

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

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2018.

Note 8 - Derivative Instruments

The Company's investment activities do not include derivatives. However, the Company may acquire derivatives as additions to bond, common stock, or preferred stock investments. These derivatives are ancillary to the overall investment and are immaterial to the underlying investment portfolio.

Note 9 - Income Taxes

On December 22, 2017, the President signed into law the "Tax Cuts and Jobs Act," which among other items reduces the federal corporate tax rate to 21% effective January 1, 2018. As a result, the Company revalued its ending gross deferred tax assets and liabilities at 21%, the impact of which is recognized in surplus.

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

1.

	12/31/2018		
	(1)	(2)	(3)
	Ordinary	Capital	Total (Col 1+2)
(a) Gross Deferred Tax Assets	\$ 574,000	\$ 75,000	\$ 649,000
(b) Statutory Valuation Allowance Adjustments	\$ -	\$ -	\$ -
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 574,000	\$ 75,000	\$ 649,000
(d) Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 574,000	\$ 75,000	\$ 649,000
(f) Deferred Tax Liabilities	\$ 261,000	\$ 231,000	\$ 492,000
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 313,000	\$ (156,000)	\$ 157,000

	12/31/2017		
	(1)	(2)	(3)
	Ordinary	Capital	Total (Col 1+2)
(a) Gross Deferred Tax Assets	\$ 18,143,000	\$ 775,000	\$ 18,918,000
(b) Statutory Valuation Allowance Adjustments	\$ -	\$ -	\$ -
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 18,143,000	\$ 775,000	\$ 18,918,000
(d) Deferred Tax Assets Nonadmitted	\$ 14,959,013	\$ -	\$ 14,959,013
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 3,183,987	\$ 775,000	\$ 3,958,987
(f) Deferred Tax Liabilities	\$ 45,000	\$ 3,369,000	\$ 3,414,000
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 3,138,987	\$ (2,594,000)	\$ 544,987

	Change		
	(7)	(8)	(9)
	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$(17,569,000)	\$ (700,000)	\$ (18,269,000)
(b) Statutory Valuation Allowance Adjustments	\$ -	\$ -	\$ -
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$(17,569,000)	\$ (700,000)	\$ (18,269,000)
(d) Deferred Tax Assets Nonadmitted	\$(14,959,013)	\$ -	\$ (14,959,013)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ (2,609,987)	\$ (700,000)	\$ (3,309,987)
(f) Deferred Tax Liabilities	\$ 216,000	\$ (3,138,000)	\$ (2,922,000)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ (2,825,987)	\$ (2,438,000)	\$ (387,987)

2.

	12/31/2018		
	(1)	(2)	(3)
	Ordinary	Capital	Total (Col 1+2)
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 374,837	\$ -	\$ 374,837
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ 374,837	\$ -	\$ 374,837
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$ -	\$ -	\$ 35,508,105
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 199,163	\$ 75,000	\$ 274,163
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$ 574,000	\$ 75,000	\$ 649,000

NOTES TO FINANCIAL STATEMENTS

	12/31/2017		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 544,987	\$ -	\$ 544,987
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ 544,987	\$ -	\$ 544,987
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$ -	\$ -	\$ 37,835,056
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 45,000	\$ 3,369,000	\$ 3,414,000
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$ 589,987	\$ 3,369,000	\$ 3,958,987

	Change		
	(7) Ordinary	(8) Capital	(9) (Col 7+8) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)	\$ (170,150)	\$ -	\$ (170,150)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ (170,150)	\$ -	\$ (170,150)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$ -	\$ -	\$ (2,326,951)
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 154,163	\$ (3,294,000)	\$ (3,139,837)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.			
Total (2(a) + 2(b) + 2(c))	\$ (15,987)	\$ (3,294,000)	\$ (3,309,987)

	2018	2017
(a) Ratio Percentage Used to Determine Recovery Period And Threshold Limitation Amount	989.3%	562.1%
(b) Amount of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above	\$ 228,094,430	\$ 296,691,010

	12/31/2018		12/31/2017		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) Ordinary	(6) Capital
Impact of Tax-Planning Strategies						
(a) Determination of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage						
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 574,000	\$ 75,000	\$ 18,143,000	\$ 775,000	\$ (17,569,000)	\$ (700,000)
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0%	0%	0%	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 574,000	\$ 75,000	\$ 3,183,987	\$ 775,000	\$ (2,609,987)	\$ (700,000)
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0%	0%	0%	0%	0%	0%

(b) Does the Company's tax-planning strategies include the use of Reinsurance: Yes No

B. The Company does not have any DTLs described in SSAP No. 101 Income Taxes, a Replacement of SSAP No. 10R and SSAP No. 10, paragraph 23.

NOTES TO FINANCIAL STATEMENTS

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

	(1)	(2)	(3)
	12/31/2018	12/31/2017	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 7,374,025	\$ (56,224,545)	\$ 63,598,570
(b) Foreign	\$ -	\$ -	\$ -
(c) Subtotal	\$ 7,374,025	\$ (56,224,545)	\$ 63,598,570
(d) Federal income tax on net capital gains	\$ (100,025)	\$ 6,032,545	\$ (6,132,570)
(e) Utilization of capital loss carry-forwards	\$ -	\$ -	\$ -
(f) Other	\$ -	\$ -	\$ -
(g) Federal and foreign income tax incurred	\$ 7,274,000	\$ (50,192,000)	\$ 57,466,000
2. Deferred Tax Assets:	\$ -	\$ -	\$ -
(a) Ordinary	\$ -	\$ -	\$ -
(1) Discounting of unpaid losses	\$ -	\$ -	\$ -
(2) Unearned premium reserve	\$ -	\$ -	\$ -
(3) Policyholder reserves	\$ -	\$ -	\$ -
(4) Investments	\$ -	\$ 225,000	\$ (225,000)
(5) Deferred acquisition costs	\$ -	\$ -	\$ -
(6) Policyholder dividends accrual	\$ -	\$ -	\$ -
(7) Fixed Assets	\$ -	\$ -	\$ -
(8) Compensation and benefits accrual	\$ -	\$ -	\$ -
(9) Pension accrual	\$ -	\$ -	\$ -
(10) Receivables – nonadmitted	\$ -	\$ -	\$ -
(11) Net operating loss carry-forward	\$ -	\$ 17,143,000	\$ (17,143,000)
(12) Tax credit carry-forward	\$ -	\$ -	\$ -
(13) Other (including items <5% of total ordinary tax assets)	\$ 574,000	\$ 775,000	\$ (201,000)
(99) Subtotal	\$ 574,000	\$ 18,143,000	\$ (17,569,000)
(b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(c) Nonadmitted	\$ -	\$ 14,959,013	\$ (14,959,013)
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	\$ 574,000	\$ 3,183,987	\$ (2,609,987)
(e) Capital			\$ -
(1) Investments	\$ 75,000	\$ 775,000	\$ (700,000)
(2) Net capital loss carry-forward	\$ -	\$ -	\$ -
(3) Real estate	\$ -	\$ -	\$ -
(4) Other (including items <5% of total capital tax assets)	\$ -	\$ -	\$ -
(99) Subtotal	\$ 75,000	\$ 775,000	\$ (700,000)
(f) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(g) Nonadmitted	\$ -	\$ -	\$ -
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	\$ 75,000	\$ 775,000	\$ (700,000)
(i) Admitted deferred tax assets (2d + 2h)	\$ 649,000	\$ 3,958,987	\$ (3,309,987)
3. Deferred Tax Liabilities:	\$ -	\$ -	\$ -
(a) Ordinary	\$ -	\$ -	\$ -
(1) Investments	\$ 220,000	\$ -	\$ 220,000
(2) Fixed assets	\$ -	\$ -	\$ -
(3) Deferred and uncollected premium	\$ -	\$ -	\$ -
(4) Policyholder reserves	\$ -	\$ -	\$ -
(5) Other (including items <5% of total ordinary tax liabilities)	\$ 41,000	\$ 45,000	\$ (4,000)
(99) Subtotal	\$ 261,000	\$ 45,000	\$ 216,000
(b) Capital:	\$ -	\$ -	\$ -
(1) Investments	\$ 231,000	\$ 3,369,000	\$ (3,138,000)
(2) Real estate	\$ -	\$ -	\$ -
(3) Other (including items <5% of total capital tax liabilities)	\$ -	\$ -	\$ -
(99) Subtotal	\$ 231,000	\$ 3,369,000	\$ (3,138,000)
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 492,000	\$ 3,414,000	\$ (2,922,000)
4. Net deferred tax assets/liabilities (2i – 3c)	\$ 157,000	\$ 544,987	\$ (387,987)

D. Effective tax rates differ from the current statutory rate of 21% principally due to the effects of utilization of prior year net operating losses, amortization, deferred intercompany transactions, and revisions to prior year estimates.

E. The Company has no net operating loss or tax credit carry-forwards available to offset future net income subject to Federal income tax.

The amount of Federal income taxes incurred and available for recoupment in the event of future losses are none from the current year and none from the preceding year.

The Company does not have deposits admitted under Section 6603 of the Internal Revenue Code.

F. The Company's Federal income tax return is consolidated with the following entities:

All Set Works, Inc.	Liberty Mutual Insurance Company
AMBCO Capital Corporation	Liberty Mutual Personal Insurance Company
America First Insurance Company	Liberty Mutual Technology Group, Inc.
America First Lloyd's Insurance Company	Liberty Northwest Insurance Corporation
American Economy Insurance Company	Liberty Personal Insurance Company
American Fire and Casualty Company	Liberty RE (Bermuda) Limited
American States Insurance Company	Liberty Sponsored Insurance (Vermont), Inc.
American States Insurance Company of Texas	Liberty Surplus Insurance Corporation
American States Lloyds Insurance Company	LIH-RE of America Corporation
American States Preferred Insurance Company	LJU Specialty Insurance Agency Inc.
Berkeley Holding Company Associates, Inc.	LM General Insurance Company
Berkeley Management Corporation	LM Insurance Corporation
Capitol Court Corporation	LM Property and Casualty Insurance Company
Colorado Casualty Insurance Company	LMHC Massachusetts Holdings Inc.
Consolidated Insurance Company	Managed Care Associates Inc.
Diversified Settlements, Inc.	Mid-American Fire & Casualty Company
Emerald City Insurance Agency, Inc.	North Pacific Insurance Company
Employers Insurance Company of Wausau	Ocasco Budget, Inc.
Excelsior Insurance Company	OCI Printing, Inc.
Excess Risk Reinsurance Inc.	Ohio Casualty Corporation
F.B. Beattie & Co., Inc.	Ohio Security Insurance Company
First National Insurance Company of America	Open Seas Solutions, Inc.
First State Agency Inc.	Oregon Automobile Insurance Company
General America Corporation	Peerless Indemnity Insurance Company
General America Corporation of Texas	Peerless Insurance Company
General Insurance Company of America	Pilot Insurance Services, Inc.
Golden Eagle Insurance Corporation	Rianco Research Corporation
Gulf States AIF, Inc.	S.C. Bellevue, Inc.
Hawkeye-Security Insurance Company	SAFECARE Company, Inc.
Indiana Insurance Company	Safeco Corporation
Insurance Company of Illinois	Safeco General Agency, Inc.
Ironshore Holdings (US) Inc.	Safeco Insurance Company of America
Ironshore Indemnity Inc.	Safeco Insurance Company of Illinois
Liberty Specialty Markets Bermuda Limited	Safeco Insurance Company of Indiana
Liberty Management Inc.	Safeco Insurance Company of Oregon
Ironshore Services Inc.	Safeco Lloyds Insurance Company
Ironshore Specialty Insurance Company	Safeco National Insurance Company
Ironshore Surety Holdings Inc.	Safeco Properties, Inc.
LEXCO Limited	Safeco Surplus Lines Insurance Company
Liberty-USA Corporation	San Diego Insurance Company
Liberty Energy Canada, Inc.	SCIT, Inc.
Liberty Financial Services, Inc.	St. James Insurance Company Ltd.
Liberty Hospitality Group, Inc.	
Liberty Insurance Corporation	

NOTES TO FINANCIAL STATEMENTS

Liberty Insurance Holdings, Inc. Liberty Insurance Underwriters Inc. Liberty International Europe Inc. Liberty International Holdings Inc. Liberty Life Holdings Inc. Liberty Lloyds of Texas Insurance Company Liberty Management Services, Inc. Liberty Mexico Holdings Inc. Liberty Mutual Agency Corporation Liberty Mutual Fire Insurance Company Liberty Mutual Group Asset Management Inc. Liberty Mutual Group Inc. Liberty Mutual Holding Company Inc	The First Liberty Insurance Corporation The Midwestern Indemnity Company The National Corporation The Netherlands Insurance Company The Ohio Casualty Insurance Company Wausau Business Insurance Company Wausau General Insurance Company Wausau Underwriters Insurance Company West American Insurance Company Winmar Company, Inc. Winmar of the Desert, Inc. Winmar Oregon, Inc. Winmar-Metro, Inc.
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The method of federal income tax allocation is subject to a written agreement. Allocation is based upon separate return calculations with credit applied for losses as appropriate. The Company has the enforceable right to recoup prior year payments in the event of future losses.

- G. The Company does not expect the Federal and Foreign income tax loss contingencies, as determined in accordance with SSAP No. 5R, Liabilities, Contingencies and Impairments of Assets, with the modifications provided in SSAP No. 101, Income Taxes – A Replacement of SSAP No. 10R and SSAP No. 10, to significantly increase within twelve months of the reporting date.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates, and Other Related Parties

- A. All of the outstanding shares of capital stock of the Company are held by Ironshore Holdings (U.S.) Inc. (“IHUS”) a holding company incorporated in Delaware. IHUS is wholly owned by Liberty Mutual Insurance Company (“LMIC”), a Massachusetts insurance company. The ultimate parent of LMIC is Liberty Mutual Holding Company Inc. a Massachusetts company.
- B. Transactions between the Company and its affiliates are listed on Schedule Y Part 2.
- C. There have been no material transactions with the Company’s affiliates during 2018.
- D. At December 31, 2018, the Company reported a net \$178,512,393 due to affiliates. In general, the terms of the intercompany arrangements require settlement at least quarterly.
- E. The Company has not made any guarantees or initiated any undertakings for the benefit of affiliates which result in a material contingent exposure of the Company’s or affiliates’ assets or liabilities.
- F. Refer to Note 26 for information regarding the Inter-Company Reinsurance Agreement.

The Company is a party to a management services agreement (the “Agreement”) with Liberty Mutual Insurance Company (“LMIC”). Under the Agreement, LMIC may provide the Company with office space, supplies, equipment, telephone and wire services, the use of computers and similar machines and services of personnel employed by LMIC and LMGI. Services provided include, but are not limited to, risk underwriting, claims processing, claims adjustments, policyholder services, contract management and administration. LMIC is reimbursed for the cost of all services which it provides under the Agreement.

The Company is a party to a cash management agreement with Liberty Mutual Insurance Company (“LMIC”) whereby LMIC provides services to the Company.

The Company is a party to an investment management agreement with Liberty Mutual Group Asset Management Inc. (“LMGAM”). Under the agreements, LMGAM provides services to the Company.

The Company is party to a Federal Tax Sharing Agreement between LMHC and affiliates (Refer to Note 9F).

- G. The Company is a member of a holding company structure as illustrated in Schedule Y Part 1.
- H. The Company does not own shares of any upstream intermediate or ultimate parent, either directly or indirectly via a downstream subsidiary, controlled or affiliated company.
- I. The Company does not own investments in subsidiary, controlled or affiliated entities.
- J. The Company did not recognize any impairment write down for its SCA companies during the statement period.
- K. The Company does not use CARVM in calculating its investment in its foreign subsidiaries.
- L. The Company does not hold any investments in downstream non-insurance holding companies.

M. Investment in Insurance SCAs

The company does not hold investments in Non-Insurance SCA’s.

N. Investment in Insurance SCAs

The company does not hold investments in Insurance SCAs for which the audited statutory equity reflects a departure from the NAIC statutory accounting practices and procedures.

Note 11 - Debt

A. Debt (Including Capital Notes)

The Company has no debt, including capital notes.

B. FHLB (Federal Home Loan Bank) Agreements

1. The Company is a member of the Federal Home Loan Bank (FHLB) of Chicago. There were no outstanding borrowings as of December 31, 2018. The Company has determined the actual maximum borrowing capacity as \$150,000,000 per Board of Directors consent.

2. FHLB Capital Stock

a. Aggregate Totals

1. Current year

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
Membership Stock – Class A	\$ -	\$ -	\$ -
Membership Stock – Class B	\$ 384,900	\$ 384,900	\$ -
Activity Stock	\$ -	\$ -	\$ -
Excess Stock	\$ -	\$ -	\$ -
Aggregate Total	\$ 384,900	\$ 384,900	\$ -
Actual Borrowing Capacity as Determined by the Insurer	\$150,000,000	XXX	XXX

2. Prior Year-end

	(1) Total 2+3	(2) General Account	(3) Protected Cell Accounts
Membership Stock – Class A	\$ -	\$ -	\$ -
Membership Stock – Class B	\$ 757,117	\$ 757,117	\$ -
Activity Stock	\$ 75,884	\$ 75,884	\$ -
Excess Stock	\$ -	\$ -	\$ -
Aggregate Total	\$ 833,000	\$ 833,000	\$ -
Actual Borrowing Capacity as Determined by the Insurer	\$518,462,000	XXX	XXX

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	Eligible for Redemption					
	1 Current Year Total (2+3+4+5+6)	2 Not Eligible for Redemption	3 Less Than 6 Months	4 6 Months to Less Than 1 Year	5 1 to Less Than 1 Year	6 3 to 5 Years
Membership Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class B	\$ 384,900	\$ 384,900	\$ -	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

3. Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

1. Current Year Total General and Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

2. Current Year Total General Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

3. Current Year Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

4. Prior Year-end Total General Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

b. Maximum Amount Pledged During Reporting Period

1. Current Year Total General and Protected Cell Accounts

	Fair Value	Carrying Value	Aggregate Total Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

2. Current Year Total General Accounts

	Fair Value	Carrying Value	Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

3. Current Year Protected Cell Accounts

	Fair Value	Carrying Value	Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

4. Prior Year-end Total General Protected Cell Accounts

	Fair Value	Carrying Value	Borrowing
Total Collateral Pledged	\$ -	\$ -	\$ -

4. Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

	(1)	(2)	(3)	(4)
	2+3	Account	Accounts	Agreements
Debt	\$ -	\$ -	\$ -	XXX
Funding Agreements	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	XXX
Aggregate Total	\$ -	\$ -	\$ -	\$ -

2. Prior Year-end

	(1)	(2)	(3)	(4)
	Total 2+3	General Account	Protected Cell Accounts	Funding Agreements Reserves Established
Debt	\$ -	\$ -	\$ -	XXX
Funding Agreements	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	XXX
Aggregate Total	\$ -	\$ -	\$ -	\$ -

b. Maximum Amount During Reporting Period (Current Year)

	(1)	(2)	(3)
	Total 2+3	General Account	Protected Cell Accounts
Debt	\$ -	\$ -	\$ -
Funding Agreements	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -
Aggregate Total	\$ -	\$ -	\$ -

c. FHLB - Prepayment Obligations

	Does the Company have prepayment obligations under the following arrangements (yes/no)?
Debt	NO
Funding Agreements	NO
Other	NO

C. There were no outstanding borrowings as of December 31, 2018.

NOTES TO FINANCIAL STATEMENTS

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

The Company does not have any direct employees and therefore, does not have any direct obligations for a defined benefit plan, deferred compensation arrangements, compensated absences or other postretirement benefit plans. Services for the operation of the Company are provided under provisions of the management services agreements, as described in Note 10F.

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

1. The Company has 54,000 shares authorized, and 41,000 shares issued and outstanding as of December 31, 2018. All shares have a stated par value of \$100.
2. Preferred Stock
Not applicable.
3. There are no dividend restrictions.
4. The Company returned capital to its parent during 2018 in the amount of \$70,000,000.
5. The maximum amount of dividends which can be paid by Arizona-domiciled insurance companies to shareholders without the prior approval of the Insurance Commissioner is the lesser of (a) 10% of surplus or (b) net income. The Company cannot pay a dividend in 2019 without the prior approval of the Insurance Commissioner, as it already exceeded its max dividend in 2018.
6. The Company does not have restricted unassigned surplus.
7. The Company had no advances to surplus.
8. The Company does not hold stock for special purposes.
9. The Company had changes in special surplus funds resulting from prior year's retroactive reinsurance contracts during 2017.
10. The portion of unassigned funds (surplus) represented by cumulative net unrealized gains and (losses) is \$0.
11. Surplus Notes
Not applicable.
12. Quasi-reorganization (dollar impact)
Not applicable.
13. Quasi-reorganization (effective date)
Not applicable.

Note 14 - Contingencies

A. Contingent Commitments

Refer to Note 10E.

B. Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments and premium-based assessments are presumed probable when the premium on which the assessments are expected to be based are written. In the case of loss-based assessments, the event that obligates the entity is an entity incurring the losses on which the assessments are expected to be based.

The Company has no net guaranty fund or other assessment liabilities to report. Refer to Note 26.

C. Gain Contingencies

Not applicable

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

	Direct
Claims related to ECO and bad faith losses paid during the reporting period	\$ 100,000

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

(a)	(b)	(c)	(d)	(e)
0-25 Claims	26-50 Claims	51-100 Claims	101-500 Claims	Claims
X				

Indicate whether claim count information is disclosed per claim or per claimant

(f) Per Claim [X] (g) Per Claimant []

E. Product Warranties

The Company does not write product warranty business.

F. Joint and Several Liabilities

The Company is not a participant in any joint and several liabilities.

G. All Other Contingencies

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes, and other matters are not considered material in relation to the financial position of the Company.

As disclosed in Note 9 F, the Company is a member of a controlled group for federal income tax purposes, and that group includes Liberty Mutual Group Inc. ("LMGI"). LMGI is the plan sponsor of the Liberty Mutual Retirement Benefit Plan, a qualified plan under federal law. Pursuant to federal law, if LMGI has not made the minimum required contributions with respect to the Liberty Mutual Retirement Benefit Plan, the Company, jointly and severally with all other members of the controlled group, would be contingently liable to make such contributions.

The Company routinely assesses the collectability of its premium receivable balances. The Company does not believe the amounts in excess of non-admitted amounts are material.

Note 15 - Leases

A. Lessee Leasing Arrangements

The Company has no net lease obligations. Refer to Note 26.

B. Leasing as a Significant Part of Lessor's Business Activities

Leasing is not a significant part of the Company's business activities.

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

The Company is not exposed to financial instruments with off-balance sheet risk or concentration of credit risk.

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

A. Transfers of Receivables Reported as Sales

The Company did not have any transfers of receivables reported as sales.

B. Transfers and Servicing of Financial Assets

Refer to Note 5E.

C. Wash Sales

1. The Company did not have any wash sale transactions during the year.
2. Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 18 – Gain or (Loss) to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

- A. Administrative Services Only (ASO) Plans
Not applicable
- B. Administrative Services Contract (ASC) Plans
Not applicable
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts
Not applicable

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

The Company utilized third parties that produced direct premiums equal to or greater than 5% of surplus. Information regarding these third parties is as follows:

Name and Address of General Agent or Third-Party Administrator	FEIN	Exclusive Contract	Type of Business Written	Type of Authority Granted	Total Direct Premiums Written/Produced By
Hull & Co. 2150 South Andrews Avenue Ft. Lauderdale, FL 33316	20-2357767	NO	Property Insurance	U	\$24,746,556
Orchid Underwriters Agency Inc. 1202 19th Suite, Suite A-110 Vero Beach, FL 32960	26-0207550	NO	Employment Practices Liability Insurance	U	\$19,015,930
NBIS Construction Construction & Transport 2859 Paces Ferry Road, Suite 800 Atlanta, GA 30339	36-4347239	NO	Construction & Transport	U	\$24,057,208
Align General Insurance Agency, LLC 610 West Ash Street, Suite 1702 San Diego, CA 92101	20-0184872	NO	Commercial Contractors	U	\$16,358,531
Total	XXX	XXX	XXX	XXX	\$84,178,225

C - Claims Payment
CA - Claims Adjustment
R - Reinsurance Ceding
B - Binding Authority
P - Premium Collection
U - Underwriting

Note 20 - Fair Value Measurements

- A. Inputs Used for Assets and Liabilities Measured at Fair Value

1. Fair Value Measurements by Levels 1, 2 and 3

Fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company primarily uses the market approach which generally utilizes market transaction data for identical or similar instruments.

Included in various investment related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stock, when carried at the lower of cost or market.

The hierarchy level assigned to each security in the Company's portfolio is based on the Company's assessment of the transparency and reliability of the inputs used in the valuation of each instrument at the measurement date. The highest priority is given to unadjusted quoted prices in active active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Securities are classified based on the lowest level of input that is significant to the fair value measurement. The Company recognizes transfers between levels at the end of each reporting period. The three hierarchy levels are defined as follows:

- Level 1 — Valuations based on unadjusted observable quoted market prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 — Valuations based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets or liabilities at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.
- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement and involve measurement judgment. The unobservable inputs reflect the Company's estimates of the assumptions that market participants would use in valuing the assets and liabilities.

The following table summarizes the Company's assets and liabilities that are measured at fair value at December 31, 2018:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Bonds				
U.S. Government & Agency Securities	\$ -	\$ -	\$ -	\$ -
U.S. MBS/ABS of Gov. & Corp. Agencies	\$ -	\$ -	\$ -	\$ -
U.S. State and Municipal	\$ -	\$ -	\$ -	\$ -
Corporate and Other	\$ -	\$ -	\$ -	\$ -
Foreign Government Securities	\$ -	\$ -	\$ -	\$ -
Total Bonds	\$ -	\$ -	\$ -	\$ -
Preferred Stocks				
Industrial and Miscellaneous (Unaffiliated)	\$ -	\$ -	\$ -	\$ -
Total Preferred Stocks	\$ -	\$ -	\$ -	\$ -
Common Stocks				
Industrial and Miscellaneous	\$ -	\$ 384,900	\$ -	\$ 384,900
Total Common Stocks	\$ -	\$ 384,900	\$ -	\$ 384,900
Derivative Assets	\$ -	\$ -	\$ -	\$ -
Other Assets				
Other Assets	\$ -	\$ -	\$ -	\$ -
Total assets at fair value	\$ -	\$ 384,900	\$ -	\$ 384,900
b. Liabilities at fair value				
Derivative Liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value				
	\$ -	\$ -	\$ -	\$ -

The Company did not have significant transfers between Levels 1 and 2 during the period ended December 31, 2018.

2. Rollforward of Level 3 Items

The following tables set forth the fair values of assets basis classified as Level 3 within the fair value hierarchy:

	Balance as of 12/31/2017	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Balance as of 12/31/2018
U.S. Government & Agency Securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. MBS/ABS of Gov. & Corp. Agencies	-	-	-	-	-	-	-	-	-	-
U.S. State and Municipal	-	-	-	-	-	-	-	-	-	-
Corporate and Other	-	-	-	-	-	-	-	-	-	-
Foreign Government Securities	-	-	-	-	-	-	-	-	-	-
Total Bonds	-	-	-	-	-	-	-	-	-	-
Preferred Stock	-	-	-	-	-	-	-	-	-	-
Common Stock	833,000	-	-	-	-	-	-	(448,100)	-	384,900
Total	\$ 833,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (448,100)	\$ -	\$ 384,900

3. Policy on Transfers Into and Out of Level 3

The Company holds NAIC designated 6 fixed maturity securities at the lower of amortized cost or fair value defined by SSAP No. 26, Bonds and NAIC designated 4-6 preferred stocks at the lower of cost or fair value as defined by SSAP No. 32, Investments in Preferred Stock. Market fluctuations cause securities to change from being held at cost or amortized cost to fair value or vice versa. These changes result in a transfer in or out of Level 3. In addition, the Company also transfers securities into or out of level 3 as a result of re-evaluation of the observability of pricing inputs.

4. Inputs and Techniques Used for Fair Value

NOTES TO FINANCIAL STATEMENTS

Fixed Maturities

At each valuation date, the Company uses various valuation techniques to estimate the fair value of its fixed maturities portfolio. The primary method for valuing the Company's securities is through independent third-party valuation service providers. For positions where valuations are not available from independent third-party valuation service providers, the Company utilizes broker quotes and internal pricing methods to determine fair values. The Company obtains a single non-binding price quote from a broker familiar with the security who, similar to the Company's valuation service providers, may consider transactions or activity in similar securities, as applicable, among other information. The brokers providing price quotes are generally from the brokerage divisions of leading financial institutions with market making, underwriting and distribution expertise regarding the security subject to valuation. The evaluation and prioritization of these valuation sources is systematic and predetermined resulting in a single quote or price for each financial instrument. The following describes the techniques generally used to determine the fair value of the Company's fixed maturities by asset class:

U.S. Government and Agency Securities

U.S. government and agency securities consist primarily of bonds issued by the U.S. Treasury and mortgage pass-through agencies such as the Federal Home Loan Bank, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. As the fair values of the Company's U.S. Treasury securities are based on active markets and unadjusted market prices, they are classified within Level 1. The fair value of U.S. government agency securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, reported trades, bids, offers and credit spreads. Accordingly, the fair value of U.S. government agency securities is classified within Level 2.

Mortgage-Backed Securities

The Company's portfolio of residential mortgage-backed securities ("MBS") and commercial MBS are originated by both agencies and non-agencies, the majority of which are pass-through securities issued by U.S. government agencies. The fair value of MBS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of MBS is primarily classified within Level 2.

Asset-Backed Securities

Asset-backed securities ("ABS") include mostly investment-grade bonds backed by pools of loans with a variety of underlying collateral, including automobile loan receivables, credit card receivables, and collateralized loan obligation securities originated by a variety of financial institutions. The fair value of ABS is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, contractual cash flows, prepayment speeds, collateral performance and credit spreads. Accordingly, the fair value of ABS is primarily classified within Level 2.

Municipal Securities

The Company's municipal portfolio is comprised of bonds issued by U.S. domiciled state and municipal entities. The fair value of municipal securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, binding broker quotes, issuer ratings, reported trades and credit spreads. Accordingly, the fair value of municipal securities is primarily classified within Level 2.

Corporate debt and other

Corporate debt securities consist primarily of investment-grade debt of a wide variety of corporate issuers and industries. The fair value of corporate and other securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, new issuances, issuer ratings, reported trades of identical or comparable securities, bids, offers and credit spreads. Accordingly, the fair value of corporate and other securities is primarily classified within Level 2. In the event third-party vendor valuation is not available, prices are determined using non-binding price quotes from a broker familiar with the security. In this instance, the valuation inputs are generally unobservable and the fair value is classified within Level 3.

Foreign government securities

Foreign government securities include bonds issued or guaranteed by foreign governments. The fair value of foreign government securities is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active, benchmark yields, binding broker quotes, issuer ratings, reported trades of identical or comparable securities and credit spreads. Accordingly, the fair value of foreign government securities is primarily classified within Level 2. In the event third-party vendor valuation is not available, prices are determined using non-binding price quotes from a broker familiar with the security. In this instance, the valuation inputs are generally unobservable and the fair value is classified within Level 3.

Common and Preferred Stocks

Common stocks are recorded at fair value and preferred stocks are reported at cost or fair value, depending on their NAIC designation. Common stocks with fair values based on quoted market prices in active markets are classified in Level 1. Common stocks with fair values determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active are classified in Level 2. The fair value of preferred stock is generally determined using observable market inputs that include quoted prices for identical or similar assets in markets that are not active. Accordingly, the fair value of preferred stock is primarily classified within Level 2.

Other Invested Assets

Other invested assets include limited partnership investments, other equity method investments and other alternative investments, which are not subject to these disclosures and therefore are excluded from the table in this note.

5. Derivative Fair Values

Not applicable.

B. Other Fair Value Disclosures

Not applicable.

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash, Cash Equivalents and Short Term	\$ 45,446,096	\$ 45,446,096	\$ 508,084	\$ -	\$ -	\$ 44,938,011	\$ -
Bonds	273,965,805	278,728,863	43,345,154	230,620,651	-	-	-
Preferred Stock	-	-	-	-	-	-	-
Common Stock	384,900	384,900	-	-	384,900	-	-
Securities Lending	-	-	-	-	-	-	-
Mortgage Loans	-	-	-	-	-	-	-
Surplus Notes	-	-	-	-	-	-	-
Total	\$ 319,796,801	\$ 324,559,858	\$ 43,853,238	\$ 230,620,651	\$ 384,900	\$ 44,938,011	\$ -

D. Reasons Not Practical to Estimate Fair Value

Not applicable.

E. Instruments Measured at Net Asset Value (NAV)

The Company elected to use NAV for all money market mutual funds in lieu of fair value as NAV is more readily available. These funds are backed by high quality, very liquid short-term instruments and the probability is remote that the funds would be sold for a value other than NAV.

Note 21 - Other Items

A. Unusual or Infrequent Items

The Company has no unusual or infrequent items to report.

B. Troubled Debt Restructuring: Debtors

Not applicable.

C. Other Disclosures

1. Interrogatory 6.1

The Company cedes 100% of its business to Liberty Mutual Insurance Company, the lead company in the Liberty Mutual Pool. Liberty Mutual Insurance Company purchases external catastrophe reinsurance coverage.

Interrogatory 6.2

As a member of the Liberty Intercompany Pool, the Pool employs industry recognized catastrophe modeling software to estimate the Probable Maximum Loss. For property exposures, we utilize RMS's RiskLink v16.0 and AIR's Touchstone v4.2 software. For workers' compensation, Liberty Mutual utilizes RiskLink v16.0 from RMS.

Interrogatory 6.3

The Company cedes 100% of its business to Liberty Mutual Insurance Company, the lead company in the Liberty Mutual Pool. Liberty Mutual Insurance Company purchases external catastrophe reinsurance coverage.

D. Business Interruption Insurance Recoveries

The Company does not purchase business interruption coverage.

E. State Transferable and Non-transferable Tax Credit

The Company does not hold state transferable and/or non-transferable tax credits.

F. Subprime-Mortgage-Related Risk Exposure

Not applicable.

G. Insurance Linked Securities (ILS) Contracts

The Company did not receive proceeds as the issuer, ceding insurer or counterparty of insurance linked securities

NOTES TO FINANCIAL STATEMENTS

Note 22 - Events Subsequent

The Company evaluated subsequent events through February 20, 2019, the date the financial statements were available to be issued.

There were no events subsequent to December 31, 2018 that would require disclosure.

Note 23 - Reinsurance**A. Unsecured Reinsurance Recoverable**

Excluding amounts arising pursuant to the Liberty Mutual Amended and Restated Intercompany Reinsurance Agreement, the following are the unsecured reinsurance recoverable or ceded unearned premium of an individual reinsurer which exceed 3% of policyholder's surplus.

Reinsurer	NAIC No.	Federal ID No.	Reinsurer
Transatlantic Reinsurance Company	19453	13-5616275	\$135,253,000
Liberty Mutual Group:			
Liberty Mutual Insurance Company	23043	04-1543470	
Liberty Mutual Europe Limited		AA-1120855	
Lloyd's Syndicate 4000		AA-1126005	
Lloyd's Syndicate 4472		AA-1126006	
Ironshore Indemnity Inc.	23647	41-0121640	
Ironshore Insurance Ltd.		AA-3190917	
Total Liberty Mutual Group			\$132,856,000
Swiss Re Group:			
Swiss Reinsurance America Corporation	25364	13-1675535	
Swiss Reinsurance Company Limited		AA-1460146	
Total Swiss Re Group			103,466,000
Partner Re Group:			
Partner Reinsurance Company of the U.S.	38636	13-3031176	
Partner Re America Insurance Co	11835	04-1590940	
Partner Reinsurance Company Ltd		AA-3190686	
Partner Reinsurance Europe Limited		AA-1780078	
Total Partner Re Group			94,193,000
Markel Group:			
Markel Global Reinsurance Company	10829	06-1481194	
Markel Insurance Company	38970	36-3101262	
Lloyd's Syndicate 3000		AA-1129000	
Total Markel Group			83,222,000
Munich Re Group:			
Munich Reinsurance America, Inc.	10227	13-4924125	
Munich Reins Co UK Branch		AA-1120011	
Munich Reinsurance Company		AA-1340165	
Hartford Steam Boiler Inspecc & Ins Co CT	29890	06-1240885	
Total Munich Re Group			66,050,000
Everest Reinsurance Company	26921	22-2005057	20,909,000
Berkshire Hathaway Group:			
National Indemnity Company	20087	47-0355979	
General Reinsurance Corporation	22039	13-2673100	
Total Berkshire Hathaway Group			32,139,000
Sompco Group:			
Endurance Assurance Corporation	11551	35-2293075	
Lloyd's Syndicate 4444		AA-1126004	
Lloyd's Syndicate 958		AA-1126958	
Total Sompco Group			27,518,000
Renaissance Re Group:			
Renaissance Reinsurance Ltd		AA-3190339	
Renaissance Reinsurance U.S. Inc.	10357	52-1952955	
Total Renaissance Re Group			22,121,000
Arch Re Group:			
Arch Reinsurance Company	10348	06-1430254	
Arch Reinsurance Ltd		AA-3194126	
Total Arch Re Group			14,462,000
Hannover Re Group:			
Hannover Rueckversicherung AG		AA-1340125	
Hannover Re (Bermuda) Ltd		AA-3190060	
Total Hannover Re Group			12,415,000
Sirius Group:			
Sirius America Insurance Company	38776	13-2997499	
Sirius Bermuda Ins Co Ltd		AA-3191321	
Sirius International Ins Corp		AA-1440076	
Total Sirius Group			10,443,000
SCOR Group:			
SCOR Reinsurance Company	30058	75-1444207	
SCOR Global P&C SE		AA-1320031	
SCOR Switzerland AG		AA-1464100	
Total SCOR Group:			7,401,000
Total			\$762,448,000

B. Reinsurance Recoverable in Dispute

There are no reinsurance recoverable in dispute from an individual reinsurer which exceeds 5% of the Company's surplus. In addition, the aggregate reinsurance recoverable in dispute do not exceed 10% of the Company's surplus.

C. Reinsurance Assumed & Ceded

1. The following table sets forth the maximum return premium and commission equity due the reinsurers or the Company if all of the Company's assumed and ceded reinsurance were canceled as of December 31, 2018.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 2,096,991	\$ 340,069	\$ 493,458,955	\$ 60,754,642	\$ (491,361,964)	\$ (60,414,573)
All Other	\$ 5,254,499	\$ 1,165,374	\$ 58,343,218	\$ 17,010,594	\$ (53,088,719)	\$ (15,845,221)
Total	\$ 7,351,490	\$ 1,505,443	\$ 551,802,173	\$ 77,765,237	\$ (544,450,683)	\$ (76,259,794)

Directed Unearned Premium Reserve: \$ 544,450,683

2. Certain contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2018 are as follows:

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ 590,226	\$ -	\$ 590,226	\$ -
b. Sliding Scale Adjustments	\$ -	\$ -	\$ -	\$ -
c. Other Profit Commission Arrangements	\$ -	\$ -	\$ -	\$ -
d. TOTAL	\$ 590,226	\$ -	\$ 590,226	\$ -

3. The Company does not use protected cells as an alternative to traditional reinsurance.

NOTES TO FINANCIAL STATEMENTS

D. Uncollectible Reinsurance

The Company had no uncollectible reinsurance balances written off through income and expenses in the current year.

E. Commutation of Ceded Reinsurance

The Company commuted one ceded reinsurance treaty in the current year with the reinsurer listed below. The net effect of the commutation was an increase to Net Income. This amount is shown below by Income Statement classification and by reinsurer:

(1) Losses incurred	\$	(5,217)
(2) Loss adjustment expenses incurred	\$	-
(3) Premiums earned	\$	-
(4) Other	\$	-
(5) <u>Company</u>		<u>Amount</u>
Munich Re	\$	(5,217)

F. Retroactive Reinsurance

	Assumed	Ceded
a. Reserves Transferred:		
(1) Initial Reserves	\$ -	\$ -
(2) Adjustments - Prior Year(s)	\$ -	\$ -
(3) Adjustments - Current Year	\$ -	\$ -
(4) Current Total	<u>\$ -</u>	<u>\$ -</u>
b. Consideration Paid or Received:		
(1) Initial Consideration	\$ -	\$ 87,657,155
(2) Adjustments - Prior Year(s)	\$ -	\$ -
(3) Adjustments - Current Year	\$ -	\$ -
(4) Current Total	<u>\$ -</u>	<u>\$ 87,657,155</u>
c. Paid Losses Reimbursed or Recovered:		
(1) Prior Year(s)	\$ -	\$ -
(2) Current Year	\$ -	\$ -
(3) Current Total	<u>\$ -</u>	<u>\$ -</u>
d. Special Surplus from Retroactive Reinsurance		
(1) Initial Surplus Gain or Loss	\$ -	\$ (87,657,155)
(2) Adjustments - Prior Year(s)	\$ -	\$ -
(3) Adjustments - Current Year	\$ -	\$ -
(4) Current Year Restricted Surplus	\$ -	\$ -
(5) Cumulative Total Transferred to Unassigned Funds	<u>\$ -</u>	<u>\$ (87,657,155)</u>

c. All cedents and reinsurers involved in all transactions included in summary totals above:

	Assumed Amount	Ceded Amount
<u>Company</u>		
National Indemnity Company, 20087	\$ -	\$ 215,920,912
Liberty Mutual Insurance Company, 23043	\$ -	\$ (215,920,912)
Total	<u>\$ -</u>	<u>\$ -</u>

f. List total Paid Loss/Loss Adjustment Expense amounts recoverable and amounts more than 90 days overdue, and collateral held as respects amounts recoverable from unauthorized reinsurers:

There are no Paid Loss/Loss Adjustment Expense amounts recoverable.

There are no reinsurance contracts covering losses that have occurred prior to the inception of the contract that have not been accounted for in conformity with the NAIC Accounting Practices and Procedures Manual.

Effective May 1, 2017, the Company entered into a Loss Portfolio Transfer and Adverse Development Aggregate Excess of Loss agreement with National Indemnity Company, a subsidiary of Berkshire Hathaway Inc. The agreement is being accounted for as retroactive reinsurance.

G. Reinsurance Accounted for as a Deposit

The Company entered into a reinsurance agreement determined to be of a deposit type nature on January 1, 2009. Upon inception of the contract, the company recorded a deposit asset of \$8,240,525. As of December 31, 2018, the company has a remaining deposit balance of (\$103,115).

I. Certified Reinsurers Downgraded or Status Subject to Revocation.

1. Reporting Entity Ceding to Certified Reinsurer Downgraded or Status Subject to Revocation.

Not applicable.

2. Reporting Entity's Certified Reinsurer Rating Downgrade or Status Subject to Revocation.

Not applicable.

J. Asbestos and Pollution Counterparty Reporting Exception

The Counterparty reporting party does not apply to the Company.

Note 24 - Retrospectively rated Contracts and Contracts Subject to Redetermination

The Company does not have net accrued retrospective premiums. Refer to Note 26.

The Company did not receive any assessments under the Affordable Care Act.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

The Company has no net exposure to changes in incurred losses and loss adjustment expenses. Refer to Note 26.

Note 26 - Intercompany Pooling Arrangements

Effective July 1, 2017 the Company is a member of the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement consisting of the affiliated companies below. All underwriting assets and liabilities of the Company were ceded to the Lead Company and subsequently retroceded to the pool members in accordance with each company's pool participation percentage, as noted below. Operational underwriting results prior to the effective date of the Company becoming a pool participant remained as results of operations on its income statement for the year ended December 31, 2017.

		NAIC Company Number	Pooling Companies	Line of Business
Company:	Liberty Mutual Insurance Company ("LMIC")	23043	50.00%	All Lines
Affiliated	Peerless Insurance Company ("PIC")	24198	20.00%	All Lines
Pool	Employers Insurance Company of Wausau ("EICOW")	21458	8.00%	All Lines
Companies:	Liberty Mutual Fire Insurance Company ("LMFIC")	23035	8.00%	All Lines
	The Ohio Casualty Insurance Company ("OCIC")	24074	8.00%	All Lines
	Safeco Insurance Company of America ("SICOA")	24740	6.00%	All Lines
	American Economy Insurance Company ("AEIC")	19690	0.00%	All Lines
	America First Insurance Company ("AFIC")	12696	0.00%	All Lines
	America Fire and Casualty Company ("AFCIC")	24066	0.00%	All Lines
	America First Lloyd's Insurance Company ("AFLIC")	11526	0.00%	All Lines
	American States Insurance Company ("ASIC")	19704	0.00%	All Lines
	American States Insurance Company of Texas ("ASICT")	19712	0.00%	All Lines
	American States Lloyd's Insurance Company ("ASLCO")	31933	0.00%	All Lines
	American States Preferred Insurance Company ("ASPCO")	37214	0.00%	All Lines
	Colorado Casualty Insurance Company ("CCIC")	41785	0.00%	All Lines
	Consolidated Insurance Company ("CIC")	22640	0.00%	All Lines
	Excelsior Insurance Company ("EIC")	11045	0.00%	All Lines
	First National Insurance Company of America ("FNICA")	24724	0.00%	All Lines
	The First Liberty Insurance Corporation ("FST")	33588	0.00%	All Lines
	General Insurance Company of America ("GICA")	24732	0.00%	All Lines
	Golden Eagle Insurance Corporation ("GEIC")	10836	0.00%	All Lines
	Hawkeye-Security Insurance Company ("HSIC")	36919	0.00%	All Lines
	Insurance Company of Illinois ("ICIL")	26700	0.00%	All Lines
	Indiana Insurance Company ("IIC")	22659	0.00%	All Lines
	Ironshore Indemnity Inc. ("IIP")	23647	0.00%	All Lines
Ironshore Specialty Insurance Company ("ISIC")	25445	0.00%	All Lines	
Liberty Insurance Corporation ("LIC")	42404	0.00%	All Lines	

NOTES TO FINANCIAL STATEMENTS

Liberty Insurance Underwriters, Inc. ("LIU")	19917	0.00%	All Lines
Liberty County Mutual Insurance Company ("LCMIC")	19544	0.00%	All Lines
LM General Insurance Company ("LMGIC")	36447	0.00%	All Lines
Liberty Lloyd's of Texas Insurance Company ("LLOT")	11041	0.00%	All Lines
LM Insurance Corporation ("LMC")	33600	0.00%	All Lines
Liberty Mutual Mid-Atlantic Insurance Company ("LMMAIC")	14486	0.00%	All Lines
Liberty Mutual Personal Insurance Company ("LMPICO")	12484	0.00%	All Lines
Liberty Northwest Insurance Corporation ("LNW")	41939	0.00%	All Lines
Liberty Personal Insurance Company ("LPIC")	11746	0.00%	All Lines
Liberty Surplus Insurance Corporation ("LSI")	10725	0.00%	All Lines
Mid-American Fire & Casualty Company ("MAFCC")	23507	0.00%	All Lines
Montgomery Mutual Insurance Company ("MMIC")	14613	0.00%	All Lines
The Midwestern Indemnity Company ("MWIC")	23515	0.00%	All Lines
National Insurance Association ("NIA")	27944	0.00%	All Lines
The Netherlands Insurance Company ("NIC")	24171	0.00%	All Lines
North Pacific Insurance Company ("NPIC")	23892	0.00%	All Lines
Ohio Security Insurance Company ("OSIC")	24082	0.00%	All Lines
Oregon Automobile Insurance Company ("OAIC")	23922	0.00%	All Lines
Peerless Indemnity Insurance Company ("PIIC")	18333	0.00%	All Lines
Safeco Insurance Company of Illinois ("SICIL")	39012	0.00%	All Lines
Safeco Insurance Company of Indiana ("SICIN")	11215	0.00%	All Lines
Safeco Insurance Company of Oregon ("SICOR")	11071	0.00%	All Lines
Safeco Lloyds Insurance Company ("SLICO")	11070	0.00%	All Lines
Safeco National Insurance Company ("SNIC")	24759	0.00%	All Lines
Safeco Surplus Lines Insurance Company ("SSLIC")	11100	0.00%	All Lines
Wausau Business Insurance Company ("WBIC")	26069	0.00%	All Lines
Wausau General Insurance Company ("WGIC")	26425	0.00%	All Lines
Wausau Underwriters Insurance Company ("WUIC")	26042	0.00%	All Lines
West American Insurance Company ("WAIC")	44393	0.00%	All Lines
100% Quota Share Affiliated Companies:			
LM Property and Casualty Insurance Company ("LMPAC")	32352	0.00%	All Lines

Under the terms of the Reinsurance Agreements, the sequence of transactions is as follows:

- a. Except for WBIC, WGIC and WUIC, each Affiliated Pool Company cedes its underwriting activity to the Lead Company. WBIC, WGIC and WUIC cede 100% of its direct underwriting activity to EICOW.
- b. After recording the assumed affiliate transactions noted above, the Lead Company records 100% of its external assumed and ceded reinsurance activity.
- c. The Lead Company's remaining underwriting activity, after processing all internal and external reinsurance, is retroceded to the pool members in accordance with each company's pool participation percentage, as noted above.
- d. There were no members that are parties to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and have a contractual right of direct recovery from the non-affiliated reinsurer per the terms of such reinsurance agreements.
- e. There were no discrepancies between entries regarding pooled business on the assumed and ceded reinsurance schedules of the Lead Company and corresponding entries on the assumed and ceded reinsurance schedules of other pooled participants.
- f. The write-off of uncollectible reinsurance is pooled and the provision for reinsurance is recognized by the entity placing the outbound external reinsurance.
- g. Amounts due (to)/from affiliated entities participating in the Liberty Mutual Second Amended and Restated Intercompany Reinsurance Agreement as of December 31, 2018:

<u>Affiliate</u>	<u>Amount</u>
Liberty Mutual Insurance Company	\$ (1,613,774)

Note 27 - Structured Settlements

- A. The Company has no net exposure to contingent liabilities from the purchase of annuities. Refer to Note 26.
- B. Not applicable.

Note 28 - Health Care Receivables

Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

- Liability carried for premium deficiency reserves \$ -
- Date of the most recent evaluation of this liability 12/31/2018
- Was anticipated investment income utilized in the calculation? No

Note 31 - High Dollar Deductible Policies

Not applicable.

Note 32 - Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

The Company has no net loss and loss adjustment expense reserves. Refer to Note 26.

Note 33 - Asbestos/Environmental Reserves

The Company has no net exposure to asbestos and environmental claims. Refer to Note 26.

Note 34 - Subscriber Savings Accounts

The Company is not a reciprocal insurance company

Note 35 - Multiple Peril Crop Insurance

The Company elected to compute the unearned premium reserve associated with the Multiple Peril Crop Insurance Program on a daily pro rata method as the Company did not believe it could demonstrate that the period of risk differs significantly from the contract period.

Note 36 - Financial Guaranty Insurance Contracts

Not applicable.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

- 1.1 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, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A]
- 1.3 State Regulating? Arizona
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes No]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 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 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015
- 3.2 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. 12/31/2015
- 3.3 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). 04/24/2017
- 3.4 By what department or departments?
 Arizona Department of Insurance

- 3.5 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]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No]
- 4.12 renewals? Yes No]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No]
- 4.22 renewals? Yes No]
- 5.1 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.

GENERAL INTERROGATORIES

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

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

6.1 Has the 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]

6.2 If yes, give full information:

.....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]

7.2 If yes,

7.21 State the percentage of foreign control. _____ 0.00 %

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....
.....

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 the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ernst & Young, LLP
 200 Clarendon Street
 Boston, MA 02116

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

10.2 If response to 10.1 is yes, provide information related to this exemption:

.....

GENERAL INTERROGATORIES

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

10.4 If response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

10.6 If the response to 10.5 is no or n/a, please explain.

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Stephanie Neyenhouse FCAS, MAAA
 175 Berkeley Street, Boston, MA 02116
 Vice President and Chief Actuary, Liberty Mutual Group Inc.

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company	
12.12 Number of parcels involved	0
12.13 Total book/adjusted carrying value	\$ 0

12.2 If yes, provide explanation:

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [X]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]

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

14.11 If the response to 14.1 is no, please explain:

GENERAL INTERROGATORIES

14.2 Has the code of ethics for senior managers been amended? Yes No

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 Ironshore companies changed from Ironshore Code of Conduct to Liberty Mutual Group Code of Conduct as of 5/10/2017

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes No

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
0			0
0			0
0			0

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes No

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes No

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes No

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes No

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers	\$	0
20.12 To stockholders not officers	\$	0
20.13 Trustees, supreme or grand (Fraternal only)	\$	0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers	\$	0
20.22 To stockholders not officers	\$	0
20.23 Trustees, supreme or grand (Fraternal only)	\$	0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes No

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others	\$	0
21.22 Borrowed from others	\$	0
21.23 Leased from others	\$	0
21.24 Other	\$	0

GENERAL INTERROGATORIES

- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes No
- 22.2 If answer is yes:
- | | | | |
|--|--|----|---|
| 22.21 Amount paid as losses or risk adjustment | | \$ | 0 |
| 22.22 Amount paid as expenses | | \$ | 0 |
| 22.23 Other amounts paid | | \$ | 0 |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes No
- 24.02 If no, give full and complete information, relating thereto:

- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 This company does not participate in the Securities Lending Program

- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes No N/A
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- | | | | |
|--|--|----|---|
| 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | | \$ | 0 |
| 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | | \$ | 0 |
| 24.103 Total payable for securities lending reported on the liability page | | \$ | 0 |
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes No

GENERAL INTERROGATORIES

25.2 If yes, state the amount thereof at December 31 of the current year:

	25.21 Subject to repurchase agreements	\$	0
	25.22 Subject to reverse repurchase agreements	\$	0
	25.23 Subject to dollar repurchase agreements	\$	0
	25.24 Subject to reverse dollar repurchase agreements	\$	0
	25.25 Placed under option agreements	\$	0
	25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	0
	25.27 FHLB Capital Stock	\$	384,900
	25.28 On deposit with states	\$	6,388,388
	25.29 On deposit with other regulatory bodies	\$	0
	25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	0
	25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	0
	25.32 Other	\$	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
FHLB CAPITAL STOCK	FEDERAL HOME LOAN BANK OF BOSTON	384,900
		0
		0

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement. Yes [] No [] N/A [X]

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. \$ _____ 0

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

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon	601 Travis Street, Houston, TX 77002

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

GENERAL INTERROGATORIES

28.04 If yes, give full and complete information relating thereto:

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

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

1 Name Firm or Individual	2 Affiliation
Liberty Mutual Group Asset Management Inc.	A
.....

28.059 For those firms/individuals listed in the table for Question 28.05, 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]

28.059 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No [X]

28.06 For those firms or individuals listed in the table 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Name Firm or Individual	2 Central Registration Depository Number	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
Liberty Mutual Group Asset Management Inc.	N/A	N/A	No	DS
.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D – Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	0
.....	0
.....	0
29.2999 TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	0	.....
.....	0	.....
.....	0	.....

GENERAL INTERROGATORIES

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	278,728,863	273,966,215	(4,762,648)
30.2 Preferred stocks	0	0	0
30.3 Totals	278,728,863	273,966,215	(4,762,648)

30.4 Describe the sources or methods utilized in determining the fair values:

The primary source for reported fair values is our pricing vendor, Interactive Data Corporation, followed by backfill from Reuters, Bloomberg, Barclays, Merrill Lynch, and Markit for Term Loan securities. Lastly, management determines fair value based on quoted market prices of similar financial instruments or by using industry recognized valuation techniques.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes No

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes No

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes No

32.2 If no, list exceptions:

.....

33 By self-designating 5GI securities, the reporting entity is certifying the following elements of 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

34 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 an 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

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$ 0

35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ 0
.....	\$ 0
.....	\$ 0

GENERAL INTERROGATORIES

36.1 Amount of payments for legal expenses, if any? \$ 490,263

36.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
GLOBAL RISK SOLUTIONS LLC	\$ 195,731
.....	\$ 0
.....	\$ 0

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0

37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ 0
.....	\$ 0
.....	\$ 0

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U.S. business only. \$ _____

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ _____

1.31 Reason for excluding

.....

.....

.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ _____

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ _____

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ _____

1.62 Total incurred claims \$ _____

1.63 Number of covered lives _____

All years prior to most current three years:

1.64 Total premium earned \$ _____

1.65 Total incurred claims \$ _____

1.66 Number of covered lives _____

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ _____

1.72 Total incurred claims \$ _____

1.73 Number of covered lives _____

All years prior to most current three years:

1.74 Total premium earned \$ _____

1.75 Total incurred claims \$ _____

1.76 Number of covered lives _____

2. Health Test:

	1		2	
	Current Year		Prior Year	
2.1 Premium Numerator	\$ _____		\$ _____	
2.2 Premium Denominator	\$ _____		\$ 53,614,804	
2.3 Premium Ratio (2.1 / 2.2)				
2.4 Reserve Numerator	\$ _____		\$ _____	
2.5 Reserve Denominator	\$ _____		\$ _____	
2.6 Reserve Ratio (2.4 / 2.5)				

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [X] No []

3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating policies \$ _____

3.22 Non-participating policies \$ 989,888,287

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies? Yes [] No [X]

4.2 Does the reporting entity issue non-assessable policies? Yes [] No [X]

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? _____ %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ _____

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents? Yes [] No [X]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A [X]

5.22 As a direct expense of the exchange Yes [] No [] N/A [X]

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

.....

.....

.....

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No [X]

5.5 If yes, give full information

.....

.....

.....

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit loss:
See Note 21C1

.....

.....

.....

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 6.2 Describe the method used to estimate this reporting entity’s probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
See Note 21C1
.....
.....
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
See Note 21C1
.....
.....
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [] No [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss
The Company cedes 100% of its business to Liberty Mutual Insurance Company, the lead company in the Liberty Mutual Pool. Liberty Mutual Insurance Company purchases external catastrophe reinsurance coverage.
.....
.....
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer’s losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No []
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. _____ 2
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [X] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information
0
.....
.....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management’s principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles (“SAP”) and as a deposit under generally accepted accounting principles (“GAAP”); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or, Yes [] No [X]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes No N/A

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes No

11.2 If yes, give full information

.....

.....

.....

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses	\$ _____
12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$ _____

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ _____

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes No N/A

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From	_____ %
12.42 To	_____ %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes No

12.6 If yes, state the amount thereof at December 31 of current year:

12.61 Letters of Credit	\$ _____
12.62 Collateral and other funds	\$ _____

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 34,375,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes No

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. _____ 1

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes No

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

Premiums and recoverables were allocated pursuant to the intercompany pooling agreement.

.....

.....

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes No

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes No

14.5 If the answer to 14.4 is no, please explain:

Allocations are performed at the group level and are performed based on exposure and activity of the legal entities.

.....

.....

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes No

15.2 If yes, give full information

.....

.....

.....

16.1 Does the reporting entity write any warranty business? Yes No

If yes, disclose the following information for each of the following types of warranty coverage:

		1	2	3	4	5
		Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
16.11 Home	\$	_____	\$	_____	\$	_____
16.12 Products	\$	_____	\$	_____	\$	_____
16.13 Automobile	\$	_____	\$	_____	\$	_____
16.14 Other*	\$	_____	\$	_____	\$	_____

* Disclose type of coverage: 0

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that is exempt from the statutory provision for unauthorized reinsurance? Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 exempt from the statutory provision for unauthorized reinsurance	\$ _____
17.12 Unfunded portion of Interrogatory 17.11	\$ _____
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ _____
17.14 Case reserves portion of Interrogatory 17.11	\$ _____
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ _____
17.16 Unearned premium portion of Interrogatory 17.11	\$ _____
17.17 Contingent commission portion of Interrogatory 17.11	\$ _____

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

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

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

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

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

19.1 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 [X]

FIVE – YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

	1	2	3	4	5
	2018	2017	2016	2015	2014
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	704,597,071	680,217,499	701,312,563	667,181,045	705,483,378
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	194,148,984	86,598,032	83,325,450	103,702,863	104,672,364
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	77,843,850	75,985,529	72,884,352	64,555,062	79,848,878
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	19,021,823	15,648,410	6,381,621	9,049,606	22,594,435
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	995,611,728	858,449,470	863,903,986	844,488,576	912,599,055
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	(1)	43,960,063	97,915,782	97,086,274	107,717,526
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1	3,430,015	4,469,207	7,142,040	6,225,605
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	2	2,353,430	6,492,717	6,327,220	9,076,597
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)		1,014,057	791,954	1,456,961	4,069,214
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	2	50,757,565	109,669,660	112,012,495	127,088,942
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	9,621	(24,762,120)	(26,427,401)	12,534,421	10,347,187
14. Net investment gain (loss) (Line 11)	8,617,350	25,542,357	20,176,996	15,795,075	24,762,201
15. Total other income (Line 15)	2,883,188	(86,468,453)	2,000,385	984,453	3,936,931
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	7,374,025	(56,224,545)	(3,828,493)	8,421,979	7,715,503
18. Net income (Line 20)	4,136,134	(29,463,671)	(421,527)	20,891,970	31,330,816
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	538,469,527	491,600,608	1,082,888,614	987,115,477	974,047,421
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	2,330,173		37,903,122	47,863,772	105,272,646
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	310,218,099	194,364,613	733,573,532	653,165,124	648,231,969
22. Losses (Page 3, Line 1)			234,509,670	214,069,494	185,236,061
23. Loss adjustment expenses (Page 3, Line 3)			47,129,781	38,634,594	31,555,097
24. Unearned premiums (Page 3, Line 9)			65,739,046	73,904,243	89,122,882
25. Capital paid up (Page 3, Lines 30 & 31)	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000
26. Surplus as regards policyholders (Page 3, Line 37)	228,251,430	297,235,997	349,315,083	333,950,354	325,815,452
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	82,048,636	(135,897,841)	(24,375,001)	70,690,299	64,572,725
Risk-Based Capital Analysis					
28. Total adjusted capital	228,251,430	297,235,997	349,315,083	333,950,354	325,815,452
29. Authorized control level risk-based capital	23,057,143	52,782,550	115,243,822	104,773,829	96,649,971
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	85.9	58.3	83.3	83.7	78.8
31. Stocks (Lines 2.1 & 2.2)	0.1	0.4	12.8	12.3	12.1
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	14.0	41.2	3.9	3.4	9.2
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)		0.1		0.6	
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47					
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)					

FIVE – YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2018	2017	2016	2015	2014
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)		(14,923,233)	6,235,945	1,251,255	(2,179,849)
52. Dividends to stockholders (Line 35)				(15,600,000)	
53. Change in surplus as regards policyholders for the year (Line 38)	(68,984,567)	(52,079,085)	15,364,729	8,134,902	25,478,823
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	332,369,117	239,640,849	274,353,813	218,912,784	146,376,530
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	110,378,957	50,088,442	45,723,754	22,187,894	62,604,082
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	102,376,015	45,515,286	38,589,955	36,525,520	30,814,813
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)		(827,766)	3,359,982	8,057,849	
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	545,124,089	334,416,811	362,027,504	285,684,047	239,795,425
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)		18,979,020	36,297,606	30,730,445	20,795,460
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)		2,029,353	4,066,002	2,319,236	7,073,092
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)		2,825,682	6,006,061	6,249,479	5,793,096
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)		(162,156)	73,041	1,303,004	
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)		23,671,899	46,442,710	40,602,164	33,661,648
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)		69.2	56.8	54.6	64.6
68. Loss expenses incurred (Line 3)		24.6	25.9	22.0	20.5
69. Other underwriting expenses incurred (Line 4)		52.4	39.8	13.6	6.4
70. Net underwriting gain (loss) (Line 8)		(46.2)	(22.4)	9.9	8.5
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	(144640450.0)	225.7	40.9	14.5	3.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)		93.8	82.7	76.6	85.1
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)		17.1	31.4	33.5	39.0
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)			5,616	(3,304)	7,179
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)			1.7	(1.0)	2.4
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)			1,988	2,780	(2,098)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)			0.6	0.9	(0.7)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

.....
.....
.....

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P – PART 1 – SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1–2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X									X X X
2. 2009												X X X
3. 2010												X X X
4. 2011												X X X
5. 2012												X X X
6. 2013												X X X
7. 2014												X X X
8. 2015							1	1				X X X
9. 2016												X X X
10. 2017	1,709	1,709										X X X
11. 2018	1,958	1,958										X X X
12. Totals	X X X	X X X	X X X				1	1				X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		Other Unpaid				
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded			
1. Prior													X X X
2. 2009													X X X
3. 2010													X X X
4. 2011													X X X
5. 2012													X X X
6. 2013													X X X
7. 2014			13	13			1	1					X X X
8. 2015			29	29			3	3					X X X
9. 2016			157	157			17	17					X X X
10. 2017	485	485	222	222			25	25					X X X
11. 2018			334	334			37	37					X X X
12. Totals	485	485	755	755			83	83					X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. 2009											
3. 2010											
4. 2011											
5. 2012											
6. 2013											
7. 2014	14	14									
8. 2015	33	33									
9. 2016	174	174									
10. 2017	732	732		42.832	42.832						
11. 2018	371	371		18.948	18.948						
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X		

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P – PART 2 – SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	One Year	Two Year
1. Prior												
2. 2009												
3. 2010	XXX											
4. 2011	XXX	XXX										
5. 2012	XXX	XXX	XXX									
6. 2013	XXX	XXX	XXX	XXX								
7. 2014	XXX	XXX	XXX	XXX	XXX							
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

SCHEDULE P – PART 3 – SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
1. Prior	000										XXX	XXX
2. 2009											XXX	XXX
3. 2010	XXX										XXX	XXX
4. 2011	XXX	XXX									XXX	XXX
5. 2012	XXX	XXX	XXX								XXX	XXX
6. 2013	XXX	XXX	XXX	XXX							XXX	XXX
7. 2014	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

SCHEDULE P – PART 4 – SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1. Prior										
2. 2009										
3. 2010	XXX									
4. 2011	XXX	XXX								
5. 2012	XXX	XXX	XXX							
6. 2013	XXX	XXX	XXX	XXX						
7. 2014	XXX	XXX	XXX	XXX	XXX					
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

States, Etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		Active Status (a)	2							3
		Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL	E	9,447,621	8,928,975		2,199,884	5,930,372	18,574,847	
2. Alaska	AK	E	1,983,273	1,904,109		66,646	7,711,206	11,410,210	
3. Arizona	AZ	D	13,534,019	12,833,805		775,726	6,661,765	12,127,830	
4. Arkansas	AR	E	3,704,900	3,366,234		237,506	469,528	4,323,173	
5. California	CA	E	132,623,186	124,670,464		71,332,085	75,717,095	406,098,976	
6. Colorado	CO	E	19,602,061	18,006,105		1,190,427	7,771,077	40,911,258	
7. Connecticut	CT	E	12,448,706	12,877,828		6,101,626	13,550,937	45,419,697	
8. Delaware	DE	E	2,216,403	2,070,624		297,518	906,661	4,507,420	
9. District of Columbia	DC	E	4,240,282	4,033,690		281,467	(2,190,774)	(4,360,572)	
10. Florida	FL	E	125,794,382	112,793,051		107,731,250	107,869,169	179,127,993	
11. Georgia	GA	E	24,996,577	23,127,370		28,080,358	17,968,940	50,160,367	
12. Hawaii	HI	E	7,887,426	7,716,394		2,232,680	2,587,610	19,824,097	
13. Idaho	ID	E	2,600,455	2,633,507		1,062,479	1,899,405	5,226,396	
14. Illinois	IL	E	38,841,529	38,260,894		35,414,983	35,911,041	106,745,822	
15. Indiana	IN	E	13,447,826	12,585,118		894,088	10,454,033	34,707,099	
16. Iowa	IA	E	4,475,203	4,671,402		1,089,342	(1,365,364)	8,876,557	
17. Kansas	KS	E	4,341,771	4,837,141		5,671,110	6,361,548	9,431,813	
18. Kentucky	KY	E	5,245,695	5,251,588		455,845	1,429,136	10,028,935	
19. Louisiana	LA	E	21,170,159	18,407,586		8,935,268	7,973,299	36,610,100	
20. Maine	ME	E	1,598,522	1,596,964		275,874	69,720	15,299,135	
21. Maryland	MD	E	15,452,593	12,028,172		3,397,204	9,107,094	38,197,489	
22. Massachusetts	MA	E	33,320,067	34,235,465		10,647,018	12,821,384	47,070,555	
23. Michigan	MI	E	9,705,918	8,790,068		7,214,534	4,380,290	14,260,461	
24. Minnesota	MN	E	9,273,763	9,646,710		824,749	5,171,551	28,046,703	
25. Mississippi	MS	E	6,784,116	5,313,420		153,005	78,444	7,129,084	
26. Missouri	MO	E	16,036,430	14,501,455		6,671,486	6,221,601	25,724,421	
27. Montana	MT	E	2,581,595	2,521,331		190,760	723,218	5,518,678	
28. Nebraska	NE	E	2,152,542	2,405,953		1,282,331	1,196,745	6,733,098	
29. Nevada	NV	E	6,838,139	5,948,571		4,936,582	3,309,933	18,519,386	
30. New Hampshire	NH	E	1,977,179	2,066,935		600,381	2,541,902	6,650,632	
31. New Jersey	NJ	E	35,248,212	34,714,777		20,663,407	22,630,842	103,360,164	
32. New Mexico	NM	E	2,871,850	2,572,101		62,026	174,334	6,614,127	
33. New York	NY	E	69,720,073	61,024,369		20,768,865	21,572,563	144,964,020	
34. North Carolina	NC	E	19,247,851	18,202,008		12,346,827	51,881,021	86,123,961	
35. North Dakota	ND	E	4,487,809	4,298,844		464,659	3,911,137	10,016,822	
36. Ohio	OH	E	23,202,857	22,124,821		4,263,560	6,303,656	35,840,148	
37. Oklahoma	OK	E	14,088,392	12,676,954		4,230,220	3,450,969	28,963,234	
38. Oregon	OR	E	7,483,579	6,534,057		2,077,164	6,665,941	16,651,365	
39. Pennsylvania	PA	E	36,189,996	35,514,981		23,175,280	46,413,218	120,759,060	
40. Rhode Island	RI	E	3,593,769	2,748,866		695,390	12,136,430	17,919,680	
41. South Carolina	SC	E	21,059,789	19,687,054		10,231,065	12,079,365	12,820,263	
42. South Dakota	SD	E	833,700	828,642		33,959	277,156	656,307	
43. Tennessee	TN	E	13,689,001	13,090,496		33,650,926	8,048,587	24,810,479	
44. Texas	TX	E	126,549,166	116,657,867		66,045,788	18,930,710	303,450,234	
45. Utah	UT	E	6,618,392	6,397,971		1,615,118	2,048,123	14,879,481	
46. Vermont	VT	E	1,327,973	1,288,871		1,662	316,929	1,714,388	
47. Virginia	VA	E	16,981,114	17,006,133		2,304,848	(1,461,120)	33,728,607	
48. Washington	WA	E	15,933,447	15,105,686		8,717,889	10,576,147	42,967,309	
49. West Virginia	WV	E	3,381,182	2,885,134		326,469	3,518,868	7,045,295	
50. Wisconsin	WI	E	8,075,358	8,022,698		3,465,340	4,217,872	19,731,840	
51. Wyoming	WY	E	1,072,302	1,330,742		40,000	(3,094)	1,547,944	
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	E	36,793	73,128		3,829,515	1,773,532	2,369,753	
55. U.S. Virgin Islands	VI	E	119,496	157,202		3,160,647	6,164	2,915,833	
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N	127,988	85,808		21,324	(110,783)	397,586	
58. Aggregate Other Alien	OT	X X X	3,625,861	5,674,056		1,007,593	(5,401,043)	26,767,448	
59. Totals	(a) 1		989,888,288	926,734,195		533,443,753	583,196,090	2,279,917,008	

DETAILS OF WRITE-INS									
58001.	LUX Luxembourg	X X X	916,204	774,159			234,861	754,799	
58002.	GBR United Kingdom	X X X	834,959	1,962,279		94,609	(1,107,109)	7,173,879	
58003.	NLD Netherlands	X X X	397,603	602,705		562,500	383,152	489,595	
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X	1,477,095	2,334,913		350,484	(4,911,947)	18,349,175	
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X	3,625,861	5,674,056		1,007,593	(5,401,043)	26,767,448	

Explanation of basis of allocation of premiums by states, etc.

(a) Active Status Counts

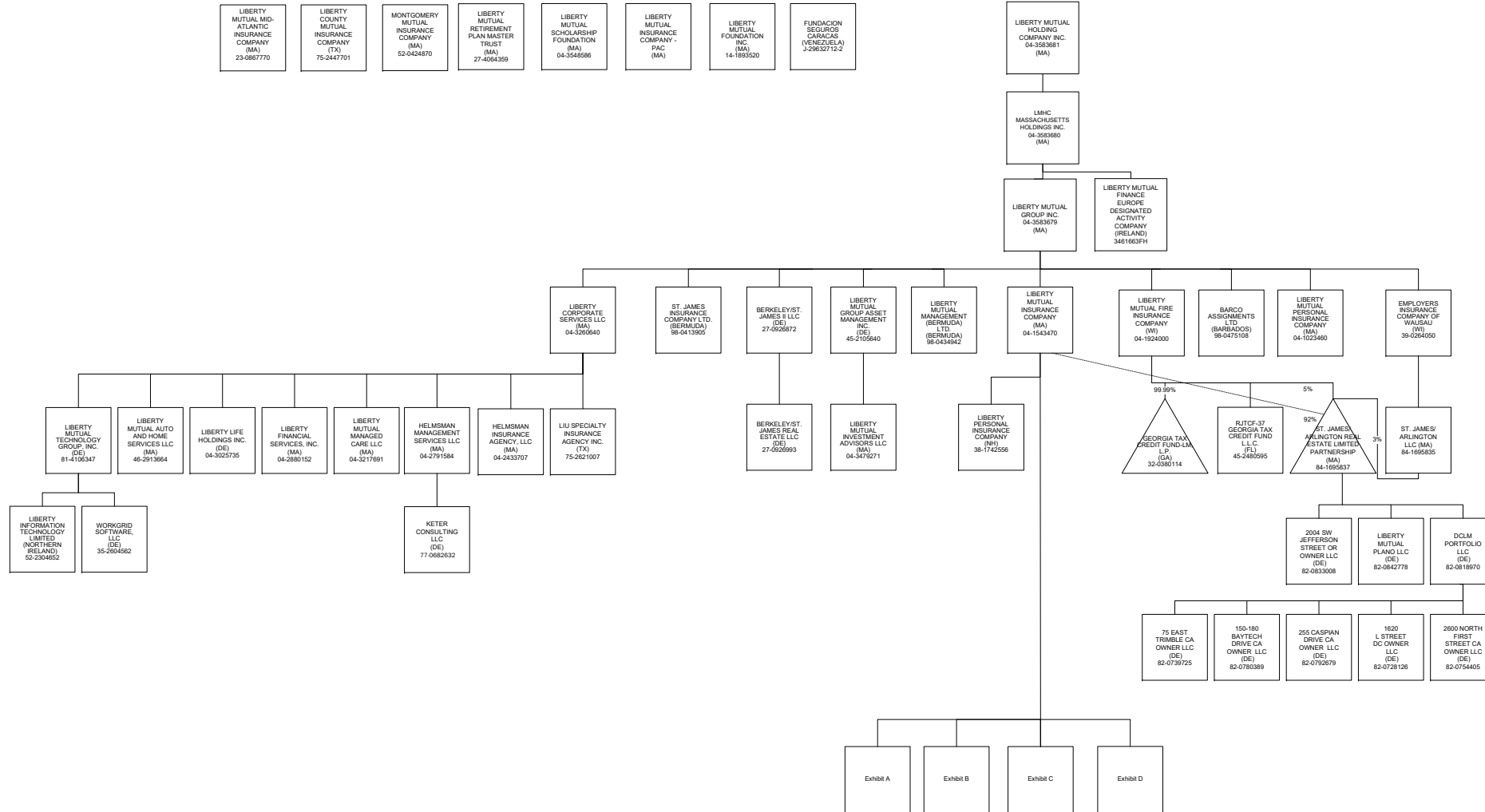
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	52
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state	1
D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile	4
R - Registered - 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)	

Explanation of basis of allocation of premiums by states, etc.

*Location of coverage - Fire, Allied Lines, Homeowners Multi Peril, Commercial Multi Peril, Earthquake, Boiler and Machinery	*Location of Court or Obligor - Surety
*States employee's main work place - Worker's Compensation	*Address of Assured - Other Accident and Health
*Location of Principal place of garaging of each individual car - Auto Liability, Auto Physical Damage	*Location of Properties covered - Burglary and Theft
*Principal Location of business or location of coverage - Liability other than Auto, Fidelity, Warranty	*Principal Location of Assured - Ocean Marine, Credit
*Point of origin of shipment or principal location of assured - Inland Marine	*Primary residence of Assured - Aircraft (all perils)
*State in which employees regularly work - Group Accident and Health	

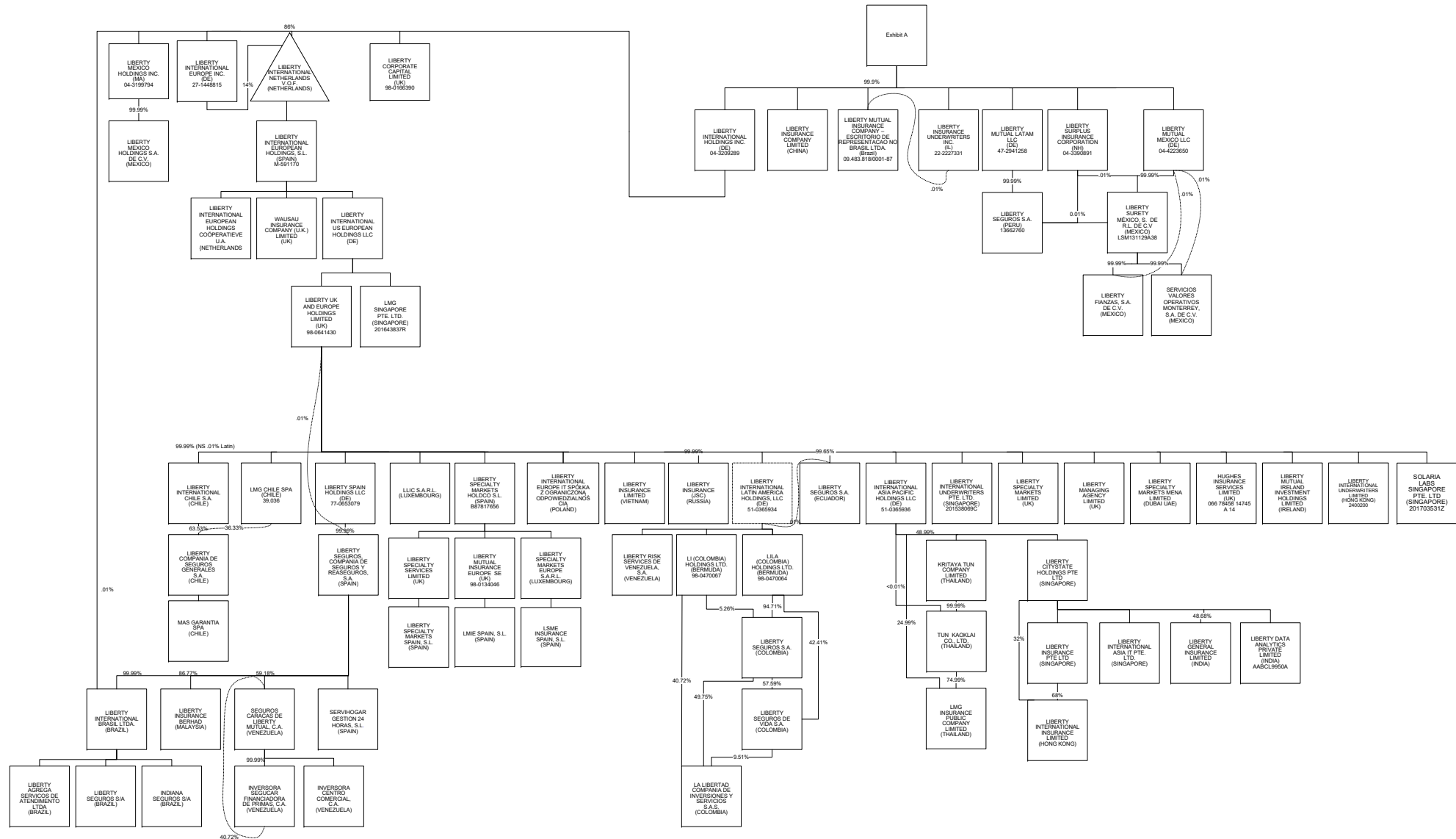
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

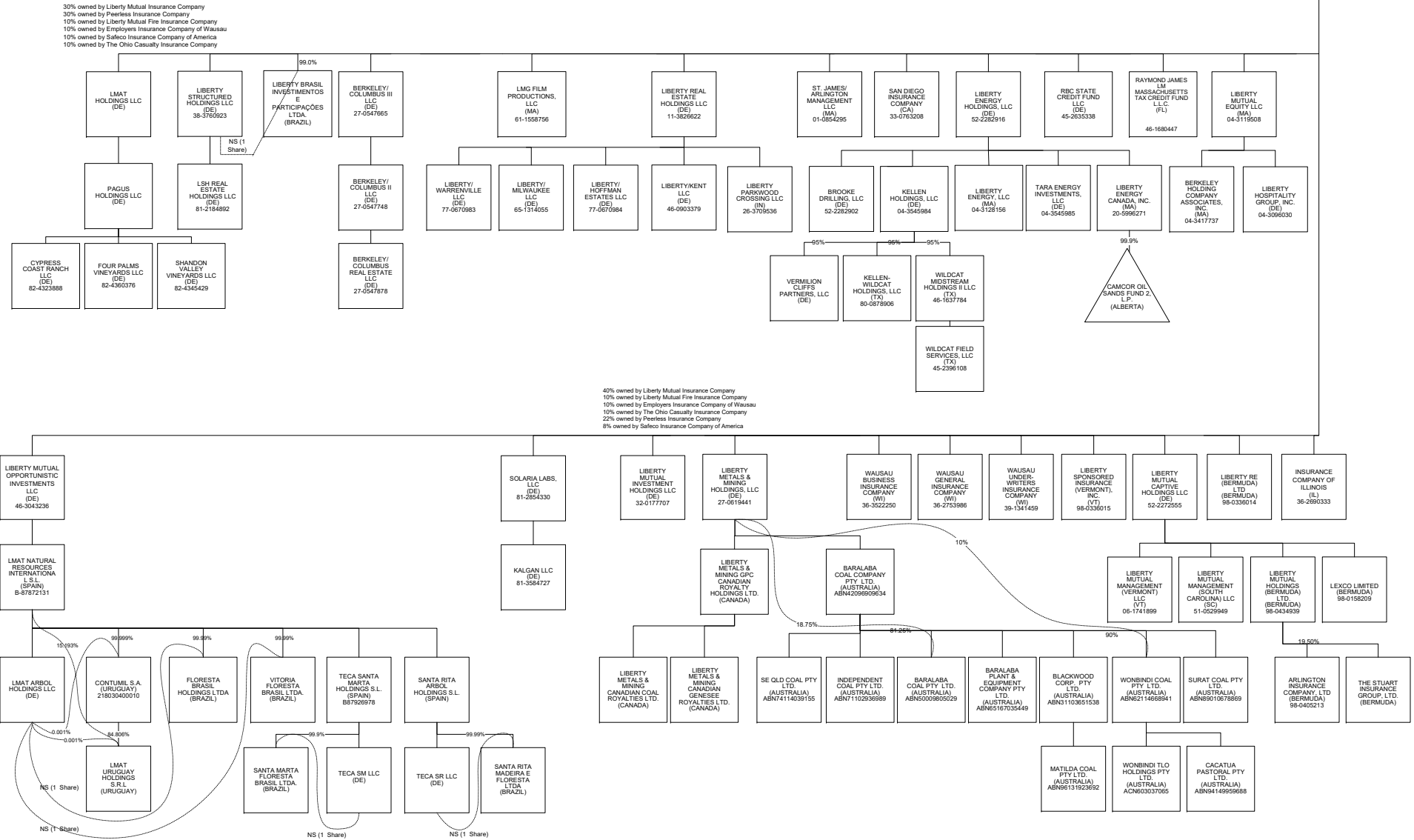
PART 1 - ORGANIZATIONAL CHART



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

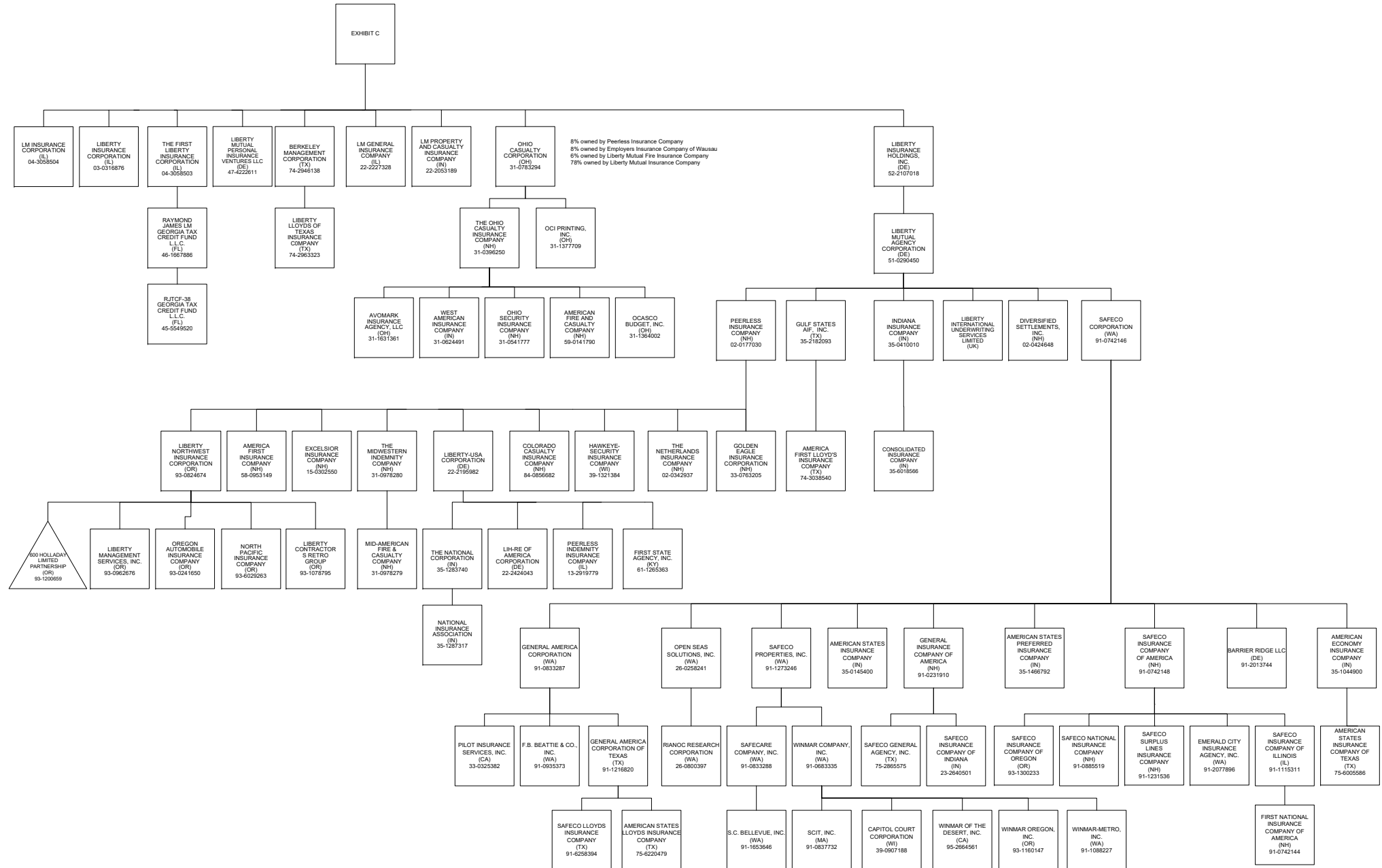
PART 1 - ORGANIZATIONAL CHART

EXHIBIT B



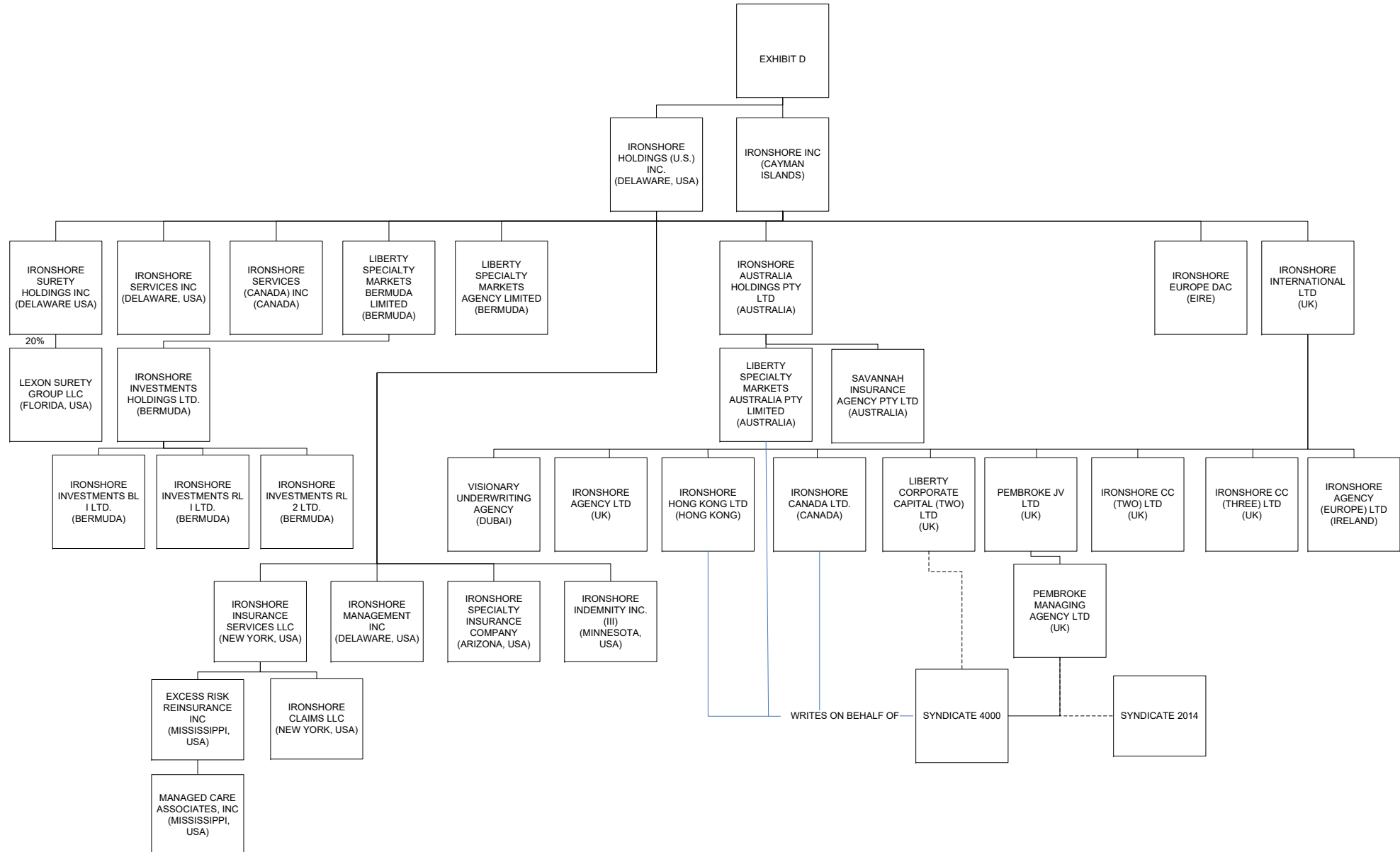
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

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SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

REMAINING WRITE-INS AGGREGATED AT LINE 58 FOR OTHER ALIEN	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
58004. MEX Mexico	X X X	365,704	199,939			43,100	(473,620)		
58005. AUS Australia	X X X	347,528	843,924		104,036	73,284	897,819		
58006. COL Colombia	X X X	183,002	143,352		178	35,139	59,189		
58007. DOM Dominican Republic	X X X	169,514	15,602			4,621	4,621		
58008. PER Peru	X X X	162,152	38,404			10,817	11,003		
58009. PAN Panama	X X X	142,619	117,193		10,589	(53,943)	172,928		
58010. CYM Cayman Islands	X X X	92,139	106,099			3,262	179,194		
58011. ISR Israel	X X X	78,750	33,010		174,729	(45,142)	109,624		
58012. CHE Switzerland	X X X	61,362	62,964		1	(23,516)	371,050		
58013. MYS Malaysia	X X X	60,166	64,150		474,825	(162,099)	8,535,782		
58014. GTM Guatemala	X X X	44,713	20,066			5,919	5,948		
58015. PRY Paraguay	X X X	39,375	3,824			1,162	1,162		
58016. BHS Bahamas	X X X	30,645	7,438			3,115	3,334		
58017. CRI Costa Rica	X X X	26,786	10,999			3,049	3,291		
58018. BRA Brazil	X X X	22,207	3,174		77,238	(1,684)	(297,954)		
58019. ECU Ecuador	X X X	13,233	13,233			3,181	333,682		
58020. JPN Japan	X X X	12,506	13,072		(17,659)	(46,499)	36,093		
58021. ARG Argentina	X X X	10,174	5,902		4,830	(15,849)	8,053		
58022. GUY Guyana	X X X	6,454	6,454			1,830	1,830		
58023. NOR Norway	X X X	1,110	290,036			(128,023)	474,756		
58024. MAR Morocco	X X X				24,000	258	8,302		
58025. AFG Afghanistan	X X X					(41)	442		
58026. AGO Angola	X X X				685	(5,787)	3,760		
58027. ALB Albania	X X X					(159)	75		
58028. ANT Netherlands Antilles	X X X					(702)	475		
58029. ARE United Arab Emirates	X X X				187,471	(71,506)	327,779		
58030. AUT Austria	X X X					(22)	74		
58031. AZE Azerbaijan	X X X					(2,141)	6,283		
58032. BEL Belgium	X X X					17	28		
58033. BGD Bangladesh	X X X					(3,627)	4,946		
58034. BGR Bulgaria	X X X					(560)	575		
58035. BHR Bahrain	X X X				(7,000)	(10,402)	10,566		
58036. BIH Bosnia and Herzegovina	X X X					2	2		
58037. BRN Brunei Darussalam	X X X					(1,062)	609		
58038. BWA Botswana	X X X					(124)	154		
58039. CHL Chile	X X X				7,255	(77,727)	26,390		
58040. CHN China	X X X	703			446,058	(769,098)	529,157		
58041. CMR Cameroon	X X X					(334)	340		
58042. COD Congo, Democratic Republic of	X X X					(169)	161		
58043. COG Congo (Brazzaville)	X X X					(39)	57		
58044. CPV Cape Verde	X X X					10	12		
58045. CUB Cuba	X X X					(31)			
58046. CYP Cyprus	X X X				13,445	12,425	214		
58047. DEU Germany	X X X		3,689		31,047	13,097	1,355,630		
58048. DNK Denmark	X X X					(389)	193		
58049. DZA Algeria	X X X					(11,258)	130,024		
58050. EGY Egypt	X X X				(131,939)	(142,126)	36,284		
58051. ESP Spain	X X X				(6,014)	(12,184)	4,193		
58052. ETH Ethiopia	X X X				(892,490)	(1,001,145)	14,659		
58053. FIN Finland	X X X				(13,154)	(40,964)	5,205		
58054. FJI Fiji	X X X					(1,019)	914		
58055. FRA France	X X X				6,128	(26,259)	64,404		
58056. GEO Georgia	X X X		1,739			(2,359)	3,948		
58057. GIN Guinea	X X X					8	14		
58058. GNQ Equatorial Guinea	X X X					(43)	14		
58059. GRC Greece	X X X					(230)	295		
58060. HRV Croatia	X X X					(860)	460		
58061. IDN Indonesia	X X X				24,486	(30,858)	23,808		
58062. IND India	X X X				(7,757)	(13,890)	2,389		
58063. IRL Ireland	X X X		749,996		100	24,818	831,927		
58064. IRQ Iraq	X X X					(798)	241		
58065. ISL Iceland	X X X					(1,770)	60,638		
58066. ITA Italy	X X X					7	22		
58067. JOR Jordan	X X X				9,350	316	52,260		
58068. KAZ Kazakhstan	X X X					(89)	87		
58069. KEN Kenya	X X X					3	4		
58070. KGZ Kyrgyzstan	X X X					(14)	50		
58071. KHM Cambodia	X X X					(456)	376		
58072. KWT Kuwait	X X X					43,195	58,296		
58073. LAO Lao PDR	X X X					(158)	255		
58074. LBN Lebanon	X X X				1,930	(1,146)	1,129		
58075. LBY Libya	X X X					(4,951)	3,338		
58076. LKA Sri Lanka	X X X				(2,609)	(3,153)	5,063		
58077. LTU Lithuania	X X X					(21)	43		
58078. LVA Latvia	X X X					(393)	47		
58079. MDG Madagascar	X X X					(456)	122		
58080. MKD Macedonia, Republic of	X X X					8	8		
58081. MMR Myanmar	X X X					(647)	542		
58082. MNP Northern Mariana Islands	X X X					(1,256)	893		

OVERFLOW PAGE FOR WRITE-INS

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SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

REMAINING WRITE-INS AGGREGATED AT LINE 58 FOR OTHER ALIEN	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
58083. MOZ Mozambique	X X X					61	137		
58084. MUS Mauritius	X X X				375	(106)	169		
58085. NAM Namibia	X X X					(489)	527		
58086. NGA Nigeria	X X X					(34,887)	12,766		
58087. NIC Nicaragua	X X X					(15)	8		
58088. NPL Nepal	X X X					(101)	24		
58089. NZL New Zealand	X X X					(5,094)	5,635		
58090. OMN Oman	X X X					(3,966)	2,220		
58091. PAK Pakistan	X X X				(1,044)	(2,995)	1,678		
58092. PHL Philippines	X X X				(1,896)	(14,474)	23,826		
58093. POL Poland	X X X					(459)	100		
58094. PRT Portugal	X X X					(7,744)	989		
58095. PYF French Polynesia	X X X				(355)	(8,603)	291		
58096. QAT Qatar	X X X				115,366	151,986	118,375		
58097. ROU Romania	X X X					21	21		
58098. RUS Russian Federation	X X X			681		(49,364)	95,810		
58099. RWA Rwanda	X X X					(299)	420		
58100. SAU Saudi Arabia	X X X		97,676		10,600	(25,310)	88,855		
58101. SGP Singapore	X X X				34,459	(227,465)	239,178		
58102. SJM Svalbard and Jan Mayen Island	X X X					(3,124)	14,211		
58103. SLV El Salvador	X X X					(464)	133		
58104. SVK Slovakia	X X X					(217)	62		
58105. TGO Togo	X X X					(32)	10		
58106. THA Thailand	X X X				90,330	(62,870)	115,902		
58107. TJK Tajikistan	X X X					7	31		
58108. TTO Trinidad and Tobago	X X X			6,250		7,797	10,292		
58109. TUR Turkey	X X X			74,001		74,612	105,468		
58110. TWN Taiwan, Republic of China	X X X			(19,854)		(206,060)	24,871		
58111. UKR Ukraine	X X X					(3,442)	4,377		
58112. URY Uruguay	X X X					(15,577)	20,637		
58113. VEN Venezuela	X X X					(1,728)	31		
58114. VGB British Virgin Islands	X X X		80,664			8,086	328,870		
58115. ZAF South Africa	X X X				45,866	(36,024)	5,130		
58116. ZMB Zambia	X X X					3	10		
58117. ZZZ Other Alien	X X X					(217)			
58118. SWE Sweden	X X X	(1,304)	152,162		(4,615)	(92,572)	675,648		
58119. VNM Viet Nam	X X X	(4,537)	(4,537)		(1,679)	(8,783)	38,196		
58120. KOR Korea, Republic of	X X X	(16,200)	(16,200)		19,025	(1,025,147)	133,417		
58121. TUN Tunisia	X X X	(29,412)	(29,412)		76	43	16,984		
58122. HUN Hungary	X X X	(78,907)	(78,907)		(536,861)	(553,506)	23,605		
58123. BMU Bermuda	X X X	(262,684)	(621,495)			(326,894)	2,224,300		
Total (Lines 58004 through 58150) (Page 94, Line 58998)	X X X	1,477,095	2,334,913		350,484	(4,911,947)	18,349,175		

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