

ANNUAL STATEMENT

OF THE

Texas Windstorm Insurance Association

of **Austin**

STATE OF **Texas**

TO THE

Insurance Department

OF THE

State of Texas

FOR THE YEAR ENDED

December 31, 2018

PROPERTY AND CASUALTY

2018



30040201820100100

ANNUAL STATEMENT

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

Texas Windstorm Insurance Association

NAIC Group Code 4766 (Current Period) 4766 (Prior Period) NAIC Company Code 30040 Employer's ID Number 74-6189303
Organized under the Laws of Texas, State of Domicile or Port of Entry TX
Country of Domicile USA
Incorporated/Organized June 1, 1971 Commenced Business June 1, 1971
Statutory Home Office 5700 S. Mopac Bldg A, Austin, TX, US 78749
Main Administrative Office 5700 S. Mopac Bldg A, Austin, TX, US 78749
Mail Address P.O. Box 99090, Austin, TX, US 78709
Primary Location of Books and Records 5700 S. Mopac Bldg A, Austin, TX, US 78749
Internet Web Site Address https://www.twia.org/
Statutory Statement Contact Allen David Fulkerson, afulkerson@twia.org, 512-899-4988

OFFICERS

Table with 2 columns: Name, Title. Officers listed include John William Polak (General Manager), Bryan Shofner (Vice Chairman), and Debbie King (Secretary-Treasurer).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. VPs listed include David Patrick Durden (VP Legal), Camron Malik (VP IT), Jennifer Taylor Armstrong (VP Communications & Legislative Affairs), David Scott Williams (VP Claims), Juanita Deloris Lester (VP HR and Administration), and Denise Ingerson Larzalere (VP Underwriting).

DIRECTORS OR TRUSTEES

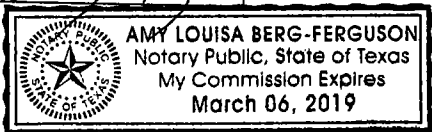
Table with 4 columns: Name, Title, Name, Title. Directors listed include Karen Guard #, Joshua Fields, Tony Schrader, Michael Frank Gerik, Bryan Shofner, Georgia Rutherford Neblett, R. Scott Kesner, and Chandra Womack.

State of Texas
County of Travis, 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.

Signatures and titles of John William Polak (General Manager), Jerome Tonra Fadden (Chief Financial Officer), and an unnamed officer.

Subscribed and sworn to (or affirmed) before me this on this 11th day of February, 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)				
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
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 (\$ 274,607,680, Schedule E - Part 1), cash equivalents (\$ 381,519,678, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	656,127,358		656,127,358	646,074,191
6. Contract loans (including \$ 0 premium notes)				
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)	656,127,358		656,127,358	646,074,191
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	498,727		498,727	260,608
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	235,210	129,038	106,172	90,174
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	4,461		4,461	17,332
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				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)	777,988	777,988		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,029,066		1,029,066	1,426,589
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	3,398,304	3,325,360	72,944	85,035
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	662,071,114	4,232,386	657,838,728	647,953,929
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	662,071,114	4,232,386	657,838,728	647,953,929

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. Member Assessment Receivable	2,199,241	2,199,241		
2502. Prepaid assets	1,008,373	1,008,373		
2503. Security deposit - lease	111,881	111,881		
2598. Summary of remaining write-ins for Line 25 from overflow page	78,809	5,865	72,944	85,035
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,398,304	3,325,360	72,944	85,035

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	157,182,138	358,214,371
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)	43,597,505	56,519,895
4. Commissions payable, contingent commissions and other similar charges	3,639,131	4,011,037
5. Other expenses (excluding taxes, licenses and fees)	5,497,696	10,450,434
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	685,411	816,051
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ 368,500,000 and interest thereon \$ 15,200,625	383,700,625	431,702,250
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 0 and including warranty reserves of \$ 0 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	195,049,950	209,452,528
10. Advance premium	6,202,566	7,058,606
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	20,171,584	20,603,408
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	400,023	368,530
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	2,929,007	2,754,266
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 3 Column 78)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	116,647,289	7,392,715
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	935,702,925	1,109,344,091
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	935,702,925	1,109,344,091
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	(277,864,197)	(461,390,162)
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)	(277,864,197)	(461,390,162)
38. Totals (Page 2, Line 28, Col. 3)	657,838,728	647,953,929

DETAILS OF WRITE-IN LINES		
2501. Statutory fund payable	110,589,883	
2502. Pension benefits liability	3,876,002	5,051,041
2503. Escheat funds	943,271	874,457
2598. Summary of remaining write-ins for Line 25 from overflow page	1,238,133	1,467,217
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	116,647,289	7,392,715
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	NONE	
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	NONE	
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)	301,515,439	347,354,358
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	106,262,595	1,266,241,617
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	69,735,257	209,060,546
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	96,399,261	97,876,127
5. Aggregate write-ins for underwriting deductions	110,589,883	
6. Total underwriting deductions (Lines 2 through 5)	382,986,996	1,573,178,290
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(81,471,557)	(1,225,823,932)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	(27,331,179)	(28,886,165)
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses))		
11. Net investment gain (loss) (Lines 9 + 10)	(27,331,179)	(28,886,165)
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	281,871,761	743,268,162
15. Total other income (Lines 12 through 14)	281,871,761	743,268,162
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	173,069,025	(511,441,935)
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)	173,069,025	(511,441,935)
19. Federal and foreign income taxes incurred		
20. Net income (Line 18 minus Line 19) (to Line 22)	173,069,025	(511,441,935)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	(461,390,162)	
22. Net income (from Line 20)	173,069,025	(511,441,935)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0		
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	9,281,901	50,760,192
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	1,175,039	(708,419)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	183,525,965	(461,390,162)
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	(277,864,197)	(461,390,162)

DETAILS OF WRITE-IN LINES		
0501. Statutory fund expense	110,589,883	
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)	110,589,883	
1401. Member Assessment Income	281,871,761	
1402. Other income (loss)	51,983	55,209
1403. CRTF Income		743,212,953
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	281,871,761	743,268,162
3701. Pension unassigned funds - unrecognized losses	1,175,039	(708,419)
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)	1,175,039	(708,419)

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	294,899,834	301,710,491
2. Net investment income	(29,058,812)	(29,510,340)
3. Miscellaneous income	279,672,519	743,268,162
4. Total (Lines 1 through 3)	545,513,541	1,015,468,313
5. Benefit and loss related payments	307,282,841	951,291,982
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	183,021,795	402,819,466
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		
10. Total (Lines 5 through 9)	490,304,636	1,354,111,448
11. Net cash from operations (Line 4 minus Line 10)	55,208,905	(338,643,135)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)		
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)		
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)		
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds	(48,001,625)	(44,949,750)
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	2,845,887	59,137,161
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(45,155,738)	14,187,411
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)	10,053,167	(324,455,724)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	646,074,191	970,529,915
19.2 End of year (Line 18 plus Line 19.1)	656,127,358	646,074,191

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

20.0001		
20.0002		
20.0003		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire				
2. Allied lines	287,112,861	209,452,528	195,049,950	301,515,439
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability—occurrence				
11.2 Medical professional liability—claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability—occurrence				
17.2 Other liability—claims-made				
17.3 Excess workers' compensation				
18.1 Products liability—occurrence				
18.2 Products liability—claims-made				
19.1,19.2 Private passenger auto liability				
19.3,19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-nonproportional assumed property				
32. Reinsurance-nonproportional assumed liability				
33. Reinsurance-nonproportional assumed financial lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	287,112,861	209,452,528	195,049,950	301,515,439

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 1A – RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire					
2. Allied lines	195,049,950				195,049,950
3. Farmowners multiple peril					
4. Homeowners multiple peril					
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical professional liability—occurrence					
11.2 Medical professional liability—claims-made					
12. Earthquake					
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability—occurrence					
17.2 Other liability—claims-made					
17.3 Excess workers' compensation					
18.1 Products liability—occurrence					
18.2 Products liability—claims-made					
19.1,19.2 Private passenger auto liability					
19.3,19.4 Commercial auto liability					
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-nonproportional assumed property					
32. Reinsurance-nonproportional assumed liability					
33. Reinsurance-nonproportional assumed financial lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	195,049,950				195,049,950
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					195,049,950

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) State here basis of computation used in each case Prorata

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B – PREMIUMS WRITTEN

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
1. Fire						
2. Allied lines	395,551,679				108,438,818	287,112,861
3. Farmowners multiple peril						
4. Homeowners multiple peril						
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine						
10. Financial guaranty						
11.1 Medical professional liability--occurrence						
11.2 Medical professional liability--claims-made						
12. Earthquake						
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability—occurrence						
17.2 Other liability—claims-made						
17.3 Excess workers' compensation						
18.1 Products liability—occurrence						
18.2 Products liability—claims-made						
19.1,19.2 Private passenger auto liability						
19.3,19.4 Commercial auto liability						
21. Auto physical damage						
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-nonproportional assumed property	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	395,551,679				108,438,818	287,112,861

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								
2. Allied lines	307,370,851		76,023	307,294,828	157,182,138	358,214,371	106,262,595	35.243
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
10. Financial guaranty								
11.1 Medical professional liability—occurrence								
11.2 Medical professional liability—claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability—occurrence								
17.2 Other liability—claims-made								
17.3 Excess workers' compensation								
18.1 Products liability—occurrence								
18.2 Products liability—claims-made								
19.1,19.2 Private passenger auto liability								
19.3,19.4 Commercial auto liability								
21. Auto physical damage								
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-nonproportional assumed property	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	307,370,851		76,023	307,294,828	157,182,138	358,214,371	106,262,595	35.243

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									
2. Allied lines	60,283,728				96,952,847			157,182,138	43,597,505
3. Farmowners multiple peril			12,412						
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical professional liability—occurrence									
11.2 Medical professional liability—claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability—occurrence									
17.2 Other liability—claims-made									
17.3 Excess workers' compensation									
18.1 Products liability—occurrence									
18.2 Products liability—claims-made									
19.1,19.2 Private passenger auto liability									
19.3,19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-nonproportional assumed property	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									
35. TOTALS	60,283,728		12,412	60,271,316	96,952,847		42,025	157,182,138	43,597,505

10

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) 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	26,915,649			26,915,649
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	(20,292)			(20,292)
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	26,935,941			26,935,941
2. Commission and brokerage:				
2.1 Direct, excluding contingent		63,280,811		63,280,811
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent		2,701,545		2,701,545
2.4 Contingent—direct				
2.5 Contingent—reinsurance assumed				
2.6 Contingent—reinsurance ceded				
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)		60,579,266		60,579,266
3. Allowances to manager and agents				
4. Advertising		51,375		51,375
5. Boards, bureaus and associations		201,346		201,346
6. Surveys and underwriting reports		1,813,262		1,813,262
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	39,153,463	9,419,209		48,572,672
8.2 Payroll taxes	178,179	613,728		791,907
9. Employee relations and welfare	943,668	3,476,144		4,419,812
10. Insurance	68,449	235,768		304,217
11. Directors' fees				
12. Travel and travel items	96,022	221,353		317,375
13. Rent and rent items	867,677	6,077,088		6,944,765
14. Equipment	84,956	616,947		701,903
15. Cost or depreciation of EDP equipment and software		888,975		888,975
16. Printing and stationery	84,506	266,785		351,291
17. Postage, telephone and telegraph, exchange and express	346,006	1,181,357		1,527,363
18. Legal and auditing	396,995	729,165		1,126,160
19. Totals (Lines 3 to 18)	42,219,921	25,792,502		68,012,423
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 0		7,455,675		7,455,675
20.2 Insurance department licenses and fees		83,219		83,219
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)		51,401		51,401
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		7,590,295		7,590,295
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	579,395	2,437,198	2,457,477	5,474,070
25. Total expenses incurred	69,735,257	96,399,261	2,457,477	(a) 168,591,995
26. Less unpaid expenses—current year	43,597,505	9,822,238		53,419,743
27. Add unpaid expenses—prior year	56,519,895	15,277,522	69,324	71,866,741
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)	82,657,647	101,854,545	2,526,801	187,038,993

DETAILS OF WRITE-IN LINES				
2401. IT Exp less Capitalization of HW/SW	367,952	2,482,613		2,850,565
2402. Line of Credit Issuance Expenses			1,436,569	1,436,569
2403. Line of Credit Fees			783,333	783,333
2498. Sum of remaining write-ins for Line 24 from overflow page	211,443	(45,415)	237,575	403,603
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	579,395	2,437,198	2,457,477	5,474,070

(a) Includes management fees of \$ 13,786,972 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)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
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) 7,191,054	7,429,173
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	7,191,054	7,429,173
11. Investment expenses		(g) 2,457,477
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h) 32,302,875
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)		34,760,352
17. Net investment income (Line 10 minus Line 16)		(27,331,179)

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)			
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 \$ 0 accrual of discount less \$ 0 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 \$ 0 amortization of premium and less \$ 0 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					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
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					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					

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	129,038	127,934	(1,104)
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			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software		872,291	872,291
21. Furniture and equipment, including health care delivery assets	777,988	901,383	123,395
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	3,325,360	11,612,679	8,287,319
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,232,386	13,514,287	9,281,901
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	4,232,386	13,514,287	9,281,901

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. Member Assessment Receivable	2,199,241		(2,199,241)
2502. Prepaid Assets	1,008,373	2,446,746	1,438,373
2503. Security deposit - lease	111,881	111,881	
2598. Summary of remaining write-ins for Line 25 from overflow page	5,865	9,054,052	9,048,187
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,325,360	11,612,679	8,287,319

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

A. Accounting Practices, Impact of NAIC/State Differences

The accompanying financial statements of Texas Windstorm Insurance Association (The “Association”) have been prepared on the basis of accounting practices or permitted by the Department of Insurance of the State of Texas (TDI). Prescribed statutory accounting practices include state laws, regulations and general administrative rules applicable to all insurance companies domiciled in the State of Texas and the National Association of Insurance Commissioners’ (NAIC) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Texas Department of Insurance.

Reconciliations of net income and policyholders’ surplus between the amounts reported in the accompanying financial statement (TX basis) and NAIC SAP follow:

Net Income	SSAP #	F/S Page	F/S Line #	2018	2017
1. Company state basis (P 4, Line 20, Columns 1&2)	XXX	XXX	XXX	173,069,025	(\$ 511,441,935)
2. State Prescribed Practices that is an increase / (decrease) from NAIC SAP				-	-
3. State Permitted Practices that is an increase / (decrease) from NAIC SAP				-	-
4. NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	173,069,025	(\$ 511,441,935)

Surplus	SSAP #	F/S Page	F/S Line #	2018	2017
5. Company state basis (Page 3, Line 37, Columns 11 & 2)	XXX	XXX	XXX	(\$ 277,864,197)	(\$461,390,162)
6. State Prescribed Practices that is an increase / (decrease) from NAIC SAP				-	-
7. State Permitted Practices that is an increase / (decrease) from NAIC SAP	20	2	5	92,573,713	279,711,104
8. NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	(\$ 370,437,910)	(\$741,101,266)

TDI has granted the permitted practice to allow The Association to admit the following restricted assets associated with the issuance of Series 2014 Pre-Event Class 1 Revenue Bonds (“Series 2014 bonds”) as of December 31, 2018 (see Debt footnote) to the extent that the assets do not exceed bond related liabilities. The detailed amounts are as follows:

- \$72,663,155 held in the program fund.
- \$19,910,558 held in the obligation revenue fund for repayment of the Series 2014 bonds.

The restrictions are primarily due to debt service reserves and use of proceeds only when a large hurricane event occurs.

B. Use of Estimates

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

C. Accounting Policy

All policies issued by the Association have a maximum term of one year from date of issuance. Premiums earned are taken into income over the periods covered by the policies whereas the related acquisition costs are expensed when incurred. Unearned premiums, net of deductions for reinsurance, are computed on a pro-rata basis over the term of the policies.

In addition, the company uses the following accounting policy:

1. Short-term investments are stated at amortized cost, which approximates market value. Reverse repurchase agreements are recorded in cash equivalents if the repurchase date is less than 90 day. Reverse repurchase agreements represent the purchase of a security with an agreement to resell.
2. through 9. Investment and mortgage loan related, Not applicable.
10. The Association does not anticipate investment income when evaluating the need for premium deficiency reserves.
11. Loss and loss adjustment expense reserves are based upon claim estimates for (1) losses for cases reported prior to the close of the accounting period, (2) losses incurred but unreported prior to the close of the accounting period, and (3) expenses for investigating and adjusting claims. Such liabilities are necessarily based on assumptions and estimates and while management believes the amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing

NOTES TO FINANCIAL STATEMENTS

the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

12. The Association has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
13. Not applicable as the Association does not write medical insurance with prescription drug coverage.

D. Going Concern

Management has evaluated the Association's ability to continue as a going concern. There is no substantial doubt for the Association to continue as a going concern.

Note 2 – Accounting Changes and Correction of Errors

A. Material Changes in Accounting Principal

The Association prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Texas. Effective January 1, 2001, the State of Texas required that insurance companies domiciled in the State of Texas prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual subject to any deviations prescribed or permitted by the State of Texas insurance commissioner.

B. Correction of Errors

Not applicable.

Note 3 – Business Combinations and Goodwill

A. Not applicable

Note 4 – Discontinued Operations

A. Not applicable

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

None

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan-Backed Securities

None

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

None

F. Repurchase Agreements Transactions Accounted for as a Secured Borrowing

None

G. Reverse Repurchase Agreements Transactions Accounted for as a Secured Borrowing

None

H. Repurchase Agreements Transactions Accounted for as a Sale

None

NOTES TO FINANCIAL STATEMENTS

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

1. Funds held by the Texas Treasury Safekeeping Trust Company (TTSTC) on behalf of the Association are invested in overnight reverse repurchase agreements. These invested funds represent proceeds from the issuance of bonds during 2014 and include debt service payments. The funds are held at the TTSTC to be used for debt service and the payment of catastrophe loss and loss adjustment expense. See note 1 and note 11. The reverse repurchase agreements require collateral of at least 100% for Treasuries; 101% for Agencies and US Instrumentalities and 102% for mortgage-backed securities. The fair value of reverse repurchase agreements was \$92,573,713 and \$279,711,104 at December 31, 2018 and 2017, respectively.
2. Type of Repo Trades Used

		1	2	3	4
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a.	Bilateral (YES/NO)	NO	NO	NO	NO
b.	Tri-Party (YES/NO)	YES	YES	YES	YES

3. Original (Flow) & Residual Maturity

	First Quarter				Second Quarter			
	1 Minimum	2 Maximum	3 Average Daily Balance	4 Ending Balance	5 Minimum	6 Maximum	7 Average Daily Balance	8 Ending Balance
a. Open -- No Maturity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Overnight	\$181,607,348	\$269,598,137	\$216,245,993	\$195,384,837	\$101,127,867	\$202,273,254	\$130,689,691	\$114,849,137
c. 2 Days to 1 Week	-	-	-	-	-	-	-	-
d. > 1 Week to 1 Month	-	-	-	-	-	-	-	-
e. > 1 Month to 3 Months	-	-	-	-	-	-	-	-
f. > 3 Months to 1 Year	-	-	-	-	-	-	-	-
g. > 1 Year	-	-	-	-	-	-	-	-

	Third Quarter				Fourth Quarter			
	9 Minimum	10 Maximum	11 Average Daily Balance	12 Ending Balance	13 Minimum	14 Maximum	15 Average Daily Balance	16 Ending Balance
a. Open -- No Maturity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Overnight	51,666,029	72,026,001	64,017,359	72,026,001	70,038,775	92,573,713	84,426,597	92,573,713
c. 2 Days to 1 Week	-	-	-	-	-	-	-	-
d. > 1 Week to 1 Month	-	-	-	-	-	-	-	-
e. > 1 Month to 3 Months	-	-	-	-	-	-	-	-
f. > 3 Months to 1 Year	-	-	-	-	-	-	-	-
g. > 1 Year	-	-	-	-	-	-	-	-

4. Counterparty, Jurisdiction and Fair Value (FV)

No Defaults, non applicable.

5. Securities Acquired Under Repo - Sale

	First Quarter				Second Quarter			
	1 Minimum	2 Maximum	3 Average Daily Balance	4 Ending Balance	5 Minimum	6 Maximum	7 Average Daily Balance	8 Ending Balance
a. BACV	X X X	X X X	X X X	\$195,384,837	X X X	X X X	X X X	\$114,849,137
b. Nonadmitted -- Subset of BACV	X X X	X X X	X X X	-	X X X	X X X	X X X	-
c. Fair value	\$181,607,348	\$269,598,137	\$216,245,993	\$195,384,837	\$101,127,867	\$202,273,254	\$130,689,691	\$114,849,137

	Third Quarter				Fourth Quarter			
	9 Minimum	10 Maximum	11 Average Daily Balance	12 Ending Balance	13 Minimum	14 Maximum	15 Average Daily Balance	16 Ending Balance
a. BACV	X X X	X X X	X X X	72,026,001	X X X	X X X	X X X	\$92,573,713
b. Nonadmitted -- Subset of BACV	X X X	X X X	X X X	-	X X X	X X X	X X X	-
c. Fair value	\$51,666,029	\$72,026,001	\$64,017,359	\$72,026,001	\$70,038,775	\$92,573,713	\$84,426,597	\$92,573,713

NOTES TO FINANCIAL STATEMENTS

6. Securities Acquired Under Repo – Sale by NAIC Designation

Ending Balance	1 None	2 NAIC 1	3 NAIC 2	4 NAIC 3	5 NAIC 4	6 NAIC 5	7 NAIC 6	8 Nonadmitted
a. Bonds -- BACV	-	-	-	-	-	-	-	-
b. Bonds -- FV	-	-	-	-	-	-	-	-
c. LB & SS -- BACV	-	-	-	-	-	-	-	-
d. LB & SS -- FV	-	-	-	-	-	-	-	-
e. Preferred Stock -- BACV	-	-	-	-	-	-	-	-
f. Preferred Stock -- FV	-	-	-	-	-	-	-	-
g. Common Stock	-	-	-	-	-	-	-	-
h. Mortgage Loans -- BACV	-	-	-	-	-	-	-	-
i. Mortgage Loans -- FV	-	-	-	-	-	-	-	-
j. Real Estate -- BACV	-	-	-	-	-	-	-	-
k. Real Estate -- FV	-	-	-	-	-	-	-	-
l. Derivatives -- BACV	-	-	-	-	-	-	-	-
m. Derivatives -- FV	-	-	-	-	-	-	-	-
n. Other Invested Assets -- BACV	-	\$92,573,713	-	-	-	-	-	-
o. Other Invested Assets -- FV	-	\$92,573,713	-	-	-	-	-	-
p. Total Assets -- BACV	-	\$92,573,713	-	-	-	-	-	-
q. Total Assets -- FV	-	\$92,573,713	-	-	-	-	-	-

7. Proceeds Provided - Sale

	First Quarter				Second Quarter			
	1 Minimum	2 Maximum	3 Average Daily Balance	4 Ending Balance	5 Minimum	6 Maximum	7 Average Daily Balance	8 Ending Balance
a. Cash	\$181,607,348	\$269,598,137	\$216,245,993	\$195,384,837	\$101,127,867	\$202,273,254	\$130,689,691	\$114,849,137
b. Securities (FV)	-	-	-	-	-	-	-	-
c. Securities (BACV)	X X X	X X X	X X X	-	X X X	X X X	X X X	-
d. Nonadmitted Subset	X X X	X X X	X X X	\$ -	X X X	X X X	X X X	\$ -

	Third Quarter				Fourth Quarter			
	9 Minimum	10 Maximum	11 Average Daily Balance	12 Ending Balance	13 Minimum	14 Maximum	15 Average Daily Balance	16 Ending Balance
a. Cash	\$51,666,029	\$72,026,001	\$64,017,359	\$72,026,001	\$70,038,775	\$92,573,713	\$84,426,597	\$92,573,713
b. Securities (FV)	-	-	-	-	-	-	-	-
c. Securities (BACV)	X X X	X X X	X X X	-	X X X	X X X	X X X	-
d. Nonadmitted Subset	X X X	X X X	X X X	\$ -	X X X	X X X	X X X	\$ -

8. Recognized Forward Resale Commitment

	First Quarter				Second Quarter			
	1 Minimum	2 Maximum	3 Average Daily Balance	4 Ending Balance	5 Minimum	6 Maximum	7 Average Daily Balance	8 Ending Balance
(8) Recognized Forward Resale Commitment	\$181,607,348	\$269,598,137	\$216,245,993	\$195,384,837	\$101,127,867	\$202,273,254	\$130,689,691	\$114,849,137

	Third Quarter				Fourth Quarter			
	9 Minimum	10 Maximum	11 Average Daily Balance	12 Ending Balance	13 Minimum	14 Maximum	15 Average Daily Balance	16 Ending Balance
(8) Recognized Forward Resale Commitment	\$51,666,029	\$72,026,001	\$64,017,359	\$72,026,001	\$70,038,775	\$92,573,713	\$84,426,597	\$92,573,713

J. Real Estate

None

K. Low-Income Housing Tax Credits

None

L. Restricted Assets

1. Restricted assets (including pledged) summarized by restricted asset category. Assets restricted below are held by the Texas Treasury Safekeeping Trust Company and are restricted for use for debt service reserves and for when a catastrophic event occurs. See note 1 and note 11. These

NOTES TO FINANCIAL STATEMENTS

assets are invested in overnight reverse repurchase agreements. The Association also holds minimum maturity time deposits which have withdrawal provisions in that notice to withdrawal is given in advance of availability which is generally 90 days or less.

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
	Total General Account (G/A)	G/A Supporting S/A Restricted Assets (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Non-admitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Non-admitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. to c. None											
d. Subject to reverse repurchase	\$92,573,713				\$92,573,713	\$279,711,104	(\$187,137,391)	\$ -	\$92,573,713	13.98%	14.07%
e. to m. None											
n. Other restricted assets						932,841	(932,841)	-			
o. Total restricted assets	\$92,573,713				\$92,573,713	\$626,226,812	(\$188,070,232)	\$ -	\$92,573,713	13.98%	14.07%

- (a) Subset of column 1
- (b) Subset of column 3
- (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 (reported on line m above)

None

3. Detail of other restricted assets (reported on line n above)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Percentage			
	Current Year					6	7	8	9	10	
	1	2	3	4	5						
	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)	Total Current Year Admitted Restricted	Gross (Admitted & Non-admitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets	
Minimum Maturity Time Deposits						\$ 932,841	(\$932,841)				
Total other restricted assets						\$ 932,841	(\$932,841)				

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Total Line for Columns 1 through 7 should equal 5L(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)n Columns 9 through 11 respectively

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

None

M. Working Capital Finance Investments

None

N. Offsetting and Netting of Assets and Liabilities

None

O. Structured Notes

None

NOTES TO FINANCIAL STATEMENTS

- P. 5GI* Securities
None
- Q. Short Sales
None
- R. Prepayment Penalty and Acceleration Fees
None

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

- A. Not applicable

Note 7 – Investment Income

- A. There was no due and accrued income excluded from surplus.

Note 8 – Derivative Instruments

- A. Not applicable

Note 9 – Income Taxes

In 2010, Texas Windstorm Insurance Association (The “Association”) applied for and received a Private Letter Ruling (“PLR”) from the Internal Revenue Service. The PLR requested acknowledgement that the Association’s income is derived from an essential governmental function which accrues to a state or political subdivision and is therefore excluded from gross income under Section 115(1) of the Internal Revenue Code (“IRC”). On August 17, 2010, the Internal Revenue Service ruled that the Association performs an essential government function and that income from that function is excluded from gross income under IRC Section 115(1).

The Association had been filing form 1120-PC tax returns with the Internal Revenue Service as a property and casualty insurance company. Under the Internal Revenue Code the statute of limitations to be assessed additional taxes or to file amended tax returns is 3 years from the later of the due date of the return (including extensions) or the filing date of the return. There are existing net operating loss carryforwards in open tax years that are not anticipated to be realized. No further federal income tax impact is expected in the future.

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

- A. Nature of Relationships

Pursuant to the Association’s Plan of Operation, the Board of Directors consists of nine voting members appointed by the Commissioner of Insurance. The nine-member Board includes three public members residing in the first tier coastal counties and representing certain regions of the catastrophe area, three non-coastal representatives residing more than 100 miles from the coast, and three industry representatives actively writing and renewing windstorm and hail insurance in the first tier coastal counties.

On October 10, 2002, the Commissioner of Insurance in Texas enacted Article 21.49A of the Texas Insurance Code implementing the Texas FAIR Plan Association. The Commissioner instructed the Texas Windstorm Insurance Association to manage the FAIR Plan.

- B. Detail of Transactions Greater than ½% of Admitted Assets

None

- C. Change in Terms of Intercompany Arrangements

None

- D. Amounts Due to or from Related Parties

During 2018 and 2017 the Association paid expenses for the Texas FAIR Plan Association (“the Plan”) under its management contract and was reimbursed \$13,786,972 and \$14,033,559, respectively. As of December 31, 2018 and 2017, the Association held an intercompany admitted receivable of \$1,029,066 and \$1,426,589, respectively. The receivable balances is reported on line 23 within the statements assets. This arrangement is subject to a written agreement which requires that balances be settled within 30 days.

NOTES TO FINANCIAL STATEMENTS

- E. Guarantees or Undertakings for Related Parties
Not applicable
- F. Management, Service Contracts, Cost Sharing Arrangements
During 2002, the Association entered into a service contract with the Texas Fair Plan Association (the "Plan") in which the Association is to be fully reimbursed for all expenditures, professional fees, consulting services, allocated employee time, lost investment income and other costs directly associated with the services provided by the Association on behalf of the Plan.
- G. Nature of Relationships that Could Affect Operations
None
- H. Amount Deducted for Investment in Upstream Company
Not applicable
- I. Detail of Investments in Affiliates Great than 10% of Admitted Assets
Not applicable
- J. Write-downs for Impairment of Investments in Affiliates
Not applicable
- K. Foreign Insurance Subsidiary Valued Using CARVM
Not applicable
- L. Downstream Holding Company valued Using Look-Through method
Not applicable
- M. All SCA Investments
Not applicable
- N. Investment in Insurance SCAs
Not applicable
- O. SCA Loss Tracking
Not applicable

Note 11 – Debt

- A. The Texas Public Finance Authority (the "Authority" or the "Issuer") has issued the Texas Public Finance Authority Class 1 Revenue Bonds (Texas Windstorm Insurance Association Program), Taxable Series 2014 (the "Bonds") on behalf of TWIA for the purpose of financing future costs in the amount of \$500,000,000. The Bonds are issued pursuant to a master resolution adopted by the Board of Directors of the Authority (the "Board") on September 24, 2014 (the "Master Resolution"), and a first supplemental resolution adopted by the Board on September 24, 2014 (the "First Supplemental Resolution", and together with the Master Resolution, the "Resolutions"). The Bonds constitute the initial series of Class 1 Public Securities of the Authority secured and payable from Class 1 Pledged Revenues irrevocably pledged under the Resolutions. TWIA has pledged the Class 1 Pledged Revenues to the Authority pursuant to a Financing and Pledge Agreement dated as of September 1, 2014 between the Authority and TWIA.

The secured Bonds were issued on September 30, 2014 for \$500,000,000 of which \$368,500,000 and \$414,600,000 was outstanding as of December 31, 2018 and 2017, respectively. The bonds mature July 1, 2024 and can be called by the Seller beginning July 1, 2019. The original Bonds bear interest from 5.25% to 8.25% with an effective interest rate of 8.03%. Interest is payable semi-annually on January 1 and July 1 with the first payment made January 1, 2015. The Bonds are secured by TWIA's net premium and other revenue which is used to fund the Debt Service and related accounts held by the Texas Treasury Safekeeping Trust Company.

There are various general and special covenants. The primary covenant, which exists as long as there are outstanding Class 1 Public Securities and Administrative Expenses are incurred, states that TWIA will take actions that produce Projected Net Coverage Revenues in an amount not less than 1.25 times the Obligations due in the next calendar year and 1.25 times the estimated amount of Administrative Expenses due in the next

NOTES TO FINANCIAL STATEMENTS

calendar year. Another covenant, which exists as long as the Bonds are outstanding, states that TWIA will maintain the Operating bank account subject to a deposit account control agreement to maintain a perfected security interest in the Net Premiums and Other Revenue held for the benefit of the Bondholders. The deposit account control agreement is activated upon default of the debt covenants. As of both December 31, 2018 and 2017, TWIA is in compliance with these and all other covenants.

The Bonds are subject to optional make-whole redemption, in whole or in part, at the option of the Authority, at the request of TWIA prior to July 1, 2019 at a redemption price equal to the greater of (i) 100% of the principal amount of the Bonds to be redeemed or (ii) the sum of the present values of the remaining schedule payments of principal and interest on the Bonds to be redeemed (exclusive of interest accrued to the date fixed for redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 100 basis points, plus in each case, accrued and unpaid interest on the Bonds being redeemed to the date fixed for redemption.

The Bonds are also subject to optional redemption prior to maturity on or after July 1, 2019, in whole or in part, at a redemption price equal to the principal amount of Bonds to be redeemed plus accrued interest to the date of redemption.

At December 31, 2018 and 2017, the notes had no unamortized premium or discount. Bond issuance costs are expensed as incurred.

Interest expense incurred is recorded as an investment expense and was \$32,302,875 and \$35,354,250 for the years ended December 31, 2018 and 2017, respectively. Interest expense of \$34,204,500 and \$36,504,000 was paid for the years ended December 31, 2018 and 2017, respectively.

Changes in bonds payable for the period ending December 31, 2017:

Description	Bonds Outstanding December 31, 2017	Bonds Issued	Bonds Matured	Bonds Outstanding December 31, 2018
Taxable Series 2014	\$ 414,600,000	\$ -	\$ 46,100,000	\$ 368,500,000

The schedule of aggregate maturities for the next five years and thereafter is as follows:

Year	Amount
2019	49,900,000
2020	54,000,000
2021	58,500,000
2022	63,300,000
Thereafter	142,800,000
On Demand	-
Total	\$ 368,500,000

B. FHLB (Federal Home Loan Bank) Agreements

Not applicable

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

A. Defined Benefit Plan

The Association has a defined pension benefit plan, which covers employees from their date of hire, if the employee is scheduled to work at least 1,000 hours in a twelve-month period. Pension benefits are based on years of service and the employee's compensation during the five highest consecutive years' earnings from the last ten years of employment. An employee's benefits vest 5 years from date of hire. The Association makes contributions to the plan that complies with the minimum funding provisions of the Employee Retirement Income Security Act. Such contributions are included in general expenses. As of December 31, 2018, the Association accrued in accordance with actuarially determined amounts with an offset to the pension cost accrual for the incremental asset amortization.

NOTES TO FINANCIAL STATEMENTS

A summary of assets, obligations and assumptions of the Pension Plan are as follows at December 31, 2018 and 2017:

1. Change in benefit obligation:

	<u>Underfunded</u>	
	<u>2018</u>	<u>2017</u>
Benefit obligation at beginning of year	\$ 23,456,743	\$ 19,618,139
Service cost	1,969,431	1,495,882
Interest cost	883,412	829,936
Contribution by plan participants	-	-
Actuarial loss/(gain)	(2,794,860)	2,019,227
Foreign currency exchange rate changes	-	-
Benefits paid	(578,143)	(506,441)
Plan Amendments	-	-
Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-
Benefit obligation at end of year	\$ 22,936,583	\$ 23,456,743

2. Change in Pension plan assets:

	<u>2018</u>	<u>2017</u>
Fair value of plan assets at beginning of year	\$ 15,597,374	\$ 12,711,260
Actual return/(loss) on plan assets	(1,028,514)	1,798,559
Foreign currency exchange rate changes	-	-
Employer contributions	2,180,304	1,593,996
Plan participants' contributions	-	-
Benefits paid	(578,143)	(506,441)
Business combinations, divestitures and settlements	-	-
Fair value of plan assets at end of year	\$ 16,171,021	\$ 15,597,374

3. Funded status:

	<u>2018</u>	<u>2017</u>
Components:		
Prepaid benefit costs	\$ -	\$ -
Overfunded plan assets	-	-
Accrued benefit costs	2,889,560	2,808,328
Liability for pension benefits	3,876,002	5,051,041
Assets and liabilities recognized		
Assets (nonadmitted)	-	-
Liability recognized	6,765,562	7,859,369
Unrecognized liabilities	\$ -	\$ -

4. Components of net periodic benefit costs:

	<u>2018</u>	<u>2017</u>
Service cost	\$ 1,969,431	\$ 1,495,882
Interest cost	883,412	829,936
Expected return on plan assets	(900,254)	(728,192)
Transition asset or obligation	-	-
(Gains) and losses amortization	264,588	196,082
Prior service cost or (credit)	44,359	44,359
(Gain) or loss recognized due to settlement or curtailment	-	-
Total net periodic benefit cost	\$ 2,261,536	\$ 1,838,067

5. Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

	<u>2018</u>	<u>2017</u>
Items not yet recognized as a component of net periodic cost – prior year	\$ 5,051,041	\$ 4,342,622
Net transition asset or obligation recognized	-	-
Net prior service cost or (credit) arising during the period	-	-
Net prior service cost or (credit) recognized	(44,359)	(44,359)
Net (gain) and loss arising during the period	(866,092)	948,860
Net loss/(gain) recognized	(264,588)	(196,082)
Items not yet recognized as a component of net periodic cost – current year	\$ 3,876,002	\$ 5,051,041

NOTES TO FINANCIAL STATEMENTS

6. Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost:

	<u>2018</u>	<u>2017</u>
Net transition asset or obligation	\$ -	\$ -
Net prior service cost or (credit)	44,359	44,359
Net recognized (gains) and losses	119,887	213,201

7. Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost:

	<u>2018</u>	<u>2017</u>
Net transition asset or obligation	\$ -	\$ -
Net prior service cost or (credit)	355,665	400,024
Net recognized (gains) and losses	3,520,337	4,651,017

8. Weighted-average assumptions used to determine net periodic benefit cost as of December 31:

	<u>2018</u>	<u>2017</u>
Weighted-average discount rate	3.75%	4.25%
Expected long-term rate of return on plan assets	5.50%	5.50%
Rate of compensation increase	2.50%	2.50%

Weighted-average assumptions used to determine projected benefit obligations as of December 31:

Weighted-average discount rate	4.50%	3.75%
Rate of compensation increase	2.50%	2.50%

9. The amount of accumulated benefit obligation for defined benefit pension plans was \$20,318,912 for the current year and \$20,967,502 for the prior year.

10-11. Postretirement Benefits or Special or Contractual Benefits Per SSAP No. 11:

Not applicable

12. The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

<u>Years</u>	<u>Amount</u>
2019	\$ 643,089
2020	697,879
2021	771,326
2022	861,664
2023	957,465
2024 through 2028	\$ 6,339,402

13. The Company expects to contribute \$2,359,776 during 2019.

B. Description of Investment Policies

The investment policy is de-risk investments as the funding ratio grows and exceeds 100%.

C. (1) Fair Value Measurements of Plan Assets at Reporting Date:

<u>Description for each class of plan assets</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Cash	\$ -	\$ 192,298	\$ -	\$ 192,298
Small Cap Equity	478,252	-	-	478,252
Large Cap Equity	3,307,511	-	-	3,307,511
Mid Cap Equity	1,054,071	-	-	1,054,071
International Equity	-	1,464,468	-	1,464,468
Realty Fund	-	1,058,708	-	1,058,708
Fixed Income	-	8,613,546	-	8,613,546
Limited Partnerships	-	-	2,167	2,167
Total Plan Assets	\$ 4,839,834	\$ 11,329,020	\$ 2,167	\$ 16,171,021

D. Rate of Return Assumptions

The plan seeks to be diversified while trying to maximize investment return.

NOTES TO FINANCIAL STATEMENTS

E. Defined Contribution Plan

The Association has a defined contribution 401(k) plan available to eligible employees after 6 months of employment. The total expense was \$819,000 and \$741,000 for fiscal years ending December 31, 2018 and 2017, respectively. The Association's portion was approximately \$553,000 for the current year and \$506,000 for prior year.

F. Multiemployer Plans

Not applicable

G. Consolidated/Holding Company Plans

Not applicable

H. Postemployment Benefits and Compensated Absences

The Association has no obligations to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned personal time off. The liability for earned but untaken personal time off has been accrued.

I. Impact of Medicare Modernization Act on Postretirement Benefits

Not applicable

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

In August 2017, Hurricane Harvey impacted the Texas Coast and impacted the Association. Ultimate loss and loss adjustment expenses from Hurricane Harvey are estimated to be approximately \$1,610,000,000. Texas Insurance Code 2210 allows the Association to assess member companies relating to Class 1 member assessments up to \$500,000,000. A Class 1 member assessment was approved by the Texas Department of Insurance Commissioner (Commissioner) on May 25, 2018 for \$175,000,000 and a second assessment on August 29, 2018 for \$106,819,778 of which \$279,620,537 has been collected as of the issuance of this statement. One insurance group has disputed their participation of the assessment totaling \$2,199,241 which has been non-admitted as of December 31, 2018. Any uncollected assessment can be reallocated to other carriers if the dispute is resolved in favor of this group. Further assessments will be made as needed as Hurricane Harvey paid loss development matures. As of December 31, 2018, the deficit of the Association is \$277,864,197.

The Association accrued a statutory expense payable for the 12 months ended December 31, 2018 in the amount of \$110,589,883 based on the direction of the TDI based on its interpretation of the relevant statutes. TDI's directive required the Association to determine its net gain from operations based on accident-year incurred losses, rather than calendar year reported losses. At the end of calendar year 2018, the Association shall use the net gain from operations of the Association, to make payments to the Catastrophe Reserve Trust Fund (CRTF), procure reinsurance, or use alternative risk financing mechanisms. Although the \$110,589,883 will not be presented as an asset on the statutory balance sheet of the Association, once contributed to the CRTF these funds will be held in trust with the TTSTC and will be available for the exclusive use of the association to pay losses and expenses of the association as permitted by law.

Note 14 – Liabilities, Contingencies and Assessments

A. Capital Commitments

The Association has no commitments or contingent commitments to other entities.

B. Assessments

Not applicable

C. Gain Contingencies

Not applicable

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The Association paid no amounts separately identified in the current year to settle claims related to extra contractual obligations or bad faith claims resulting from lawsuits.

NOTES TO FINANCIAL STATEMENTS

Description	Direct
Claims related ECO and bad faith losses paid during the reporting period	\$ 0

Number of claims for which amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits.

(a) 00-25 Claims	(b) 26-50 Claims	(c) 51-100 Claims	(d) 101-500 Claims	(e) More than 500 Claims
X				

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

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

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. Other Contingencies

The Association is subject to various investigations, claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business activities. Management believes that any liability that may ultimately result from the resolution of these matters in excess of the amounts provided will not have a material adverse effect on the financial position of the Association. These matters are subject to various uncertainties, and some of these matters may be resolved unfavorably to the Association.

Note 15 – Leases

A. Lessee Leasing Arrangements

1. The Association leases office space under a non-cancelable operating lease agreement that expires in 2022. Rental expense for the current year and the prior year was approximately \$1,453,000 and \$1,395,000 respectively. The Association's portion was approximately \$944,000 for the current year and \$906,000 for prior year.

2. At December 31, 2018, the minimum aggregate rental commitments are as follows:

<u>Years</u>	<u>Amount</u>
2019	1,009,377
2020	1,035,702
2021	1,062,027
2022	1,088,352
<u>Thereafter</u>	-
Total	<u>\$ 4,195,458</u>

3. The Association has not entered into any sale or leaseback arrangements.

B. Lessor Leasing Arrangements

Not applicable

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk

Not applicable

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

Not applicable

Note 18 – Gain or Loss from Uninsured Plans and Uninsured Portion of Partially Insured Plans

Not applicable

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

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 20 – Fair Value Measurements

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

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

The table below reflects the fair values and admitted assets and liabilities that are financial instruments. The fair values are also categorized into the three-level fair value hierarchy. Cash, cash equivalents and short-term investments are the only financial instruments held by the Association. It is not believed that the exempt money market mutual funds held as of December 31, 2018 have any significant restrictions to liquidate the investments held at Net Assets Value (NAV) or to be sold for less than NAV.

<u>Type or Class of Financial Instrument</u>	<u>Aggregate Fair Value</u>	<u>Net Asset Value</u>	<u>Admitted Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash, cash equivalents and short-term investments	\$274,607,680	\$ -	\$274,607,680	\$274,607,680	\$ -	\$ -
Exempt Money Market Mutual Funds – as Identified by SVO	\$ -	\$288,945,965	\$288,945,965	\$ -	\$ -	\$ -
All Other Money Market Mutual Funds	\$92,573,713	\$ -	\$92,573,713	\$92,573,713	\$ -	\$ -
Total Cash Equivalents	\$367,181,393	\$288,945,965	\$656,127,358	\$367,181,393	\$ -	\$ -

D. Items for which Not Practicable to Estimate Fair Values

Not applicable

Note 21 – Other Items

A. Unusual or Infrequent Items

See Note 13

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

None

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-transferable Tax Credits

Not applicable

F. Subprime Mortgage Related Risk Exposure

NOTES TO FINANCIAL STATEMENTS

Not applicable

G. Insurance Linked Securities

The Association has ceded risks to a reinsurer during 2018 and 2017 who in-turn issued Catastrophe Bonds (“CAT Bonds”). Funds from the issuance of the CAT Bonds are held in trust. Certain events can bring rise to the Association to recover on ceded losses.

<u>Management of Risk Related To:</u>	<u>Number of Outstanding Contracts</u>	<u>Aggregate Maximum Proceeds</u>
(1) Directly Written Insurance Risks		
a. ILS Contracts as Issuer	-	-
b. ILS Contracts as Ceding Insurer	3	\$1,200,000,000
c. ILS Contracts as Counterparty	-	-
(2) Assumed Insurance Risks		
a. ILS Contracts as Issuer	-	-
b. ILS Contracts as Ceding Insurer	-	-
c. ILS Contracts as Counterparty	-	-

Note 22 – Events Subsequent

The Association has evaluated subsequent events occurring after December 31, 2018, the date of the most recent balance sheet, through February 27, 2019, the date the annual statement was issued. The Association does not believe any subsequent events have occurred that would require further disclosure of adjustment to the statutory financial statements.

The Association does not write health insurance and not subject to assessment under section 9010 of the Affordable Care Act.

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverables

The Association does have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company’s policyholder surplus.

NAIC Code	Federal ID #	Name of Reinsurer	Amount
14568	46-1168622	Maison Insurance Company	\$ 2,000
15545	47-1005834	Woodlands Insurance Company	5,000
10969	59-5360143	United Property & Casualty Insurance Company	15,000
14930	90-0797817	Weston Insurance Company	56,000
15341	46-3943172	Safepoint Insurance Company	3,000

B. Reinsurance Recoverables in Dispute

The Association does not have reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders’ surplus from an individual reinsurer or exceed 10% of policyholders’ surplus in aggregate.

Name of Reinsurer	Total Amount in Dispute (Including IBNR)	Status of Dispute		
		Notification	Arbitration	Litigation
NONE				

C. Reinsurance Assumed and Ceded

1. The following table summarizes the assumed and ceded unearned premiums and related commissions equity at the end of the current year.

	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates						
b. All other						
c. Totals						
d. Direct Unearned Premium Reserve	\$195,049,949					

NOTES TO FINANCIAL STATEMENTS

2. No accrual exists at the end of the current year for additional or return commission, predicated on loss experience or on any other form of profit sharing agreements in this annual statement as a result of existing contractual arrangements.
3. The Association does not use protected cells as an alternative to traditional reinsurance.

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

Not applicable

F. Retroactive Reinsurance

Not applicable

G. Reinsurance Accounted for as a Deposit

Not applicable

H. Run-off Agreements

Not applicable

I. Certified Reinsurer Downgrades or Status Subject to Revocation

Not applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable

Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses

A.

	2018	2017
Balance as of January 1,	\$415,213,261	\$ 53,501,529
Less: Reinsurance Recoverable	478,995	42,967
Net Balance at January 1,	414,734,266	53,458,562
Incurred, net of reinsurance, related to:		
Current year	19,442,605	1,484,930,939
Prior years	156,555,247	(9,628,776)
Net Incurred	175,997,852	1,475,302,163
Paid, net of reinsurance, related to:		
Current year	(14,070,091)	(1,102,891,407)
Prior years	(375,882,384)	(11,135,053)
Net Paid Losses	(389,952,475)	(1,114,026,459)
Net Balance at December 31,	200,779,643	414,734,266
Plus: Reinsurance Recoverable	78,260	478,995
Balance at December 31,	\$ 200,857,903	\$ 415,213,261

Current year changes in estimates of the costs of prior year losses and loss adjustment expenses (LAE) affect the current year Statement of Income. Increases in those estimates increase current year expense and are referred to as unfavorable development or prior year reserve shortages. Decreases in those estimates decrease current year expense and are referred to as favorable development or prior year reserve redundancies. Current year losses and LAE reflected on the Statement of Income of \$175,997,852 are lower by \$156,555,247 due to unfavorable development of prior year estimates primarily due to Hurricane Harvey ultimate loss and LAE in accident year 2017 as a greater number and severity of supplemental payments on reopened claims occurring in 2018. Increases or decreases of this nature occur as the result of claim settlements and receipt and evaluation of additional information regarding unpaid claims. Recent development trends are also taken into account in evaluating the overall adequacy of reserves. During August 2017, the Association was impacted by Hurricane Harvey. Ultimate loss and loss adjustment expenses from Hurricane Harvey are estimated to be approximately \$1,446,000,000 and included in the figures above. The appointed actuary for the Association

NOTES TO FINANCIAL STATEMENTS

has opined that the loss and LAE reserves as of December 31, 2018 make a reasonable provision for Texas Windstorm Insurance Association's claim liabilities.

B. Not applicable

Note 26 – Intercompany Pooling Arrangements

Not applicable

Note 27 – Structured Settlements

Not applicable

Note 28 – Health Care Receivables

Not applicable

Note 29 – Participating Policies

Not applicable

Note 30 – Premium Deficiency Reserves

The Association did not record a premium deficiency reserve for 2018.

Note 31 – High Deductibles

Not applicable

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

Not applicable

Note 33 – Asbestos and Environmental Reserves

A hearing was held on January 8, 2003, for the purpose of making changes to T.W.I.A. policies. A petition was heard to clarify T.W.I.A.'s exclusion for mold coverage. T.W.I.A. policies do not cover loss due to mold damage, and the clarification verbiage is being added to all of its policies, i.e., residential, commercial, and mobile home. Approval of the petition became effective March 1, 2003.

Note 34 – Subscriber Savings Accounts

Not applicable

Note 35 – Multiple Peril Crop Insurance

Not applicable

Note 36 – Financial Guaranty Insurance

A. and B. 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 [X]
- 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 [X] N/A []
- 1.3 State Regulating? _____
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]
- 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 [X]
- 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. _____ 12/31/2017 _____
- 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. _____ 12/31/2017 _____
- 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). _____ 02/12/2019 _____
- 3.4 By what department or departments?
 Texas 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 [X] No [] N/A []
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] 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 [X]
- 4.12 renewals? Yes [] No [X]
- 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 [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- If yes, complete and file the merger history data file with the NAIC.

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. _____ %

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?

Calhoun Thomson & Matza; 9500 Arboretum Blvd., Suite 120, Austin, TX 78759

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?
 Xiuyu Li, 5700 S MoPac Expy, Austin, TX 78749, In-house Actuary

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	
12.13 Total book/adjusted carrying value	\$

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 [X] No []

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 [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

.....

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

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 [X]

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
.....

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 [X] 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 [X] 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 [X] 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 [X]

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

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

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	\$ _____
20.22 To stockholders not officers	\$ _____
20.23 Trustees, supreme or grand (Fraternal only)	\$ _____

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 [X]

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

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

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 | | \$ _____ |
| 22.22 Amount paid as expenses | | \$ _____ |
| 22.23 Other amounts paid | | \$ _____ |
- 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: \$ _____

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:
 The Association invests in overnight reverse repurchase agreements with the Texas Treasury Safekeeping Trust Company. These invested funds were received during the issuance of bonds during 2014. The funds are held at the TTSTC to be used for debt service and for use when a catastrophic event occurs. See note 1 and note 11.
- 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)
 Texas Windstorm Insurance Association has no security lending programs.
- 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. \$ _____
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ _____
- 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 | | \$ _____ |
| 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | | \$ _____ |
| 24.103 Total payable for securities lending reported on the liability page | | \$ _____ |
- 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	\$ _____
25.22	Subject to reverse repurchase agreements	\$ <u>92,573,713</u>
25.23	Subject to dollar repurchase agreements	\$ _____
25.24	Subject to reverse dollar repurchase agreements	\$ _____
25.25	Placed under option agreements	\$ _____
25.26	Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ _____
25.27	FHLB Capital Stock	\$ _____
25.28	On deposit with states	\$ _____
25.29	On deposit with other regulatory bodies	\$ _____
25.30	Pledged as collateral - excluding collateral pledged to an FHLB	\$ _____
25.31	Pledged as collateral to FHLB - including assets backing funding agreements	\$ _____
25.32	Other	\$ _____

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

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? Yes [] No [] N/A [X]
If no, attach a description with this statement.

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. \$ _____

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 [] No [X]

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
.....
.....

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
John Polak	
Jerome Fadden	
.....
.....

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
.....
.....

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
.....
.....
29.2999 TOTAL		

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
.....
.....

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			
30.2 Preferred stocks			
30.3 Totals			

30.4 Describe the sources or methods utilized in determining the fair values:
 Texas Windstorm Insurance Association does not have short-term bonds, long-term bonds or preferred stocks.

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 [X]

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 [X]

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 [X]

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 [X]

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 [X]

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$ 181,548

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
Insurance Services Office	\$ 133,480
Texas Insurance Checking Office	\$ 48,068
	\$

GENERAL INTERROGATORIES

36.1 Amount of payments for legal expenses, if any? \$ 813,273

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
Sneed Vine & Perry	\$ 229,548
Hicks Thomas LLP	\$ 232,322
	\$

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

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
.....	\$
.....	\$
.....	\$

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	\$ 301,515,439	\$ 347,354,358	
2.3 Premium Ratio (2.1 / 2.2)	_____	_____	
2.4 Reserve Numerator	\$ _____	\$ _____	
2.5 Reserve Denominator	\$ 395,829,593	\$ 624,186,794	
2.6 Reserve Ratio (2.4 / 2.5)	_____	_____	

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

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

3.21 Participating policies \$ _____

3.22 Non-participating policies \$ _____

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:
 Texas Windstorm Insurance Association does not write workers compensation insurance policies.

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:
 Texas Windstorm Insurance Association estimates its probable maximum loss using AIR Touchstone and RMS RiskLink software models to model the risk of hurricanes. The PML comprises residential and commercial property exposures which are most concentrated in and around the Galveston and Corpus Christi areas.
- 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?
 Texas Windstorm Insurance Association has reinsured \$2.6 billion in excess of \$2.0 billion under catastrophe reinsurance agreements. Futher, Texas Windstorm Insurance Association has the ability to sell post event bonds, and the use of the Catastrophe Reserve Trust Fund
- 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
 Funding for Texas Windstorm Insurance Association is specified by Chapter 2210, Texas Insurance Code.
- 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 [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. _____
- 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 [] 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
- 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 [X] No []
- 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 [X] No []
- 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 [X]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes [] No [X]
- 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 [X]
- 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 [X]
- 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): \$ 4,424,000
- 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 [X]
- 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. _____
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [] No [X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

- 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:

- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]
- 15.2 If yes, give full information

- 16.1 Does the reporting entity write any warranty business? Yes [] No [X]
 If yes, disclose the following information for each of the following types of warranty coverage:
- | | | 1
Direct Losses
Incurred | 2
Direct Losses
Unpaid | 3
Direct Written
Premium | 4
Direct Premium
Unearned | 5
Direct Premium
Earned |
|------------------|----|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home | \$ | _____ | \$ | _____ | \$ | _____ |
| 16.12 Products | \$ | _____ | \$ | _____ | \$ | _____ |
| 16.13 Automobile | \$ | _____ | \$ | _____ | \$ | _____ |
| 16.14 Other* | \$ | _____ | \$ | _____ | \$ | _____ |

* Disclose type of coverage: _____

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)					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	395,551,679	423,074,138	487,353,537	503,824,316	494,036,010
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	395,551,679	423,074,138	487,353,537	503,824,316	494,036,010
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)					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	287,112,861	319,081,366	361,300,741	379,696,858	377,542,539
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	287,112,861	319,081,366	361,300,741	379,696,858	377,542,539
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(81,471,557)	(1,225,823,932)	75,008,379	(8,977,110)	9,640,759
14. Net investment gain (loss) (Line 11)	(27,331,179)	(28,886,165)	(34,620,236)	(37,754,478)	(15,841,220)
15. Total other income (Line 15)	281,871,761	743,268,162	66,919	3,888	7,986,533
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)				(7,828,675)	6,938,511
18. Net income (Line 20)	173,069,025	(511,441,935)	40,455,062	(38,899,025)	(5,152,439)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	657,838,728	647,953,929	972,707,900	993,093,861	1,146,483,407
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	106,172	90,174	204,394	228,148	209,735
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)	935,702,925	1,109,344,091	972,707,900	993,093,862	1,146,483,407
22. Losses (Page 3, Line 1)	157,182,138	358,214,371	43,248,596	61,066,377	58,756,130
23. Loss adjustment expenses (Page 3, Line 3)	43,597,505	56,519,895	10,209,966	13,986,366	12,552,703
24. Unearned premiums (Page 3, Line 9)	195,049,950	209,452,528	237,725,520	246,828,924	244,726,450
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	(277,864,197)	(461,390,162)			
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	55,208,905	(338,643,135)	62,934,874	(149,463,336)	193,519,723
Risk-Based Capital Analysis					
28. Total adjusted capital	(277,864,197)	(461,390,162)			
29. Authorized control level risk-based capital	27,483,960	226,868,452	38,763,217	40,423,373	37,472,798
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)					
31. Stocks (Lines 2.1 & 2.2)					
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)	100.0	100.0	100.0	100.0	100.0
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)					
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)					
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	183,525,965	(461,390,162)			
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)					
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	307,370,851	952,193,352	36,786,677	134,184,261	27,054,064
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	307,370,851	952,193,352	36,786,677	134,184,261	27,054,064
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)					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	307,294,828	951,275,842	36,786,677	134,184,261	27,054,064
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	307,294,828	951,275,842	36,786,677	134,184,261	27,054,064
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)	35.2	364.5	5.1	36.1	(7.0)
68. Loss expenses incurred (Line 3)	23.1	60.2	5.3	11.2	3.2
69. Other underwriting expenses incurred (Line 4)	32.0	28.2	29.6	30.4	29.7
70. Net underwriting gain (loss) (Line 8)	(27.0)	(352.9)	20.3	(2.4)	2.6
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 12 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	(26.1)	(202.3)	71.1	54.7	96.4
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	58.4	424.7	10.4	47.4	(3.8)
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)	(103.3)	(69.2)			
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)	109,178	(8,374)	(8,900)	(9,494)	(30,400)
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)	(23.7)				
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)	(10,499)	(15,876)	(11,266)	(40,985)	(121,166)
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)					

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:

.....



30040201843044100

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

BUSINESS IN THE STATE OF TEXAS DURING THE YEAR 2018

NAIC Group Code 4766

NAIC Company Code 30040

	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1 Direct Premiums Written	2 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied Lines	395,551,679	409,954,258		195,049,949	307,370,851	106,002,671	157,236,575	4,577,445	16,380,470	17,968,089	63,280,811	7,590,295
2.2 Multiple Peril Crop												
2.3 Federal Flood												
2.4 Private Crop												
2.5 Private Flood												
3. Farmowners Multiple Peril												
4. Homeowners Multiple Peril												
5.1 Commercial Multiple Peril (Non-Liability Portion)												
5.2 Commercial Multiple Peril (Liability Portion)												
6. Mortgage Guaranty												
8. Ocean Marine												
9. Inland Marine												
10. Financial Guaranty												
11. Medical Professional Liability												
12. Earthquake												
13. Group Accident and Health (b)												
14. Credit A & H (Group and Individual)												
15.1 Collectively Renewable A & H (b)												
15.2 Non-Cancelable A & H (b)												
15.3 Guaranteed Renewable A & H (b)												
15.4 Non-Renewable for Stated Reasons Only (b)												
15.5 Other Accident Only												
15.6 Medicare Title XVIII Exempt from State Taxes or Fees												
15.7 All Other A & H (b)												
15.8 Federal Employees Health Benefits Plan Premium (b)												
16. Workers' Compensation												
17.1 Other Liability - Occurrence												
17.2 Other Liability - Claims-Made												
17.3 Excess Workers' Compensation												
18. Products Liability												
19.1 Private Passenger Auto No-Fault (Personal Injury Protection)												
19.2 Other Private Passenger Auto Liability												
19.3 Commercial Auto No-Fault (Personal Injury Protection)												
19.4 Other Commercial Auto Liability												
21.1 Private Passenger Auto Physical Damage												
21.2 Commercial Auto Physical Damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and Theft												
27. Boiler and Machinery												
28. Credit												
30. Warranty												
34. Aggregate Write-Ins for Other Lines of Business												
35. TOTALS (a)	395,551,679	409,954,258		195,049,949	307,370,851	106,002,671	157,236,575	4,577,445	16,380,470	17,968,089	63,280,811	7,590,295
DETAILS OF WRITE-INS												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page												
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)												

NONE

(a) Finance and service charges not included in Lines 1 to 35 \$ 0
 (b) For health business on indicated lines report: Number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0.

19 TX



30040201843059100

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 4766

BUSINESS IN THE STATE OF TOTAL DURING THE YEAR 2018

NAIC Company Code 30040

	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1 Direct Premiums Written	2 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines	395,551,679	409,954,258		195,049,949	307,370,851	106,002,671	157,236,575	4,577,445	16,380,470	17,968,089	63,280,811	7,590,295
2.2 Multiple Peril Crop												
2.3 Federal Flood												
2.4 Private Crop												
2.5 Private Flood												
3. Farmowners Multiple Peril												
4. Homeowners Multiple Peril												
5.1 Commercial Multiple Peril (Non-Liability Portion)												
5.2 Commercial Multiple Peril (Liability Portion)												
6. Mortgage Guaranty												
8. Ocean Marine												
9. Inland Marine												
10. Financial Guaranty												
11. Medical Professional Liability												
12. Earthquake												
13. Group Accident and Health (b)												
14. Credit A & H (Group and Individual)												
15.1 Collectively Renewable A & H (b)												
15.2 Non-Cancelable A & H (b)												
15.3 Guaranteed Renewable A & H (b)												
15.4 Non-Renewable for Stated Reasons Only (b)												
15.5 Other Accident Only												
15.6 Medicare Title XVIII Exempt from State Taxes or Fees												
15.7 All Other A & H (b)												
15.8 Federal Employees Health Benefits Plan Premium (b)												
16. Workers' Compensation												
17.1 Other Liability - Occurrence												
17.2 Other Liability - Claims-Made												
17.3 Excess Workers' Compensation												
18. Products Liability												
19.1 Private Passenger Auto No-Fault (Personal Injury Protection)												
19.2 Other Private Passenger Auto Liability												
19.3 Commercial Auto No-Fault (Personal Injury Protection)												
19.4 Other Commercial Auto Liability												
21.1 Private Passenger Auto Physical Damage												
21.2 Commercial Auto Physical Damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and Theft												
27. Boiler and Machinery												
28. Credit												
30. Warranty												
34. Aggregate Write-Ins for Other Lines of Business												
35. TOTALS (a)	395,551,679	409,954,258		195,049,949	307,370,851	106,002,671	157,236,575	4,577,445	16,380,470	17,968,089	63,280,811	7,590,295
DETAILS OF WRITE-INS												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page												
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)												

NONE

(a) Finance and service charges not included in Lines 1 to 35 \$ 0
 (b) For health business on indicated lines report: Number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0.

19.GT

NONE **Schedule F - Part 1 Assumed Reinsurance**

NONE **Schedule F - Part 2 Premium Portfolio**

SCHEDULE F – PART 3

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)

1 ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Special Code	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		19 Net Amount Recoverable From Reinsurers Cols. 15 – [17 + 18]	20 Funds Held by Company Under Reinsurance Treaties	
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Cols. 7 through 14 Totals	16 Amount in Dispute Included in Column 15	17 Ceded Balances Payable	18 Other Amounts Due to Reinsurers			
22-2005057	26921	Everest Reinsurance Company	DE		14,533													1,234	(1,234)	
13-3138390	42307	Navigators Insurance Company	NY		113													22	(22)	
47-0698507	23680	Odyssey Reinsurance Company	CT		1,229													244	(244)	
23-1641984	10219	QBE Reinsurance Corporation	PA		184													37	(37)	
13-1675535	25364	Swiss Re Underwriters Agency, Inc. o/b/o Swiss	NY		240													48	(48)	
31-0542366	10677	The Cincinnati Insurance Company	OH		126													25	(25)	
13-5616275	19453	Transatlantic Reinsurance Company	NY		464													92	(92)	
46-1168622	14568	Maison Insurance Company	LA							2					2				2	
47-1005834	15545	Woodlands Insurance Company	TX							4	1				5				5	
59-3560143	10969	United Property & Casualty Insurance Company	FL		282	1	1	2		9	2				15				15	
90-0797817	14930	Weston Insurance Company	FL		1,287	1	1	10	16	25	3				56				56	330
46-3943172	15341	Safepoint Insurance Company	FL		324					2	1				3				3	70
0999999	Total Authorized - Other U.S. Unaffiliated Insurers				18,782	2	2	12	16	42	7				81			1,702	(1,621)	400
AA-3194168	0	Aspen Bermuda Limited	BMU		408													81	(81)	
AA-3194139	0	AXIS Specialty Limited	BMU		1,197													238	(238)	
AA-3194122	0	DaVinci Reins thru Renaissance U/W Mgrs	BMU		2,374													472	(472)	
AA-3194122	0	DaVinci Reinsurance Ltd thru Renaissance U/W	BMU		832															
AA-1340125	0	Hannover Rück SE (Eskatos business)	GBR		140													28	(28)	
AA-1340125	0	Hannover Rück SE (Pillar business)	DEU		54,217													12,322	(12,322)	
AA-3190871	0	Lancashire Insurance Company Ltd	BMU		365															
AA-1126566	0	Lloyd's Underwriter Syndicate No. 0566 STN	GBR		223													44	(44)	
AA-1127084	0	Lloyd's Underwriter Syndicate No. 1084 CSL	GBR		959													166	(166)	
AA-1127183	0	Lloyd's Underwriter Syndicate No. 1183 TAL	GBR		223													44	(44)	
AA-1120085	0	Lloyd's Underwriter Syndicate No. 1274 AUL	GBR		112													22	(22)	
AA-1127414	0	Lloyd's Underwriter Syndicate No. 1414 ASC	GBR		2,188													316	(316)	
AA-1120102	0	Lloyd's Underwriter Syndicate No. 1458 RNR	GBR		698													139	(139)	
AA-1120084	0	Lloyd's Underwriter Syndicate No. 1955 BAR	GBR		140													28	(28)	
AA-1128001	0	Lloyd's Underwriter Syndicate No. 2001 AML	GBR		352													70	(70)	
AA-1128003	0	Lloyd's Underwriter Syndicate No. 2003 XLC For	GBR		199													40	(40)	
AA-1120071	0	Lloyd's Underwriter Syndicate No. 2007 NVA	GBR		352													70	(70)	
AA-1120097	0	Lloyd's Underwriter Syndicate No. 2468 NEO	GBR		314													62	(62)	
AA-1128791	0	Lloyd's Underwriter Syndicate No. 2791 MAP	GBR		433													55	(55)	
AA-1128987	0	Lloyd's Underwriter Syndicate No. 2987 BRT	GBR		223													44	(44)	
AA-1120179	0	Lloyd's Underwriter Syndicate No. 2988 BRT	GBR		112													22	(22)	
AA-1120075	0	Lloyd's Underwriter Syndicate No. 4020 ARK	GBR		279													55	(55)	
AA-1126004	0	Lloyd's Underwriter Syndicate No. 4444 CNP	GBR		558													111	(111)	
AA-3190686	0	Partner Reinsurance Company Ltd.	BMU		1,016													202	(202)	

SCHEDULE F – PART 3

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)

1 ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Special Code	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		19 Net Amount Recoverable From Reinsurers Cols. 15 – [17 + 18]	20 Funds Held by Company Under Reinsurance Treaties	
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Cols. 7 through 14 Totals	16 Amount in Dispute Included in Column 15	17 Ceded Balances Payable	18 Other Amounts Due to Reinsurers			
AA-3190339	0	Renaissance Reinsurance Ltd.	BMU		4,771												694	(694)		
AA-3190870	0	Validus Reinsurance, Ltd.	BMU		1,815												361	(361)		
1299999	Total Authorized - Other Non-U.S. Insurers#				74,500												15,686	(15,686)		
1499999	Total Authorized - Total Authorized Excluding Protected Cells				93,282	2	2	12	16	42	7			81			17,388	(17,307)	400	
AA-1464104	0	Allianz Risk Transfer AG	CHE		640															
AA-1464104	0	Allianz Risk Transfer AG (Bermuda Branch) (Nep	BMU		4,356												866	(866)		
AA-3194126	0	Arch Reinsurance Ltd	BMU		489												97	(97)		
AA-1120083	0	Ariel Re Bda Limited obo Argo Re Ltd	BMU		1,117												222	(222)		
AA-3191352	0	Ascot Reinsurance Company Limited	BMU		279												55	(55)		
AA-3190005	0	Ascot Underwriting (Bermuda) Ltd. o/b/o America	GBR		1,203												166	(166)		
AA-9240012	0	China Property & Casualty Reinsurance Compan	CHN		112												22	(22)		
AA-3190770	0	Chubb Tempest Reinsurance Ltd.	BMU		838												166	(166)		
AA-1080029	0	Dom Re IC (formerly Solidum Re Dom IC Limited)	GBR		596												118	(118)		
AA-3191289	0	Fidelis Insurance Bermuda Limited	BMU		581												90	(90)		
AA-1120175	0	Fidelis Underwriting Limited - Irma F0012	GBR		223												44	(44)		
AA-3191190	0	Hamilton Re, Ltd (Formerly S.A.C. Re Ltd)	BMU		369												73	(73)		
AA-3190875	0	Hiscox Insurance Company (Bermuda) Limited	BMU		184												37	(37)		
AA-3190677	0	Horseshoe Re Limited, on behalf of Separate Acc	BMU		335												67	(67)		
AA-8310008	0	Humboldt Re Limited	GGY		92												18	(18)		
AA-8310006	0	Kelvin Re Limited	GGY		92												18	(18)		
AA-5420050	0	Korean Reinsurance Company	KOR		123												24	(24)		
AA-3190829	0	Markel Bermuda Limited f/k/a Alterra Bermuda Li	BMU		796												158	(158)		
AA-5340660	0	New India Assurance Company Limited - Irma N	IND		184												37	(37)		
AA-5320039	0	Pioneer Underwriting Ltd. obo Peak Reinsurance	HKG		56												11	(11)		
AA-5324100	0	Pioneer Underwriting Ltd. obo Taiping Reinsuranc	HKG		84												17	(17)		
AA-3191298	0	Qatar Reinsurance Company Ltd. fka Qatar Reins	BMU		162												32	(32)		
AA-1120145	0	QBE Re (Europe) Ltd - Bermuda Branch, Hamilto	BMU		489												97	(97)		
AA-1460100	0	SATEC Srl o/b/o Neue Ruckversicherungs-Gesell	CHE		140												28	(28)		
AA-1460023	0	Tokio Millennium Re AG	CHE		558												111	(111)		
AA-1460023	0	Tokio Millennium Re AG, Bermuda Branch (Elem	BMU		528												105	(105)		
AA-1460023	0	Tokio Millennium Re AG, Bermuda Branch (Mark	CHE		112												22	(22)		
AA-3191315	0	XL Re Ltd	BMU		419												83	(83)		
2699999	Total Unauthorized - Other non-U.S. Insurers#				15,157												2,784	(2,784)		
2799999	Total Unauthorized - Protected Cells																			
2899999	Total Unauthorized - Total Unauthorized Excluding Protected Cells				15,157												2,784	(2,784)		

SCHEDULE F – PART 3

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)

1 ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Special Code	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		19 Net Amount Recoverable From Reinsurers Cols. 15 – [17 + 18]	20 Funds Held by Company Under Reinsurance Treaties
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Cols. 7 through 14 Totals	16 Amount in Dispute Included in Column 15	17 Ceded Balances Payable	18 Other Amounts Due to Reinsurers		
4399999	Total Authorized, Unauthorized and Certified Excluding Protected Cells				108,439	2	2	12	16	42	7			81		20,172		(20,091)	400
9999999	Totals				108,439	2	2	12	16	42	7			81		20,172		(20,091)	400

SCHEDULE F – PART 3 (Continued)

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)
(Credit Risk)

ID Number From Col. 1	Name of Reinsurer From Col. 3	Collateral				25 Total Funds Held, Payables & Collateral	26 Net Recoverable Net of Funds Held & Collateral	27 Applicable Sch. F Penalty (Col. 78)	Ceded Reinsurance Credit Risk								
		21 Multiple Beneficiary Trusts	22 Letters of Credit	23 Issuing or Confirming Bank Reference Number	24 Single Beneficiary Trusts & Other Allowable Collateral				28 Total Amount Recoverable From Reinsurers Less Penalty (Cols. 15-27)	29 Stressed Recoverable (Col. 28 * 120%)	30 Reinsurance Payable & Funds Held (Cols 17+18+20; But not in Excess of Col. 29)	31 Stressed Net Recoverable (Cols. 29 - 30)	32 Total Collateral (Cols. 21 + 22 + 24. not in Excess of Col. 31)	33 Stressed Net Recoverable Net of Collateral Offsets (Col. 31 - 32)	34 Reinsurer Designation Equivalent	35 Credit Risk o Collateralized Recoverable (Col. 32 * Factor Applicable to Reinsurer Designation Equivalent in Col. 34)	36 Credit Risk on Uncollateralized Recoverables (Col. 33 * Factor Applicable to Reinsurer Designation Equivalent in Col. 34)
22-2005057	Everest Reinsurance Company			0											2		
13-3138390	Navigators Insurance Company			0											3		
47-0698507	Odyssey Reinsurance Company			0											3		
23-1641984	QBE Reinsurance Corporation			0											3		
13-1675535	Swiss Re Underwriters Agency, Inc. o/b/o Swiss Reinsurance America Corpo			0											2		
31-0542366	The Cincinnati Insurance Company			0											2		
13-5616275	Transatlantic Reinsurance Company			0											2		
46-1168622	Maison Insurance Company			0			2		2					2			0
47-1005834	Woodlands Insurance Company			0			5		5	6				6		7	1
59-3560143	United Property & Casualty Insurance Company			0			15		15	18				18		7	2
90-0797817	Weston Insurance Company			0		56			56	67	67					7	
46-3943172	Safepoint Insurance Company			0		3			3	4	4					6	
0999999	Total Authorized - Other U.S. Unaffiliated Insurers			XXX		59	22		81	97	71	26		26	XXX		3
AA-3194168	Aspen Bermuda Limited			0											3		
AA-3194139	AXIS Specialty Limited			0											2		
AA-3194122	DaVinci Reins thru Renaissance U/W Mgrs			0											3		
AA-3194122	DaVinci Reinsurance Ltd thru Renaissance U/W			0											3		
AA-1340125	Hannover Rück SE (Eskatos business)			0											4		
AA-1340125	Hannover Rück SE (Pillar business)			0											2		
AA-3190871	Lancashire Insurance Company Ltd			0											7		
AA-1126566	Lloyd's Underwriter Syndicate No. 0566 STN			0											3		
AA-1127084	Lloyd's Underwriter Syndicate No. 1084 CSL			0											7		
AA-1127183	Lloyd's Underwriter Syndicate No. 1183 TAL			0											7		
AA-1120085	Lloyd's Underwriter Syndicate No. 1274 AUL			0											7		
AA-1127414	Lloyd's Underwriter Syndicate No. 1414 ASC			0											7		
AA-1120102	Lloyd's Underwriter Syndicate No. 1458 RNR			0											7		
AA-1120084	Lloyd's Underwriter Syndicate No. 1955 BAR			0											7		
AA-1128001	Lloyd's Underwriter Syndicate No. 2001 AML			0											2		
AA-1128003	Lloyd's Underwriter Syndicate No. 2003 XLC Formerly Lloyd's Underwriter Sy			0											3		
AA-1120071	Lloyd's Underwriter Syndicate No. 2007 NVA			0											7		
AA-1120097	Lloyd's Underwriter Syndicate No. 2468 NEO			0											7		

SCHEDULE F – PART 3 (Continued)

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)
(Credit Risk)

ID Number From Col. 1	Name of Reinsurer From Col. 3	Collateral				25 Total Funds Held, Payables & Collateral	26 Net Recoverable Net of Funds Held & Collateral	27 Applicable Sch. F Penalty (Col. 78)	Ceded Reinsurance Credit Risk								
		21 Multiple Beneficiary Trusts	22 Letters of Credit	23 Issuing or Confirming Bank Reference Number	24 Single Beneficiary Trusts & Other Allowable Collateral				28 Total Amount Recoverable From Reinsurers Less Penalty (Cols. 15-27)	29 Stressed Recoverable (Col. 28 * 120%)	30 Reinsurance Payable & Funds Held (Cols 17+18+20; But not in Excess of Col. 29)	31 Stressed Net Recoverable (Cols. 29 - 30)	32 Total Collateral (Cols. 21 + 22 + 24. not in Excess of Col. 31)	33 Stressed Net Recoverable Net of Collateral Offsets (Col. 31 - 32)	34 Reinsurer Designation Equivalent	35 Credit Risk o Collateralized Recoverable (Col. 32 * Factor Applicable to Reinsurer Designation Equivalent in Col. 34)	36 Credit Risk on Uncollateralized Recoverables (Col. 33 * Factor Applicable to Reinsurer Designation Equivalent in Col. 34)
AA-1128791	Lloyd's Underwriter Syndicate No. 2791 MAP			0											7		
AA-1128987	Lloyd's Underwriter Syndicate No. 2987 BRT			0											7		
AA-1120179	Lloyd's Underwriter Syndicate No. 2988 BRT			0											7		
AA-1120075	Lloyd's Underwriter Syndicate No. 4020 ARK			0											7		
AA-1126004	Lloyd's Underwriter Syndicate No. 4444 CNP			0											7		
AA-3190686	Partner Reinsurance Company Ltd.			0											3		
AA-3190339	Renaissance Reinsurance Ltd.			0											2		
AA-3190870	Validus Reinsurance, Ltd.			0											3		
1299999	Total Authorized - Other Non-U.S. Insurers#			XXX											XXX		
1399999	Total Authorized - Protected Cells			XXX					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1499999	Total Authorized - Total Authorized Excluding Protected Cells			XXX		59	22		81	97	71	26		26	XXX	3	
AA-1464104	Allianz Risk Transfer AG			0											1		
AA-1464104	Allianz Risk Transfer AG (Bermuda Branch) (Nephila business), Pembroke			0											1		
AA-3194126	Arch Reinsurance Ltd			0											1		
AA-1120083	Ariel Re Bda Limited obo Argo Re Ltd			0											1		
AA-3191352	Ascot Reinsurance Company Limited			0											1		
AA-3190005	Ascot Underwriting (Bermuda) Ltd. o/b/o American International Reinsurance			0											1		
AA-9240012	China Property & Casualty Reinsurance Company Limited			0											1		
AA-3190770	Chubb Tempest Reinsurance Ltd.			0											1		
AA-1080029	Dom Re IC (formerly Solidum Re Dom IC Limited)			0											1		
AA-3191289	Fidelis Insurance Bermuda Limited			0											1		
AA-1120175	Fidelis Underwriting Limited - Lirma F0012			0											1		
AA-3191190	Hamilton Re, Ltd (Formerly S.A.C. Re Ltd)			0											1		
AA-3190875	Hiscox Insurance Company (Bermuda) Limited			0											1		
AA-3190677	Horseshoe Re Limited, on behalf of Separate Account FC0029			0											1		
AA-8310008	Humboldt Re Limited			0											1		
AA-8310006	Kelvin Re Limited			0											1		
AA-5420050	Korean Reinsurance Company			0											1		
AA-3190829	Markel Bermuda Limited f/k/a Alterra Bermuda Limited			0											1		
AA-5340660	New India Assurance Company Limited - Lirma N2118			0											1		
AA-5320039	Pioneer Underwriting Ltd. obo Peak Reinsurance Company Ltd., HK			0											1		

SCHEDULE F – PART 3 (Continued)

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)
(Credit Risk)

ID Number From Col. 1	Name of Reinsurer From Col. 3	Collateral				25 Total Funds Held, Payables & Collateral	26 Net Recoverable Net of Funds Held & Collateral	27 Applicable Sch. F Penalty (Col. 78)	Ceded Reinsurance Credit Risk								
		21 Multiple Beneficiary Trusts	22 Letters of Credit	23 Issuing or Confirming Bank Reference Number	24 Single Beneficiary Trusts & Other Allowable Collateral				28 Total Amount Recoverable From Reinsurers Less Penalty (Cols. 15-27)	29 Stressed Recoverable (Col. 28 * 120%)	30 Reinsurance Payable & Funds Held (Cols 17+18+20; But not in Excess of Col. 29)	31 Stressed Net Recoverable (Cols. 29 - 30)	32 Total Collateral (Cols. 21 + 22 + 24. not in Excess of Col. 31)	33 Stressed Net Recoverable Net of Collateral Offsets (Col. 31 - 32)	34 Reinsurer Designation Equivalent	35 Credit Risk o Collateralized Recoverable (Col. 32 * Factor Applicable to Reinsurer Designation Equivalent in Col. 34)	36 Credit Risk on Uncollateralized Recoverables (Col. 33 * Factor Applicable to Reinsurer Designation Equivalent in Col. 34)
AA-5324100	Pioneer Underwriting Ltd. obo Taiping Reinsurance Company Ltd			0											1		
AA-3191298	Qatar Reinsurance Company Ltd. fka Qatar Reinsurance Co. LLC			0											1		
AA-1120145	QBE Re (Europe) Ltd - Bermuda Branch, Hamilton			0											1		
AA-1460100	SATEC Srl o/b/o Neue Ruckversicherungs-Gesellschaft AG			0											1		
AA-1460023	Tokio Millennium Re AG			0											1		
AA-1460023	Tokio Millennium Re AG, Bermuda Branch (Elementum business)			0											1		
AA-1460023	Tokio Millennium Re AG, Bermuda Branch (Markel CATCo-Re Aquilo busines			0											1		
AA-3191315	XL Re Ltd			0											1		
2699999	Total Unauthorized - Other non-U.S. Insurers#			XXX											XXX		
2799999	Total Unauthorized - Protected Cells			XXX				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
2899999	Total Unauthorized - Total Unauthorized Excluding Protected Cells			XXX											XXX		
4399999	Total Authorized, Unauthorized and Certified Excluding Protected Cells			XXX		59	22	81	97	71	26		26	XXX		3	
9999999	Totals			XXX		59	22	81	97	71	26		26	XXX		3	

SCHEDULE F – PART 3 (Continued)

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)
(Aging of Ceded Reinsurance)

ID Number From Col. 1	Name of Reinsurer From Col. 3	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses						44 Total Recoverable on Paid Losses & LAE Amounts in Dispute Included in Col. 43	45 Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts in Dispute Included in Cols. 40 & 41	46 Total Recoverable on Paid Losses & LAE Amounts Not in Dispute (Cols. 43 - 44)	47 Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts Not in Dispute (Cols. 40 + 41 - 45)	48 Amounts Received Prior 90 Days	49 Percentage Overdue C 42/Col. 43	50 Percentage of Amounts More Than 90 Days Overdue Not in Dispute (Col. 47/Cols. 46 + 48)	51 Percentage More Than 120 Days Overdue (Col. 41/Col. 43)	52 Is the Amount in Col. 50 Less Than 20%? (Yes or No)	53 Amounts in Col. 4 for Reinsurers with Values Less Than 20% in Col. 50
		37 Current	Overdue				43 Total Due Cols. 37 + 42 (In total should Equal Cols. 7 + 8)										
			38 1- 29 Days	39 30 - 90 Days	40 91 - 120 Days	41 Over 120 Days											
22-2005057	Everest Reinsurance Company																YES
13-3138390	Navigators Insurance Company																YES
47-0698507	Odyssey Reinsurance Company																YES
23-1641984	QBE Reinsurance Corporation																YES
13-1675535	Swiss Re Underwriters Agency, Inc. o/b/o Swiss Reinsurance Ameri																YES
31-0542366	The Cincinnati Insurance Company																YES
13-5616275	Transatlantic Reinsurance Company																YES
46-1168622	Maison Insurance Company																YES
47-1005834	Woodlands Insurance Company																YES
59-3560143	United Property & Casualty Insurance Company	2						2			2						YES
90-0797817	Weston Insurance Company	2						2			2						YES
46-3943172	Safepoint Insurance Company																YES
0999999	Total Authorized - Other U.S. Unaffiliated Insurers	4						4			4						XXX
AA-3194168	Aspen Bermuda Limited																YES
AA-3194139	AXIS Specialty Limited																YES
AA-3194122	DaVinci Reins thru Renaissance U/W Mgrs																YES
AA-3194122	DaVinci Reinsurance Ltd thru Renaissance U/W																YES
AA-1340125	Hannover Rück SE (Eskatos business)																YES
AA-1340125	Hannover Rück SE (Pillar business)																YES
AA-3190871	Lancashire Insurance Company Ltd																YES
AA-1126566	Lloyd's Underwriter Syndicate No. 0566 STN																YES
AA-1127084	Lloyd's Underwriter Syndicate No. 1084 CSL																YES
AA-1127183	Lloyd's Underwriter Syndicate No. 1183 TAL																YES
AA-1120085	Lloyd's Underwriter Syndicate No. 1274 AUL																YES
AA-1127414	Lloyd's Underwriter Syndicate No. 1414 ASC																YES
AA-1120102	Lloyd's Underwriter Syndicate No. 1458 RNR																YES
AA-1120084	Lloyd's Underwriter Syndicate No. 1955 BAR																YES
AA-1128001	Lloyd's Underwriter Syndicate No. 2001 AML																YES
AA-1128003	Lloyd's Underwriter Syndicate No. 2003 XLC Formerly Lloyd's Under																YES
AA-1120071	Lloyd's Underwriter Syndicate No. 2007 NVA																YES
AA-1120097	Lloyd's Underwriter Syndicate No. 2468 NEO																YES

SCHEDULE F – PART 3 (Continued)

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)
(Aging of Ceded Reinsurance)

ID Number From Col. 1	Name of Reinsurer From Col. 3	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses						44 Total Recoverable on Paid Losses & LAE Amounts in Dispute Included in Col. 43	45 Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts in Dispute Included in Cols. 40 & 41	46 Total Recoverable on Paid Losses & LAE Amounts Not in Dispute (Cols. 43 - 44)	47 Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts Not in Dispute (Cols. 40 + 41 - 45)	48 Amounts Received Prior 90 Days	49 Percentage Overdue C 42/Col. 43	50 Percentage of Amounts More Than 90 Days Overdue Not in Dispute (Col. 47/Cols. 46 + 48)	51 Percentage More Than 120 Days Overdue (Col. 41/Col. 43)	52 Is the Amount in Col. 50 Less Than 20%? (Yes or No)	53 Amounts in Col. 4 for Reinsurers with Values Less Than 20% in Col. 50	
		37 Current	Overdue				43 Total Due Cols. 37 + 42 (In total should Equal Cols. 7 + 8)											
			38 1- 29 Days	39 30 - 90 Days	40 91 - 120 Days	41 Over 120 Days												42 Total Overdue Cols. 38 + 40 + 41
AA-1128791	Lloyd's Underwriter Syndicate No. 2791 MAP																YES	
AA-1128987	Lloyd's Underwriter Syndicate No. 2987 BRT																	YES
AA-1120179	Lloyd's Underwriter Syndicate No. 2988 BRT																	YES
AA-1120075	Lloyd's Underwriter Syndicate No. 4020 ARK																	YES
AA-1126004	Lloyd's Underwriter Syndicate No. 4444 CNP																	YES
AA-3190686	Partner Reinsurance Company Ltd.																	YES
AA-3190339	Renaissance Reinsurance Ltd.																	YES
AA-3190870	Validus Reinsurance, Ltd.																	YES
1299999	Total Authorized - Other Non-U.S. Insurers#																	XXX
1399999	Total Authorized - Protected Cells																	XXX
1499999	Total Authorized - Total Authorized Excluding Protected Cells	4					4			4								XXX
AA-1464104	Allianz Risk Transfer AG																	YES
AA-1464104	Allianz Risk Transfer AG (Bermuda Branch) (Nephila business), Pe																	YES
AA-3194126	Arch Reinsurance Ltd																	YES
AA-1120083	Ariel Re Bda Limited obo Argo Re Ltd																	YES
AA-3191352	Ascot Reinsurance Company Limited																	YES
AA-3190005	Ascot Underwriting (Bermuda) Ltd. o/b/o American International Rei																	YES
AA-9240012	China Property & Casualty Reinsurance Company Limited																	YES
AA-3190770	Chubb Tempest Reinsurance Ltd.																	YES
AA-1080029	Dom Re IC (formerly Solidum Re Dom IC Limited)																	YES
AA-3191289	Fidelis Insurance Bermuda Limited																	YES
AA-1120175	Fidelis Underwriting Limited - Lirma F0012																	YES
AA-3191190	Hamilton Re, Ltd (Formerly S.A.C. Re Ltd)																	YES
AA-3190875	Hiscox Insurance Company (Bermuda) Limited																	YES
AA-3190677	Horseshoe Re Limited, on behalf of Separate Account FC0029																	YES
AA-8310008	Humboldt Re Limited																	YES
AA-8310006	Kelvin Re Limited																	YES
AA-5420050	Korean Reinsurance Company																	YES
AA-3190829	Markel Bermuda Limited f/k/a Alterra Bermuda Limited																	YES
AA-5340660	New India Assurance Company Limited - Lirma N2118																	YES
AA-5320039	Pioneer Underwriting Ltd. obo Peak Reinsurance Company Ltd., HK																	YES

SCHEDULE F – PART 3 (Continued)

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)
(Aging of Ceded Reinsurance)

ID Number From Col. 1	Name of Reinsurer From Col. 3	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses						44 Total Recoverable on Paid Losses & LAE Amounts in Dispute Included in Col. 43	45 Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts in Dispute Included in Cols. 40 & 41	46 Total Recoverable on Paid Losses & LAE Amounts Not in Dispute (Cols. 43 - 44)	47 Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts Not in Dispute (Cols. 40 + 41 - 45)	48 Amounts Received Prior 90 Days	49 Percentage Overdue C 42/Col. 43	50 Percentage of Amounts More Than 90 Days Overdue Not in Dispute (Col. 47/Cols. 46 + 48)	51 Percentage More Than 120 Days Overdue (Col. 41/Col. 43)	52 Is the Amount in Col. 50 Less Than 20%? (Yes or No)	53 Amounts in Col. 4 for Reinsurers with Values Less Than 20% in Col. 50
		37 Current	Overdue				43 Total Due Cols. 37 + 42 (In total should Equal Cols. 7 + 8)										
			38 1- 29 Days	39 30 - 90 Days	40 91 - 120 Days	41 Over 120 Days											
AA-5324100	Pioneer Underwriting Ltd. obo Taiping Reinsurance Company Ltd																YES
AA-3191298	Qatar Reinsurance Company Ltd. fka Qatar Reinsurance Co. LLC																YES
AA-1120145	QBE Re (Europe) Ltd - Bermuda Branch, Hamilton																YES
AA-1460100	SATEC Srl o/b/o Neue Ruckversicherungs-Gesellschaft AG																YES
AA-1460023	Tokio Millennium Re AG																YES
AA-1460023	Tokio Millennium Re AG, Bermuda Branch (Elementum business)																YES
AA-1460023	Tokio Millennium Re AG, Bermuda Branch (Markel CATCo-Re Aquil																YES
AA-3191315	XL Re Ltd																YES
2699999	Total Unauthorized - Other non-U.S. Insurers#																XXX
2799999	Total Unauthorized - Protected Cells																XXX
2899999	Total Unauthorized - Total Unauthorized Excluding Protected Cells																XXX
4399999	Total Authorized, Unauthorized and Certified Excluding Protected C	4					4		4								XXX
9999999	Totals	4					4		4								XXX

24.2

SCHEDULE F – PART 3 (Continued)

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)
(Provision for Reinsurance for Certified Reinsurers)

ID Number From Col. 1	Name of Reinsurer From Col. 3	54	55	56	57	58	59	60	61	62	63	64	65	Complete if Col. 52 = "No"; Otherwise Enter 0			69
		Certified Reinsurer Rating (1 through 6)	Effective D of Certified Reinsurer Rating	Percent Collateral Required for Full Credit (0% through 100%)	Catastrophic Recoverables Qualifying for Collateral Deferral	Net Recoverable Subject to Collateral Requirement for Full Credit (Col. 19 - Col. 57)	Dollar Amount of Collateral Required (Col. 56 * Col. 58)	Percent of Collateral Provided for Net Recoverables Subject to Collateral Requirements ((Col. 20 + Col. 21 + Col. 22 + Col. 24) / Col. 58)	Percent Credit Allowed on Net Recoverables Subject to Collateral Requirements (Col. 60 / Col. 56, not to exceed 100%)	20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts in Dispute (Col. 45 * 20%)	Amounts of Credit Allowed for Net Recoverables (Col. 57 + [Col. 58 * Col. 61])	Provision for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 19 - Col. 63)	20% of Recoverable on Paid Losses % LAE Over 90 Days Past Due Amounts Not in Dispute (Col. 47 * 20)	Total Collateral Provided (Col. 20 + Col. 21 + Col. 22 Col. 24; not to Exceed Col. 6	Net Unsecured Recoverable f Which Credit is Allowed (Col. 63 -Col. 6	20% of Amount in Col. 67	Provision for Overdue Reinsurance Ced to Certified Reinsurers (Greater of [Col. 62 + Col. 65] or Col. 68; not to Exceed Col. 63
22-2005057	Everest Reinsurance Company	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13-3138390	Navigators Insurance Company	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
47-0698507	Odyssey Reinsurance Company	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
23-1641984	QBE Reinsurance Corporation	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13-1675535	Swiss Re Underwriters Agency, Inc. o/b/o Swiss Reinsurance Ameri	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
31-0542366	The Cincinnati Insurance Company	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13-5616275	Transatlantic Reinsurance Company	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
46-1168622	Maison Insurance Company	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
47-1005834	Woodlands Insurance Company	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
59-3560143	United Property & Casualty Insurance Company	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
90-0797817	Weston Insurance Company	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
46-3943172	Safepoint Insurance Company	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0999999	Total Authorized - Other U.S. Unaffiliated Insurers				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3194168	Aspen Bermuda Limited	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3194139	AXIS Specialty Limited	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3194122	DaVinci Reins thru Renaissance U/W Mgrs	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3194122	DaVinci Reinsurance Ltd thru Renaissance U/W	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1340125	Hannover Rück SE (Eskatos business)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1340125	Hannover Rück SE (Pillar business)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3190871	Lancashire Insurance Company Ltd	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1126566	Lloyd's Underwriter Syndicate No. 0566 STN	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1127084	Lloyd's Underwriter Syndicate No. 1084 CSL	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1127183	Lloyd's Underwriter Syndicate No. 1183 TAL	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1120085	Lloyd's Underwriter Syndicate No. 1274 AUL	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1127414	Lloyd's Underwriter Syndicate No. 1414 ASC	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1120102	Lloyd's Underwriter Syndicate No. 1458 RNR	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1120084	Lloyd's Underwriter Syndicate No. 1955 BAR	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SCHEDULE F – PART 3 (Continued)

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)
(Provision for Reinsurance for Certified Reinsurers)

ID Number From Col. 1	Name of Reinsurer From Col. 3	54	55	56	57	58	59	60	61	62	63	64	65	Complete if Col. 52 = "No"; Otherwise Enter 0			69
		Certified Reinsurer Rating (1 through 6)	Effective D of Certified Reinsurer Rating	Percent Collateral Required for Full Credit (0% through 100%)	Catastrophic Recoverables Qualifying for Collateral Deferral	Net Recoverable Subject to Collateral Requirement for Full Credit (Col. 19 - Col. 57)	Dollar Amount of Collateral Required (Col 56 * Col. 58)	Percent of Collateral Provided for Net Recoverables Subject to Collateral Requirements ((Col. 20 + Col. 21 + Col.22 + Col. 24)/ Col. 58)	Percent Credit Allowed on Net Recoverables Subject to Collateral Requirements (Col. 60 / Col. 56, not to exceed 100%)	20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts in Dispute (Col. 45 * 20%)	Amounts of Credit Allowed for Net Recoverables (Col. 57 + [Col. 58 * Col. 61])	Provision for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 19 - Col. 63)	20% of Recoverable on Paid Losses % LAE Over 90 Days Past Due Amounts Not in Dispute (Col. 47 * 20)	66	67	68	Provision for Overdue Reinsurance Ceded to Certified Reinsurers (Greater of [Col. 62 + Col. 65] or Col.68; not to Exceed Col. 63)
AA-1128001	Lloyd's Underwriter Syndicate No. 2001 AML	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1128003	Lloyd's Underwriter Syndicate No. 2003 XLC Formerly Lloyd's Under	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1120071	Lloyd's Underwriter Syndicate No. 2007 NVA	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1120097	Lloyd's Underwriter Syndicate No. 2468 NEO	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1128791	Lloyd's Underwriter Syndicate No. 2791 MAP	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1128987	Lloyd's Underwriter Syndicate No. 2987 BRT	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1120179	Lloyd's Underwriter Syndicate No. 2988 BRT	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1120075	Lloyd's Underwriter Syndicate No. 4020 ARK	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1126004	Lloyd's Underwriter Syndicate No. 4444 CNP	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3190686	Partner Reinsurance Company Ltd.	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3190339	Renaissance Reinsurance Ltd.	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3190870	Validus Reinsurance, Ltd.	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
1299999	Total Authorized - Other Non-U.S. Insurers#				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
1399999	Total Authorized - Protected Cells				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
1499999	Total Authorized - Total Authorized Excluding Protected Cells				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1464104	Allianz Risk Transfer AG	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1464104	Allianz Risk Transfer AG (Bermuda Branch) (Nephila business), Pem	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3194126	Arch Reinsurance Ltd	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1120083	Ariel Re Bda Limited obo Argo Re Ltd	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3191352	Ascot Reinsurance Company Limited	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3190005	Ascot Underwriting (Bermuda) Ltd. o/b/o American International Rein	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-9240012	China Property & Casualty Reinsurance Company Limited	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3190770	Chubb Tempest Reinsurance Ltd.	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1080029	Dom Re IC (formerly Solidum Re Dom IC Limited)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3191289	Fidelis Insurance Bermuda Limited	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1120175	Fidelis Underwriting Limited - Lirma F0012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3191190	Hamilton Re, Ltd (Formerly S.A.C. Re Ltd)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SCHEDULE F – PART 3 (Continued)

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)
(Provision for Reinsurance for Certified Reinsurers)

ID Number From Col. 1	Name of Reinsurer From Col. 3	54	55	56	57	58	59	60	61	62	63	64	65	Complete if Col. 52 = "No"; Otherwise Enter 0			69
		Certified Reinsurer Rating (1 through 6)	Effective D of Certified Reinsurer Rating	Percent Collateral Required for Full Credit (0% through 100%)	Catastrophic Recoverables Qualifying for Collateral Deferral	Net Recoverable Subject to Collateral Requirement for Full Credit (Col. 19 - Col. 57)	Dollar Amount of Collateral Required (Col 56 * Col. 58)	Percent of Collateral Provided for Net Recoverables Subject to Collateral Requirements ((Col. 20 + Col. 21 + Col.22 + Col. 24)/ Col. 58)	Percent Credit Allowed on Net Recoverables Subject to Collate Requirements (Col. 60 / Col. 56, not to exceed 100%)	20% of Recoverable on Paid Losse & LAE Over 90 Days Past Due Amounts in Dispute (Col. 45 * 20%)	Amounts of Credit Allowed for Net Recoverables (Col. 57 +[Col. 58 * Col. 61])	Provision for Reinsurance with Certified Reinsurers Du to Collateral Deficiency (Col. 19 - Col. 63)	20% of Recoverable on Paid Losse % LAE Over 90 Days Past Due Amounts Not in Dispute (Col. 47 * 20	Total Collater Provided (Col. 20 + Col. 21 + Col. 22 Col.24; not to Exceed Col 6	Net Unsecured Recoverable f Which Credit is Allowed (Col. 63 -Col. 6	20% of Amount in Col. 67	Provision for Overdue Reinsurance Ced to Certified Reinsurers (Grea of [Col. 62 + Col. 65] or Col.68; not to Exceed Col. 63
AA-3190875	Hiscox Insurance Company (Bermuda) Limited	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3190677	Horseshoe Re Limited, on behalf of Separate Account FC0029	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-8310008	Humboldt Re Limited	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-8310006	Kelvin Re Limited	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-5420050	Korean Reinsurance Company	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3190829	Markel Bermuda Limited f/k/a Alterra Bermuda Limited	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-5340660	New India Assurance Company Limited - Lirma N2118	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-5320039	Pioneer Underwriting Ltd. obo Peak Reinsurance Company Ltd., HK	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-5324100	Pioneer Underwriting Ltd. obo Taiping Reinsurance Company Ltd	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3191298	Qatar Reinsurance Company Ltd. fka Qatar Reinsurance Co. LLC	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1120145	QBE Re (Europe) Ltd - Bermuda Branch, Hamilton	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1460100	SATEC Srl o/b/o Neue Ruckversicherungs-Gesellschaft AG	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1460023	Tokio Millennium Re AG	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1460023	Tokio Millennium Re AG, Bermuda Branch (Elementum business)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-1460023	Tokio Millennium Re AG, Bermuda Branch (Markel CATCo-Re Aquil	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
AA-3191315	XL Re Ltd	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2699999	Total Unauthorized - Other non-U.S. Insurers#				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2799999	Total Unauthorized - Protected Cells				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2899999	Total Unauthorized - Total Unauthorized Excluding Protected Cells				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4399999	Total Authorized, Unauthorized and Certified Excluding Protected Cells							XXX	XXX								
9999999	Totals							XXX	XXX								

SCHEDULE F – PART 3 (Continued)

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)
(Total Provision for Reinsurance)

ID Number From Col. 1	Name of Reinsurer From Col. 3	70 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts Not in Dispute (Col. 47 * 20%)	Provision for Unauthorized Reinsurance		Provision for Overdue Authorized Reinsurance		Total Provision for Reinsurance			
			71 Provision for Reinsurance with Unauthorized Reinsurers Due to Collateral Deficiency (Col. 26)	72 Provision for Overdue Reinsurance from Unauthorized Reinsurers and Amounts in Dispute (Col. 70 + 20% of the Amount in Col. 16)	73 Complete if Col. 52 = "Yes"; Otherwise Enter 0 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts Not in Dispute + 20% of Amounts in Dispute ((Col. 47 * 20%) + [Col. 45 * 20%])	74 Complete if Col. 52 = "No"; Otherwise Enter 0 Greater of 20% of Net Recoverable Net of Funds Held & Collateral, or 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due (Greater of Col 26 * 20% or [Cols. 40 + 41] * 20%)	75 Provision for Amounts Ceded to Authorized Reinsurers (Cols. 73 + 74)	76 Provision for Amounts Ceded to Unauthorized Reinsurers (Cols. 71 + 72 Not in Excess of Col. 15)	77 Provision for Amounts Ceded to Certified Reinsurers (Cols. 64 + 69)	78 Total Provision for Reinsurance (Cols. 75 + 76 +77)
22-2005057	Everest Reinsurance Company		XXX	XXX				XXX	XXX	
13-3138390	Navigators Insurance Company		XXX	XXX				XXX	XXX	
47-0698507	Odyssey Reinsurance Company		XXX	XXX				XXX	XXX	
23-1641984	QBE Reinsurance Corporation		XXX	XXX				XXX	XXX	
13-1675535	Swiss Re Underwriters Agency, Inc. o/b/o Swiss Reinsurance America C		XXX	XXX				XXX	XXX	
31-0542366	The Cincinnati Insurance Company		XXX	XXX				XXX	XXX	
13-5616275	Transatlantic Reinsurance Company		XXX	XXX				XXX	XXX	
46-1168622	Maison Insurance Company		XXX	XXX				XXX	XXX	
47-1005834	Woodlands Insurance Company		XXX	XXX				XXX	XXX	
59-3560143	United Property & Casualty Insurance Company		XXX	XXX				XXX	XXX	
90-0797817	Weston Insurance Company		XXX	XXX				XXX	XXX	
46-3943172	Safepoint Insurance Company		XXX	XXX				XXX	XXX	
0999999	Total Authorized - Other U.S. Unaffiliated Insurers		XXX	XXX				XXX	XXX	
AA-3194168	Aspen Bermuda Limited		XXX	XXX				XXX	XXX	
AA-3194139	AXIS Specialty Limited		XXX	XXX				XXX	XXX	
AA-3194122	DaVinci Reins thru Renaissance U/W Mgrs		XXX	XXX				XXX	XXX	
AA-3194122	DaVinci Reinsurance Ltd thru Renaissance U/W		XXX	XXX				XXX	XXX	
AA-1340125	Hannover Rück SE (Eskatos business)		XXX	XXX				XXX	XXX	
AA-1340125	Hannover Rück SE (Pillar business)		XXX	XXX				XXX	XXX	
AA-3190871	Lancashire Insurance Company Ltd		XXX	XXX				XXX	XXX	
AA-1126566	Lloyd's Underwriter Syndicate No. 0566 STN		XXX	XXX				XXX	XXX	
AA-1127084	Lloyd's Underwriter Syndicate No. 1084 CSL		XXX	XXX				XXX	XXX	
AA-1127183	Lloyd's Underwriter Syndicate No. 1183 TAL		XXX	XXX				XXX	XXX	
AA-1120085	Lloyd's Underwriter Syndicate No. 1274 AUL		XXX	XXX				XXX	XXX	
AA-1127414	Lloyd's Underwriter Syndicate No. 1414 ASC		XXX	XXX				XXX	XXX	
AA-1120102	Lloyd's Underwriter Syndicate No. 1458 RNR		XXX	XXX				XXX	XXX	
AA-1120084	Lloyd's Underwriter Syndicate No. 1955 BAR		XXX	XXX				XXX	XXX	

SCHEDULE F – PART 3 (Continued)

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)
(Total Provision for Reinsurance)

ID Number From Col. 1	Name of Reinsurer From Col. 3	70 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts Not in Dispute (Col. 47 * 20%)	Provision for Unauthorized Reinsurance		Provision for Overdue Authorized Reinsurance		Total Provision for Reinsurance			
			71 Provision for Reinsurance with Unauthorized Reinsurers Due to Collateral Deficiency (Col. 26)	72 Provision for Overdue Reinsurance from Unauthorized Reinsurers and Amounts in Dispute (Col. 70 + 20% of the Amount in Col. 16)	73 Complete if Col. 52 = "Yes"; Otherwise Enter 0 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts Not in Dispute + 20% of Amounts in Dispute ((Col. 47 * 20%) + [Col. 45 * 20%])	74 Complete if Col. 52 = "No"; Otherwise Enter 0 Greater of 20% of Net Recoverable Net of Funds Held & Collateral, or 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due (Greater of Col 26 * 20% or [Cols. 40 + 41] * 20%)	75 Provision for Amounts Ceded to Authorized Reinsurers (Cols. 73 + 74)	76 Provision for Amounts Ceded to Unauthorized Reinsurers (Cols. 71 + 72 Not in Excess of Col. 15)	77 Provision for Amounts Ceded to Certified Reinsurers (Cols. 64 + 69)	78 Total Provision for Reinsurance (Cols. 75 + 76 +77)
AA-1128001	Lloyd's Underwriter Syndicate No. 2001 AML		XXX	XXX				XXX	XXX	
AA-1128003	Lloyd's Underwriter Syndicate No. 2003 XLC Formerly Lloyd's Underwrite		XXX	XXX				XXX	XXX	
AA-1120071	Lloyd's Underwriter Syndicate No. 2007 NVA		XXX	XXX				XXX	XXX	
AA-1120097	Lloyd's Underwriter Syndicate No. 2468 NEO		XXX	XXX				XXX	XXX	
AA-1128791	Lloyd's Underwriter Syndicate No. 2791 MAP		XXX	XXX				XXX	XXX	
AA-1128987	Lloyd's Underwriter Syndicate No. 2987 BRT		XXX	XXX				XXX	XXX	
AA-1120179	Lloyd's Underwriter Syndicate No. 2988 BRT		XXX	XXX				XXX	XXX	
AA-1120075	Lloyd's Underwriter Syndicate No. 4020 ARK		XXX	XXX				XXX	XXX	
AA-1126004	Lloyd's Underwriter Syndicate No. 4444 CNP		XXX	XXX				XXX	XXX	
AA-3190686	Partner Reinsurance Company Ltd.		XXX	XXX				XXX	XXX	
AA-3190339	Renaissance Reinsurance Ltd.		XXX	XXX				XXX	XXX	
AA-3190870	Validus Reinsurance, Ltd.		XXX	XXX				XXX	XXX	
1299999	Total Authorized - Other Non-U.S. Insurers#		XXX	XXX				XXX	XXX	
1399999	Total Authorized - Protected Cells		XXX	XXX				XXX	XXX	
1499999	Total Authorized - Total Authorized Excluding Protected Cells		XXX	XXX				XXX	XXX	
AA-1464104	Allianz Risk Transfer AG				XXX	XXX	XXX		XXX	
AA-1464104	Allianz Risk Transfer AG (Bermuda Branch) (Nephila business), Pembrok				XXX	XXX	XXX		XXX	
AA-3194126	Arch Reinsurance Ltd				XXX	XXX	XXX		XXX	
AA-1120083	Ariel Re Bda Limited obo Argo Re Ltd				XXX	XXX	XXX		XXX	
AA-3191352	Ascot Reinsurance Company Limited				XXX	XXX	XXX		XXX	
AA-3190005	Ascot Underwriting (Bermuda) Ltd. o/b/o American International Reinsura				XXX	XXX	XXX		XXX	
AA-9240012	China Property & Casualty Reinsurance Company Limited				XXX	XXX	XXX		XXX	
AA-3190770	Chubb Tempest Reinsurance Ltd.				XXX	XXX	XXX		XXX	
AA-1080029	Dom Re IC (formerly Solidum Re Dom IC Limited)				XXX	XXX	XXX		XXX	
AA-3191289	Fidelis Insurance Bermuda Limited				XXX	XXX	XXX		XXX	
AA-1120175	Fidelis Underwriting Limited - Irma F0012				XXX	XXX	XXX		XXX	
AA-3191190	Hamilton Re, Ltd (Formerly S.A.C. Re Ltd)				XXX	XXX	XXX		XXX	

SCHEDULE F – PART 3 (Continued)

Ceded Reinsurance as of December 31, Current Year (\$000 Omitted)
(Total Provision for Reinsurance)

ID Number From Col. 1	Name of Reinsurer From Col. 3	70 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts Not in Dispute (Col. 47 * 20%)	Provision for Unauthorized Reinsurance		Provision for Overdue Authorized Reinsurance		Total Provision for Reinsurance			
			71 Provision for Reinsurance with Unauthorized Reinsurers Due to Collateral Deficiency (Col. 26)	72 Provision for Overdue Reinsurance from Unauthorized Reinsurers and Amounts in Dispute (Col. 70 + 20% of the Amount in Col. 16)	73 Complete if Col. 52 = "Yes"; Otherwise Enter 0 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts Not in Dispute + 20% of Amounts in Dispute ((Col. 47 * 20%) + [Col. 45 * 20%])	74 Complete if Col. 52 = "No"; Otherwise Enter 0 Greater of 20% of Net Recoverable Net of Funds Held & Collateral, or 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due (Greater of Col 26 * 20% or [Cols. 40 + 41] * 20%)	75 Provision for Amounts Ceded to Authorized Reinsurers (Cols. 73 + 74)	76 Provision for Amounts Ceded to Unauthorized Reinsurers (Cols. 71 + 72 Not in Excess of Col. 15)	77 Provision for Amounts Ceded to Certified Reinsurers (Cols. 64 + 69)	78 Total Provision for Reinsurance (Cols. 75 + 76 +77)
AA-3190875	Hiscox Insurance Company (Bermuda) Limited				XXX	XXX	XXX		XXX	
AA-3190677	Horseshoe Re Limited, on behalf of Separate Account FC0029				XXX	XXX	XXX		XXX	
AA-8310008	Humboldt Re Limited				XXX	XXX	XXX		XXX	
AA-8310006	Kelvin Re Limited				XXX	XXX	XXX		XXX	
AA-5420050	Korean Reinsurance Company				XXX	XXX	XXX		XXX	
AA-3190829	Markel Bermuda Limited f/k/a Alterra Bermuda Limited				XXX	XXX	XXX		XXX	
AA-5340660	New India Assurance Company Limited - Lirma N2118				XXX	XXX	XXX		XXX	
AA-5320039	Pioneer Underwriting Ltd. obo Peak Reinsurance Company Ltd., HK				XXX	XXX	XXX		XXX	
AA-5324100	Pioneer Underwriting Ltd. obo Taiping Reinsurance Company Ltd				XXX	XXX	XXX		XXX	
AA-3191298	Qatar Reinsurance Company Ltd. fka Qatar Reinsurance Co. LLC				XXX	XXX	XXX		XXX	
AA-1120145	QBE Re (Europe) Ltd - Bermuda Branch, Hamilton				XXX	XXX	XXX		XXX	
AA-1460100	SATEC Srl o/b/o Neue Ruckversicherungs-Gesellschaft AG				XXX	XXX	XXX		XXX	
AA-1460023	Tokio Millennium Re AG				XXX	XXX	XXX		XXX	
AA-1460023	Tokio Millennium Re AG, Bermuda Branch (Elementum business)				XXX	XXX	XXX		XXX	
AA-1460023	Tokio Millennium Re AG, Bermuda Branch (Markel CATCo-Re Aquilo bus				XXX	XXX	XXX		XXX	
AA-3191315	XL Re Ltd				XXX	XXX	XXX		XXX	
2699999	Total Unauthorized - Other non-U.S. Insurers#				XXX	XXX	XXX		XXX	
2799999	Total Unauthorized - Protected Cells				XXX	XXX	XXX		XXX	
2899999	Total Unauthorized - Total Unauthorized Excluding Protected Cells				XXX	XXX	XXX		XXX	
4399999	Total Authorized, Unauthorized and Certified Excluding Protected Cells									
9999999	Totals									

SCHEDULE F – PART 4

Issuing or Confirming Banks for Letters of Credit from Schedule F, Part 3 (\$000 Omitted)

1 Issuing or Confirming Bank Reference Number Used in Col. 23 of Sch F Part 3	2 Letters of Credit Code	3 American Bankers Association (ABA) Routing Number	4 Issuing or Confirming Bank Name	5 Letters of Credit Amount
			NONE	
9999999 Total				

SCHEDULE F – PART 5

Interrogatories for Schedule F, Part 3 (000 Omitted)

A. Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess

	1	2	3
	Name of Reinsurer	Commission Rate	Ceded Premium
1.
2.
3.
4.
5.

B. Report the five largest reinsurance recoverables reported in Schedule F, Part 3, Column 15, due from any one reinsurer (based on the total recoverables, Schedule F, Part 3, Line 9999999, Column 15, the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

	1	2	3	4
	Name of Reinsurer	Total Recoverables	Ceded Premium	Affiliated
6.	Weston Insurance Company	56	1,287	Yes [] No [X]
7.	United Property & Casualty Insurance Company	15	282	Yes [] No [X]
8.	Woodlands Insurance Company	5		Yes [] No [X]
9.	Safepoint Insurance Company	3	324	Yes [] No [X]
10.	Maison Insurance Company	2		Yes [] No [X]

N Disclosure of the five largest provisional commission rates should exclude mandatory pools and joint underwriting associations.

SCHEDULE F – PART 6

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1	2	3
	As Reported (Net of Ceded)	Restatement Adjustments	Restated (Gross of Ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12)	656,127,358		656,127,358
2. Premiums and considerations (Line 15)	106,172		106,172
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1)	4,461	(4,461)	
4. Funds held by or deposited with reinsured companies (Line 16.2)			
5. Other assets	1,600,737		1,600,737
6. Net amount recoverable from reinsurers		(20,488,887)	(20,488,887)
7. Protected cell assets (Line 27)			
8. Totals (Line 28)	657,838,728	(20,493,348)	637,345,380
LIABILITIES (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3)	200,779,643	78,259	200,857,902
10. Taxes, expenses, and other obligations (Lines 4 through 8)	393,522,863		393,522,863
11. Unearned premiums (Line 9)	195,049,950		195,049,950
12. Advance premiums (Line 10)	6,202,566		6,202,566
13. Dividends declared and unpaid (Line 11.1 and 11.2)			
14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12)	20,171,584	(20,171,584)	
15. Funds held by company under reinsurance treaties (Line 13)	400,023	(400,023)	
16. Amounts withheld or retained by company for account of others (Line 14)			
17. Provision for reinsurance (Line 16)			
18. Other liabilities	119,576,296		119,576,296
19. Total liabilities excluding protected cell business (Line 26)	935,702,925	(20,493,348)	915,209,577
20. Protected cell liabilities (Line 27)			
21. Surplus as regards policyholders (Line 37)	(277,864,197)	X X X	(277,864,197)
22. Totals (Line 38)	657,838,728	(20,493,348)	637,345,380

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements? Yes [] No [X]

If yes, give full explanation:

.....

.....

.....

NONE **Schedule H - Part 1**

NONE **Schedule H - Part 2, 3 and 4**

NONE **Schedule H - Part 5**

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	1,536		1,010		339		2,885	X X X	
2. 2009	357,906	(31,694)	389,600	10,403		223		1,995		12,621	X X X	
3. 2010	383,424	31,694	351,730	18,005		323		3,951	24	22,279	X X X	
4. 2011	385,000	63,219	321,781	96,089		725		14,386	48	111,200	X X X	
5. 2012	429,594	108,472	321,122	66,741		829		14,961	69	82,531	X X X	
6. 2013	456,630	161,499	295,131	70,811		901		12,922	72	84,634	X X X	
7. 2014	484,049	116,493	367,556	7,002		1,017		5,796	126	13,815	X X X	
8. 2015	501,722	124,128	377,594	138,569		2,094		37,017	1	177,680	X X X	
9. 2016	496,457	126,053	370,404	28,391	18	448		14,873	12	43,682	X X X	
10. 2017	451,347	103,993	347,354	1,241,954	949	2,613	18	230,159	206	1,473,553	X X X	
11. 2018	409,954	108,439	301,515	9,089	27	14		5,008	14	14,070	X X X	
12. Totals	X X X	X X X	X X X	1,688,590	994	10,197	18	341,407	232	848	2,038,950	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	1,531		16,551		771		1,882		388			21,123	X X X
2. 2009			4						1			5	X X X
3. 2010			25						7			32	X X X
4. 2011			201						59			260	X X X
5. 2012	747		98		39		28		1			913	X X X
6. 2013			257		5		65		10			337	X X X
7. 2014	15		51		46		14		10			136	X X X
8. 2015	135		1,073		395		260		98			1,961	X X X
9. 2016	40		477		186		112		27			842	X X X
10. 2017	56,829	12	75,094	33	10,683	16	3,194	24,064	5			169,798	X X X
11. 2018	986		3,122	8	226		61	987	2			5,372	X X X
12. Totals	60,283	12	96,953	41	12,351	16	5,616	25,652	7			200,779	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	18,082	3,041
2. 2009	12,626		12,626	3,528		3,241				4	1
3. 2010	22,311		22,311	5,819		6,343				25	7
4. 2011	111,460		111,460	28,951		34,638				201	59
5. 2012	83,444		83,444	19,424		25,985				845	68
6. 2013	84,971		84,971	18,608		28,791				257	80
7. 2014	13,951		13,951	2,882		3,796				66	70
8. 2015	179,641		179,641	35,805		47,575				1,208	753
9. 2016	44,554	30	44,524	8,974	0.024	12,020				517	325
10. 2017	1,644,590	1,239	1,643,351	364,374	1.191	473,106				131,878	37,920
11. 2018	19,493	51	19,442	4,755	0.047	6,448				4,100	1,272
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	157,183	43,596

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.

- NONE Schedule P - Part 1A Homeowners/Farmowners**
- NONE Schedule P - Part 1B Private Passenger**
- NONE Schedule P - Part 1C Commercial Auto**
- NONE Schedule P - Part 1D Workers Compensation**
- NONE Schedule P - Part 1E Commercial Multiple Peril**
- NONE Schedule P - Part 1F - Section 1 Med. Prof. Liab. Occurrence**
- NONE Schedule P - Part 1F - Section 2 Med. Prof. Liab. Claims-Made**
- NONE Schedule P - Part 1G Special Liability**
- NONE Schedule P - Part 1H - Section 1 Other Liab. Occurrence**
- NONE Schedule P - Part 1H - Section 2 Other Liab. Claims-Made**

SCHEDULE P – PART 1I – SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)

(\$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			
	X X X	X X X	X X X	2,630	1,981	609	180	5,220	X X X			
2. 2017	451,347	103,993	347,354	1,241,954	949	2,613	18	230,159	206	443	1,473,553	X X X
3. 2018	409,954	108,439	301,515	9,089	27	14		5,008	14	1	14,070	X X X
4. Totals	X X X	X X X	X X X	1,253,673	976	4,608	18	235,776	220	624	1,492,843	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		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
	2,468		18,737		1,442		2,361		601				
2. 2017	56,829	12	75,094	33	10,683	16	3,194	24,064	5	169,798	1,801		
3. 2018	986		3,122	8	226		61	987	2	5,372	228		
4. Totals	60,283	12	96,953	41	12,351	16	5,616	25,652	7	200,779	2,087		

	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
	X X X	X X X	X X X	X X X	X X X	X X X				21,205	4,404
2. 2017	1,644,590	1,239	1,643,351	364.374	1.191	473.106				131,878	37,920
3. 2018	19,493	51	19,442	4.755	0.047	6.448				4,100	1,272
4. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	157,183	43,596

- NONE Schedule P - Part 1J Auto Physical Damage**
- NONE Schedule P - Part 1K Fidelity/Surety**
- NONE Schedule P - Part 1L Other**
- NONE Schedule P - Part 1M International**
- NONE Schedule P - Part 1N Nonproportional Assumed Prop.**
- NONE Schedule P - Part 1O Nonproportional Assumed Liab.**
- NONE Schedule P - Part 1P Nonproportional Assumed Fin. Lines**
- NONE Schedule P - Part 1R - Section 1 Prod. Liab. Occurence**
- NONE Schedule P - Part 1R - Section 2 Prod. Liab. Claims-Made**
- NONE Schedule P - Part 1S Financial Guaranty/Mortgage Guaranty**
- NONE Schedule P - Part 1T - Warranty**
- NONE Schedule P - Part 2A, 2B, 2C, 2D, 2E**
- NONE Schedule P - Part 2F - Sec. 1 and 2, 2G, 2H Sec. 1 and 2**

SCHEDULE P – PART 2I – SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

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	XXX	XXX	XXX	XXX	XXX	XXX	XXX	48,653	40,279	38,154	(2,125)	(10,499)
2. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,278,036	1,389,339	111,303	XXX
3. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,463	XXX	XXX
4. Totals											109,178	(10,499)

SCHEDULE P – PART 2J – AUTO PHYSICAL DAMAGE

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	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4. Totals											XXX	XXX

SCHEDULE P – PART 2K – FIDELITY, SURETY

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	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4. Totals											XXX	XXX

SCHEDULE P – PART 2L – OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

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	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4. Totals											XXX	XXX

SCHEDULE P – PART 2M – INTERNATIONAL

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				
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
12. Totals											XXX	XXX

NONE **Schedule P - Part 2N, 2O, 2P**

NONE **Schedule P - Part 2R Sec. 1 and 2, 2S, 2T**

NONE **Schedule P - Part 3A, 3B, 3C, 3D, 3E**

NONE **Schedule P - Part 3F Sec. 1 and 2, 3G, 3H Sec. 1 and 2**

SCHEDULE P – PART 3I – SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018		
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X	X X X	000	8,535	13,146	X X X	X X X
2. 2017	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	945,431	1,243,600	X X X	X X X
3. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	9,076	X X X	X X X

SCHEDULE P – PART 3J – AUTO PHYSICAL DAMAGE

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018		
1. Prior	X X X	X X X	X X X	X X X	X X X	NONE		000				
2. 2017	X X X	X X X	X X X	X X X	X X X	NONE		X X X				
3. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X			

SCHEDULE P – PART 3K – FIDELITY/SURETY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018		
1. Prior	X X X	X X X	X X X	X X X	X X X	NONE		000			X X X	X X X
2. 2017	X X X	X X X	X X X	X X X	X X X	NONE		X X X			X X X	X X X
3. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X	X X X

SCHEDULE P – PART 3L – OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018		
1. Prior	X X X	X X X	X X X	X X X	X X X	NONE		000			X X X	X X X
2. 2017	X X X	X X X	X X X	X X X	X X X	NONE		X X X			X X X	X X X
3. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X	X X X

SCHEDULE P – PART 3M – INTERNATIONAL

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

NONE **Schedule P - Part 3N, 3O, 3P**

NONE **Schedule P - Part 3R Sec. 1 and 2, 3S, 3T**

NONE **Schedule P - Part 4A, 4B, 4C, 4D, 4E**

NONE **Schedule P - Part 4F Sec. 1 and 2, 4G, 4H Sec. 1 and 2**

SCHEDULE P – PART 4I – SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)

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	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,970	4,122	21,098
2. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	267,831	78,255
3. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,175

SCHEDULE P – PART 4J – AUTO PHYSICAL DAMAGE

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	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P – PART 4K – FIDELITY/SURETY

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	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P – PART 4L – OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

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	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P – PART 4M – INTERNATIONAL

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	

NONE Schedule P - Part 4N, 4O, 4P

NONE Schedule P - Part 4R Sec. 1 and 2, 4S, 4T

NONE Schedule P - Part 5A - Section 1-3

NONE Schedule P - Part 5B - Section 1-3

NONE Schedule P - Part 5C - Section 1-3

NONE Schedule P - Part 5D - Section 1-3

NONE Schedule P - Part 5E - Section 1-3

NONE Schedule P - Part 5F - Section 1A-3A

NONE Schedule P - Part 5F - Section 1B-3B

NONE Schedule P - Part 5H - Section 1A-3A

NONE Schedule P - Part 5H - Section 1B-3B

NONE Schedule P - Part 5R - Section 1A-3A

NONE Schedule P - Part 5R - Section 1B-3B

NONE Schedule P - Part 5T - Warranty

NONE Schedule P - Part 6C Sec. 1 and 2, 6D Sec. 1 and 2

NONE Schedule P - Part 6E Sec. 1 and 2, 6H Sec. 1A and 2A

NONE Schedule P - Part 6H Sec. 1B and 2B, 6M Sec. 1B and 2B

NONE Schedule P - Part 6N Sec. 1 and 2, 6O Sec. 1 and 2

NONE Schedule P - Part 6R Sec. 1A, 2A and 1B, 2B

NONE Schedule P - Part 7A

NONE Schedule P - Part 7A (Continued)

NONE Schedule P - Part 7B

NONE Schedule P - Part 7B (Continued)

SCHEDULE P INTERROGATORIES

1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims Made insurance policies. EREs provided for reasons other than DDR are not to be included.

1.1 Does the company issue Medical Professional Liability Claims Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost? Yes [] No [X]

If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions:

1.2 What is the total amount of the reserve for that provision (DDR Reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)? \$ _____

1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65? Yes [] No []

1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve? Yes [] No []

1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A – Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2? Yes [] No [] N/A [X]

1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

Years in Which Premiums Were Earned and Losses Were Incurred	DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid	
	1 Section 1: Occurrence	2 Section 2: Claims-Made
1.601 Prior		
1.602 2009		
1.603 2010		
1.604 2011		
1.605 2012		
1.606 2013		
1.607 2014		
1.608 2015		
1.609 2016		
1.610 2017		
1.611 2018		
1.612 Totals		

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Yes [X] No []

3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement? Yes [X] No []

4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? Yes [] No [X]

If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.

Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.

Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.

5. What were the net premiums in force at the end of the year for: 5.1 Fidelity \$ _____
5.2 Surety \$ _____
 (in thousands of dollars)

6. Claim count information is reported per claim or per claimant. (indicate which). Per Claim _____

If not the same in all years, explain in Interrogatory 7.

7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses? Yes [X] No []

7.2 An extended statement may be attached
 Claims reopened in 2018 are included in the 2018 reported claims numbers.

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN Allocated By States and Territories

States, Etc.	1 Active Status (a)	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						
1. Alabama	AL	N							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	N							
15. Indiana	IN	N							
16. Iowa	IA	N							
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	N							
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	N							
27. Montana	MT	N							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	N							
33. New York	NY	N							
34. North Carolina	NC	N							
35. North Dakota	ND	N							
36. Ohio	OH	N							
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	N							
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	N							
44. Texas	TX	L	395,551,679	409,954,258	307,370,851	106,002,671	157,236,575		
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	N							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate Other Alien	OT	X X X							
59. Totals	(a) 1		395,551,679	409,954,258	307,370,851	106,002,671	157,236,575		

DETAILS OF WRITE-INS									
58001.		X X X							
58002.		X X X							
58003.		X X X							
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X							
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X							

NONE

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

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

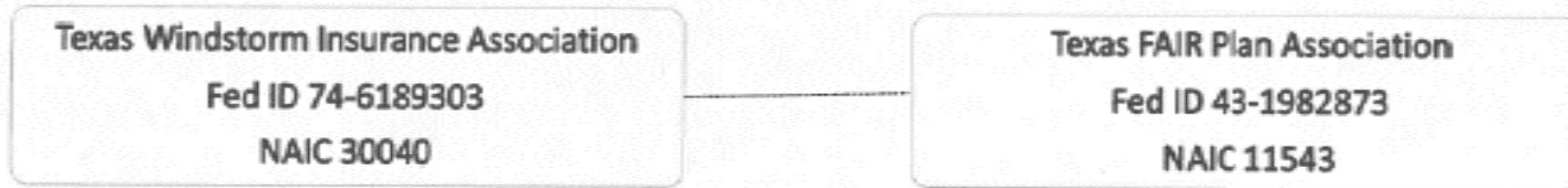
Explanation of basis of allocation of premiums by states, etc.

The Texas Windstorm Insurance association only writes premium in Texas.

NONE Schedule T - Part 2

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

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
4766 4766		30040 11543	74-6189303 43-1982873				Texas Windstorm Insurance Association Texas FAIR Plan Association	TX TX	CON CON	Unaffiliated Unaffiliated	Service Contract Service Contract			N N	

Asterik	Explanation
NONE	

SCHEDULE Y

PART 2 – SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred Under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
30040 11543	74-6189303 43-1982873	Texas Windstorm Insurance Association Texas FAIR Plan Association					13,786,972 (13,786,972)				13,786,972 (13,786,972)	
9999999	Control Totals								XXX			

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	<u>Responses</u>
MARCH FILING	
1. Will an actuarial opinion be filed by March 1?	YES
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	YES
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	See Explanation
APRIL FILING	
5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?	YES
6. Will Management's Discussion and Analysis be filed by April 1?	YES
7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?	YES
MAY FILING	
8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?	See Explanation
JUNE FILING	
9. Will an audited financial report be filed by June 1?	See Explanation
10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	See Explanation
AUGUST FILING	
11. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1?	YES

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

MARCH FILING	
12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	NO
13. Will the Financial Guaranty Insurance Exhibit be filed by March 1?	NO
14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	NO
15. Will Supplemental A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?	NO
16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?	NO
17. Will the Premiums Attributed to Protected Cells be filed by March 1?	NO
18. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?	YES
19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?	NO
21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?	YES
22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?	NO
23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?	NO
24. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
25. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	NO
26. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	NO
27. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	NO
28. Will the Supplemental Schedule for Reinsurance Counterparty Reporting Exception – Asbestos and Pollution contracts be filed with the state of domicile and the NAIC by March 1?	NO
APRIL FILING	
29. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?	NO
30. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
31. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	NO
32. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	NO
33. Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	NO
34. Will the Cybersecurity and Identity Theft Insurance Coverage Supplement be filed with the state of domicile and the NAIC by April 1?	NO
35. Will the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit be filed with the state of domicile and the NAIC by April 1?	NO
36. Will the Adjustments to the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit (if require be filed with the state of domicile and the NAIC by April 1?	NO

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

AUGUST FILING

37. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? YES

Explanation 4: Not applicable

Explanation 8: Not applicable

Explanation 9: The Association is required to file by June 30th.

Explanation 10: The Association is required to file by June 30th.

Explanation 13: Not applicable

Explanation 14: Not applicable

Explanation 15: Not applicable

Explanation 16: Not applicable

Explanation 17: Not applicable

Explanation 19: Not applicable

Explanation 20: Not applicable

Explanation 22: Not applicable

Explanation 23: Not applicable

Explanation 24: Not applicable

Explanation 25: Not applicable

Explanation 26: Not applicable

Explanation 27: Not applicable

Explanation 28: Not applicable

Explanation 29: Not applicable

Explanation 30: Not applicable

Explanation 31: Not applicable

Explanation 32: Not applicable

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

- Explanation 33: Not applicable
- Explanation 34: Not applicable
- Explanation 35: Not applicable
- Explanation 36: Not applicable

Bar Code:



30040201839000000



30040201820100000



30040201822000000



30040201822100000



30040201842000000



30040201824000000



30040201836000000



30040201845000000



30040201849000000



30040201838500000



30040201836500000



30040201844100000



30040201840000000



30040201850000000



30040201850000000



30040201822400000



30040201822500000



30040201822600000



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30040201830600000



30040201821000000



30040201821600000



30040201821700000



30040201855000000



30040201821100000

OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation

ASSETS

	Current Year			Prior Year
	1	2	3	4
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. Accounts Receivable - Premium Finance	61,170		61,170	66,870
2505. Due from Depop Carriers - Assumption	11,774		11,774	18,165
2506. Miscellaneous Receivable	5,865	5,865		
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	78,809	5,865	72,944	85,035

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR LIABILITIES	Current Year	Prior Year
2504. Lease incentive obligation	503,381	629,226
2505. Deferred rent liability	488,893	545,304
2506. Surcharge payable	245,859	292,687
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)	1,238,133	1,467,217

OVERFLOW PAGE FOR WRITE-INS

Page 11 - Continuation**UNDERWRITING AND INVESTMENT EXHIBIT****PART 3 - EXPENSES**

REMAINING WRITE-INS AGGREGATED AT LINE 24 FOR OTHER LINES OF BUSINESS	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. Claim storm reports and assignments	211,443			211,443
2405. Investment Expenses			195,557	195,557
2406. HB3 Ombudsman Program		110,701		110,701
2407. Miscellaneous Expense		92,255		92,255
2408. Bond Issuance Expense			42,018	42,018
2409. Depopulation Service Fee		(248,371)		(248,371)
2497. Totals (Lines 2404 through 2496) (Page 11, Line 24)	211,443	(45,415)	237,575	403,603

OVERFLOW PAGE FOR WRITE-INS

Page 13 - Continuation

EXHIBIT OF NONADMITTED ASSETS

DETAILS OF WRITE-IN LINES FOR OTHER THAN INVESTED ASSETS AT LINE 25	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Miscellaneous Receivable	5,865		(5,865)
2505. Prepaid Reinsurance		9,054,052	9,054,052
2597. Totals (Lines 2504 through 2596) (Page 13, Line 2598)	5,865	9,054,052	9,048,187

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1	2	3	4	5	6
	Amount	Percentage	Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3 + 4) Amount	Percentage
1. Bonds:						
1.1 U.S. treasury securities						
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies						
1.22 Issued by U.S. government sponsored agencies						
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations						
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations						
1.43 Revenue and assessment obligations						
1.44 Industrial development and similar obligations						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA						
1.512 Issued or guaranteed by FNMA and FHLMC						
1.513 All other						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA						
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521						
1.523 All other						
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)						
2.2 Unaffiliated non-U.S. securities (including Canada)						
2.3 Affiliated securities						
3. Equity interests:						
3.1 Investments in mutual funds						
3.2 Preferred stocks:						
3.21 Affiliated						
3.22 Unaffiliated						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated						
3.32 Unaffiliated						
3.4 Other equity securities:						
3.41 Affiliated						
3.42 Unaffiliated						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated						
3.52 Unaffiliated						
4. Mortgage loans:						
4.1 Construction and land development						
4.2 Agricultural						
4.3 Single family residential properties						
4.4 Multifamily residential properties						
4.5 Commercial loans						
4.6 Mezzanine real estate loans						
5. Real estate investments:						
5.1 Property occupied by company						
5.2 Property held for production of income (including \$ _____ of property acquired in satisfaction of debt)						
5.3 Property held for sale (including \$ _____ of property acquired in satisfaction of debt)						
6. Contract loans						
7. Derivatives						
8. Receivables for securities						
9. Securities Lending (Line 10, Asset Page reinvested collateral)				X X X	X X X	X X X
10. Cash, cash equivalents and short-term investments	656,127,358	100.00	656,127,358		656,127,358	100.00
11. Other invested assets						
12. Total invested assets	656,127,358	100.00	656,127,358		656,127,358	100.00

- NONE** **Schedule A and B Verification**
- NONE** **Schedule BA and D Verification**
- NONE** **Schedule D - Summary**
- NONE** **Schedule D - Part 1A - Sect 1 (3 pgs)**
- NONE** **Schedule D - Part 1A - Sect 2 (2 pgs)**

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-Term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year					
2. Cost of short-term investments acquired					
3. Accrual of discount					
4. Unrealized valuation increase (decrease)					
5. Total gain (loss) on disposals					
6. Deduct consideration received on disposals					
7. Deduct amortization of premium					
8. Total foreign exchange change in book/adjusted carrying value					
9. Deduct current year's other-than-temporary impairment recognized					
10. Book adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)					
11. Deduct total nonadmitted amounts					
12. Statement value at end of current period (Line 10 minus Line 11)					

NONE

SI 10

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: _____

NONE **Schedule DB - Part A and B Verification**

NONE **Schedule DB - Part C - Section 1**

NONE **Schedule DB - Part C - Section 2**

NONE **Schedule DB - Verification**

SCHEDULE E - PART 2 - VERIFICATION BETWEEN YEARS

(Cash Equivalents)

	1	2	3	4
	Total	Bonds	Money Market Mutual Funds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year	466,386,945		186,675,841	279,711,104
2. Cost of cash equivalents acquired	102,270,124		102,270,124	
3. Accrual of discount				
4. Unrealized valuation increase (decrease)				
5. Total gain (loss) on disposals				
6. Deduct consideration received on disposals	187,137,391			187,137,391
7. Deduct amortization of premium				
8. Total foreign exchange change in book/adjusted carrying value				
9. Deduct current year's other-than-temporary impairment recognized				
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	381,519,678		288,945,965	92,573,713
11. Deduct total nonadmitted amounts				
12. Statement value at end of current period (Line 10 minus Line 11)	381,519,678		288,945,965	92,573,713

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:

NONE Schedule A - Part 1

NONE Schedule A - Part 2

NONE Schedule A - Part 3

NONE Schedule B - Part 1

NONE Schedule B - Part 2

NONE Schedule B - Part 3

NONE Schedule BA - Part 1

NONE Schedule BA - Part 2

NONE Schedule BA - Part 3

NONE Schedule D - Part 1

NONE Schedule D - Part 2 - Section 1

NONE Schedule D - Part 2 - Section 2

NONE Schedule D - Part 3

NONE Schedule D - Part 4

NONE Schedule D - Part 5

NONE Schedule D - Part 6 - Section 1 and 2

NONE Schedule DA - Part 1

NONE Schedule DB - Part A - Section 1

NONE Schedule DB - Part A - Section 2

NONE Schedule DB - Part B - Section 1

NONE Schedule DB - Part B - Section 2

NONE Schedule DB - Part D - Section 1

NONE Schedule DB - Part D - Section 2

NONE Schedule DL - Part 1

NONE Schedule DL - Part 2

SCHEDULE E - PART 1 - CASH

1	2	3	4	5	6	7
Depository	Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
OPEN DEPOSITORIES						
Bank of America N.A. Austin, TX		1.260	1,391,165		188,994,427	
Citibank, N.A. Dallas, TX					6,974	
Citibank, N.A. - IMMA Dallas, TX		0.150	312,630		46,242,586	
Citibank, N.A. - MMTD San Antonio, TX	O	0.800	1,813			
Citibank, N.A. - Certificate of Deposit Due April 27, 2018		0.800	59			
JP Morgan Chase Bank, N.A. San Antonio, TX					345,980	
JP Morgan Chase Bank, N.A. San Antonio, TX					39,017,713	
Wells Fargo Bank, N.A. - Certificate of Deposit Due 1/29/2018		1.050	80,254			
0199998 Deposits in () depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories	X X X	X X X				X X X
0199999 Totals - Open Depositories	X X X	X X X	1,785,921		274,607,680	X X X
SUSPENDED DEPOSITORIES						
0299998 Deposits in () depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories	X X X	X X X				X X X
0299999 Totals - Suspended Depositories	X X X	X X X				X X X
0399999 Total Cash on Deposit	X X X	X X X	1,785,921		274,607,680	X X X
0499999 Cash in Company's Office	X X X	X X X	X X X	X X X		X X X
0599999 Total Cash	X X X	X X X	1,785,921		274,607,680	X X X

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	175,953,701	4. April	123,623,645	7. July	267,293,095	10. October	294,149,320
2. February	217,120,440	5. May	125,890,433	8. August	244,376,412	11. November	275,489,296
3. March	93,621,533	6. June	229,490,422	9. September	305,953,467	12. December	274,607,680

NONE Schedule E - Part 3

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

Assets	2	Schedule E – Part 3 – Special Deposits	E28
Cash Flow	5	Schedule F – Part 1	20
Exhibit of Capital Gains (Losses)	12	Schedule F – Part 2	21
Exhibit of Net Investment Income	12	Schedule F – Part 3	22
Exhibit of Nonadmitted Assets	13	Schedule F – Part 4	27
Exhibit of Premiums and Losses (State Page)	19	Schedule F – Part 5	28
Five-Year Historical Data	17	Schedule F – Part 6	29
General Interrogatories	15	Schedule H – Accident and Health Exhibit – Part 1	30
Jurat Page	1	Schedule H – Part 2, Part 3 and Part 4	31
Liabilities, Surplus and Other Funds	3	Schedule H – Part 5 – Health Claims	32
Notes To Financial Statements	14	Schedule P – Part 1 – Summary	33
Overflow Page For Write-ins	100	Schedule P – Part 1A – Homeowners/Farmowners	35
Schedule A – Part 1	E01	Schedule P – Part 1B – Private Passenger Auto Liability/Medical	36
Schedule A – Part 2	E02	Schedule P – Part 1C – Commercial Auto/Truck Liability/Medical	37
Schedule A – Part 3	E03	Schedule P – Part 1D – Workers' Comp (Excluding Excess Workers' Comp)	38
Schedule A – Verification Between Years	SI02	Schedule P – Part 1E – Commercial Multiple Peril	39
Schedule B – Part 1	E04	Schedule P – Part 1F – Section 1 – Medical Professional Liability	
Schedule B – Part 2	E05	– Occurrence	40
Schedule B – Part 3	E06	Schedule P – Part 1F – Section 2 – Medical Professional Liability	
Schedule B – Verification Between Years	SI02	– Claims-Made	41
Schedule BA – Part 1	E07	Schedule P – Part 1G – Special Liability (Ocean, Marine, Aircraft (All	
Schedule BA – Part 2	E08	Perils), Boiler and Machinery)	42
Schedule BA – Part 3	E09	Schedule P – Part 1H – Section 1 – Other Liability – Occurrence	43
Schedule BA – Verification Between Years	SI03	Schedule P – Part 1H – Section 2 – Other Liability – Claims-Made	44
Schedule D – Part 1	E10	Schedule P – Part 1I – Special Property (Fire, Allied Lines, Inland Marine,	
Schedule D – Part 1A – Section 1	SI05	Earthquake, Burglary & Theft)	45
Schedule D – Part 1A – Section 2	SI08	Schedule P – Part 1J – Auto Physical Damage	46
Schedule D – Part 2 – Section 1	E11	Schedule P – Part 1K – Fidelity/Surety	47
Schedule D – Part 2 – Section 2	E12	Schedule P – Part 1L – Other (Including Credit, Accident and Health)	48
Schedule D – Part 3	E13	Schedule P – Part 1M – International	49
Schedule D – Part 4	E14	Schedule P – Part 1N – Reinsurance - Nonproportional Assumed Property	50
Schedule D – Part 5	E15	Schedule P – Part 1O – Reinsurance - Nonproportional Assumed Liability	51
Schedule D – Part 6 – Section 1	E16	Schedule P – Part 1P – Reinsurance - Nonproportional Assumed Financial Lines	52
Schedule D – Part 6 – Section 2	E16	Schedule P – Part 1R – Section 1 – Products Liability – Occurrence	53
Schedule D – Summary By Country	SI04	Schedule P – Part 1R – Section 2 – Products Liability – Claims – Made	54
Schedule D – Verification Between Years	SI03	Schedule P – Part 1S – Financial Guaranty/Mortgage Guaranty	55
Schedule DA – Part 1	E17	Schedule P – Part 1T – Warranty	56
Schedule DA – Verification Between Years	SI10	Schedule P – Part 2, Part 3 and Part 4 - Summary	34
Schedule DB – Part A – Section 1	E18	Schedule P – Part 2A – Homeowners/Farmowners	57
Schedule DB – Part A – Section 2	E19	Schedule P – Part 2B – Private Passenger Auto Liability/Medical	57
Schedule DB – Part A – Verification Between Years	SI11	Schedule P – Part 2C – Commercial Auto/Truck Liability/Medical	57
Schedule DB – Part B – Section 1	E20	Schedule P – Part 2D – Workers' Comp (Excluding Excess Workers' Comp)	57
Schedule DB – Part B – Section 2	E21	Schedule P – Part 2E – Commercial Multiple Peril	57
Schedule DB – Part B – Verification Between Years	SI11	Schedule P – Part 2F – Section 1 – Medical Professional Liability	
Schedule DB – Part C – Section 1	SI12	– Occurrence	58
Schedule DB – Part C – Section 2	SI13	Schedule P - Part 2F - Medical Professional Liability - Claims - Made	58
Schedule DB - Part D - Section 1	E22	Schedule P – Part 2G – Special Liability (Ocean Marine, Aircraft (All Perils),	
Schedule DB - Part D - Section 2	E23	Boiler and Machinery)	58
Schedule DB - Verification	SI14	Schedule P – Part 4I – Special Property (Fire, Allied Lines, Inland Marine,	
Schedule DL - Part 1	E24	Earthquake, Burglary and Theft)	69
Schedule DL - Part 2	E25	Schedule P – Part 4J – Auto Physical Damage	69
Schedule E – Part 1 – Cash	E26	Schedule P – Part 4K – Fidelity/Surety	69
Schedule E – Part 2 – Cash Equivalents	E27	Schedule P – Part 4L – Other (Including Credit, Accident and Health)	69
Schedule E – Part 2 – Verification Between Years	SI15	Schedule P – Part 4M – International	69

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

Schedule P – Part 2H – Section 2 – Other Liability – Claims – Made	58	Schedule P – Part 4O – Reinsurance - Nonproportional Assumed Liability	70
Schedule P – Part 2I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	59	Schedule P – Part 4P – Reinsurance - Nonproportional Assumed Financial Lines	70
Schedule P – Part 2J – Auto Physical Damage	59	Schedule P – Part 4R – Section 1 – Products Liability – Occurrence	71
Schedule P – Part 2K – Fidelity, Surety	59	Schedule P – Part 4R – Section 2 – Products Liability – Claims-Made	71
Schedule P – Part 2L – Other (Including Credit, Accident and Health)	59	Schedule P – Part 4S – Financial Guaranty/Mortgage Guaranty	71
Schedule P – Part 2M – International	59	Schedule P – Part 4T – Warranty	71
Schedule P – Part 2N – Reinsurance - Nonproportional Assumed Property	60	Schedule P – Part 5A – Homeowners/Farmowners	72
Schedule P – Part 2O – Reinsurance - Nonproportional Assumed Liability	60	Schedule P – Part 5B – Private Passenger Auto Liability/Medical	73
Schedule P – Part 2P – Reinsurance - Nonproportional Assumed Financial Lines	60	Schedule P – Part 5C – Commercial Auto/Truck Liability/Medical	74
Schedule P – Part 2R – Section 1 – Products Liability – Occurrence	61	Schedule P – Part 5D – Workers' Comp (Excluding Excess Workers' Comp)	75
Schedule P – Part 2R – Section 2 – Products Liability – Claims-Made	61	Schedule P – Part 5E – Commercial Multiple Peril	76
Schedule P – Part 2S – Financial Guaranty/Mortgage Guaranty	61	Schedule P – Part 5F – Medical Professional Liability – Claims-Made	78
Schedule P – Part 2T – Warranty	61	Schedule P – Part 5F – Medical Professional Liability – Occurrence	77
Schedule P – Part 3A – Homeowners/Farmowners	62	Schedule P – Part 5H – Other Liability – Claims-Made	80
Schedule P – Part 3B – Private Passenger Auto Liability/Medical	62	Schedule P – Part 5H – Other Liability – Occurrence	79
Schedule P – Part 3C – Commercial Auto/Truck Liability/Medical	62	Schedule P – Part 5R – Products Liability – Claims-Made	82
Schedule P – Part 3D – Workers' Comp (Excluding Excess Workers' Comp)	62	Schedule P – Part 5R – Products Liability – Occurrence	81
Schedule P – Part 3E – Commercial Multiple Peril	62	Schedule P – Part 5T – Warranty	83
Schedule P – Part 3F – Section 1 – Medical Professional Liability – Occurrence	63	Schedule P – Part 6C – Commercial Auto/Truck Liability/Medical	84
Schedule P – Part 3F – Section 2 – Medical Professional Liability – Claims-Made	63	Schedule P – Part 6D – Workers' Comp (Excluding Excess Workers' Comp)	84
Schedule P – Part 3G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	63	Schedule P – Part 6E – Commercial Multiple Peril	85
Schedule P – Part 3H – Section 1 – Other Liability – Occurrence	63	Schedule P – Part 6H – Other Liability – Claims-Made	86
Schedule P – Part 3H – Section 2 – Other Liability – Claims-Made	63	Schedule P – Part 6H – Other Liability – Occurrence	85
Schedule P – Part 3I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	64	Schedule P – Part 6M – International	86
Schedule P – Part 3J – Auto Physical Damage	64	Schedule P – Part 6N – Reinsurance - Nonproportional Assumed Property	87
Schedule P – Part 3K – Fidelity/Surety	64	Schedule P – Part 6O – Reinsurance - Nonproportional Assumed Liability	87
Schedule P – Part 3L – Other (Including Credit, Accident and Health)	64	Schedule P – Part 6R – Products Liability – Claims-Made	88
Schedule P – Part 3M – International	64	Schedule P – Part 6R – Products Liability – Occurrence	88
Schedule P – Part 3N – Reinsurance - Nonproportional Assumed Property	65	Schedule P – Part 7A – Primary Loss Sensitive Contracts	89
Schedule P – Part 3O – Reinsurance - Nonproportional Assumed Liability	65	Schedule P – Part 7B – Reinsurance Loss Sensitive Contracts	91
Schedule P – Part 3P – Reinsurance - Nonproportional Assumed Financial Lines	65	Schedule P Interrogatories	93
Schedule P – Part 3R – Section 1 – Products Liability – Occurrence	66	Schedule T – Exhibit of Premiums Written	94
Schedule P – Part 3R – Section 2 – Products Liability – Claims-Made	66	Schedule T – Part 2 – Interstate Compact	95
Schedule P – Part 3S – Financial Guaranty/Mortgage Guaranty	66	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	96
Schedule P – Part 3T – Warranty	66	Schedule Y - Part 1A - Detail of Insurance Holding Company System	97
Schedule P – Part 4A – Homeowners/Farmowners	67	Schedule Y – Part 2 – Summary of Insurer's Transactions With Any Affiliates	98
Schedule P – Part 4B – Private Passenger Auto Liability/Medical	67	Statement of Income	4
Schedule P – Part 4C – Commercial Auto/Truck Liability/Medical	67	Summary Investment Schedule	SI01
Schedule P – Part 4D – Workers' Comp (Excluding Excess Workers' Comp)	67	Supplemental Exhibits and Schedules Interrogatories	99
Schedule P – Part 4E – Commercial Multiple Peril	67	Underwriting and Investment Exhibit Part 1	6
Schedule P – Part 4F – Section 1 – Medical Professional Liability – Occurrence	68	Underwriting and Investment Exhibit Part 1A	7
Schedule P – Part 4F – Section 2 – Medical Professional Liability – Claims-Made	68	Underwriting and Investment Exhibit Part 1B	8
Schedule P – Part 4G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	68	Underwriting and Investment Exhibit Part 2	9
Schedule P – Part 4H – Section 1 – Other Liability – Occurrence	68	Underwriting and Investment Exhibit Part 2A	10
Schedule P – Part 4H – Section 2 – Other Liability – Claims-Made	68	Underwriting and Investment Exhibit Part 3	11