

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, 2020

PROPERTY AND CASUALTY

2020



30040202020100100

ANNUAL STATEMENT

For the Year Ended December 31, 2020
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
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 5700 S. Mopac Bldg A (Street and Number)
Austin, TX, US 78749 (City or Town, State, Country and Zip Code)
512-899-4900 (Area Code) (Telephone Number)

Mail Address P.O. Box 99090, Austin, TX, US 78709
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 5700 S. Mopac Bldg A, Austin, TX, US 78749 512-899-4900
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address https://www.twia.org/

Statutory Statement Contact Allen David Fulkerson 512-899-4988
(Name) (Area Code) (Telephone Number) (Extension)
afulkerson@twia.org 512-899-4952
(E-Mail Address) (Fax Number)

OFFICERS

Chandra Franklin Womack #

| | Name | Title |
|----|-------------------------------------|--------------------------------|
| 1. | <u>John William Polak</u> | <u>General Manager</u> |
| 2. | <u>Georgia Rutherford Neblett #</u> | <u>Vice Chairman</u> |
| 3. | <u>Corise Morrison</u> | <u>Secretary-Treasurer</u> |
| 4. | <u>Jerome Tonra Fadden</u> | <u>Chief Financial Officer</u> |

VICE-PRESIDENTS

| Name | Title | Name | Title |
|----------------------------------|--|----------------------------------|---------------------------------|
| <u>David Patrick Durden</u> | <u>VP Legal</u> | <u>David Scott Williams</u> | <u>VP Claims</u> |
| <u>Camron Malik</u> | <u>VP IT</u> | <u>Juanita Deloris Lester</u> | <u>VP HR and Administration</u> |
| <u>Jennifer Taylor Armstrong</u> | <u>VP Communications&Legislative Affairs</u> | <u>Denise Ingerson Larzalere</u> | <u>VP Underwriting</u> |
| | | | |
| | | | |
| | | | |
| | | | |

DIRECTORS OR TRUSTEES

| | | | |
|-----------------------------------|--------------------------------|-------------------------|----------------------------|
| <u>Karen Guard</u> | <u>Corise Morrison</u> | <u>Tony Schrader</u> | <u>Michael Frank Gerik</u> |
| <u>Georgia Rutherford Neblett</u> | <u>Chandra Franklin Womack</u> | <u>Peggy Gonzalez #</u> | <u>Tim Garrett #</u> |
| <u>Ron Walenta #</u> | | | |
| | | | |
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| | | | |
| | | | |

- Officer or Director who did not occupy the indicated position in the prior annual statement

State of Texas

County of Travis ss

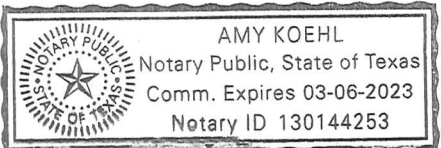
The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any 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.

[Signature]
John William Polak
(Printed Name)
1.
General Manager
(Title)

[Signature]
Jerome Tonra Fadden
(Printed Name)
2.
Chief Financial Officer
(Title)

Subscribed and sworn to (or affirmed) before me this on this 27 day of January, 2021, by
[Signature]

a. Is this an original filing? 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 (\$ 196,418,871, Schedule E - Part 1), cash equivalents (\$ 285,256,971, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA) | 481,675,842 | | 481,675,842 | 514,611,122 |
| 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) | 481,675,842 | | 481,675,842 | 514,611,122 |
| 13. Title plants less \$ 0 charged off (for Title insurers only) | | | | |
| 14. Investment income due and accrued | 3,904 | | 3,904 | 215,780 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 1,436,523 | 154,972 | 1,281,551 | 116,418 |
| 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 | 65,526 | | 65,526 | 6,826 |
| 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 | 4,577,587 | 4,577,587 | | |
| 21. Furniture and equipment, including health care delivery assets (\$ 0) | 447,521 | 447,521 | | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23. Receivables from parent, subsidiaries and affiliates | 1,132,407 | | 1,132,407 | 1,075,625 |
| 24. Health care (\$ 0) and other amounts receivable | | | | |
| 25. Aggregate write-ins for other-than-invested assets | 3,380,692 | 3,346,576 | 34,116 | 90,091,033 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 492,720,002 | 8,526,656 | 484,193,346 | 606,116,804 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. Total (Lines 26 and 27) | 492,720,002 | 8,526,656 | 484,193,346 | 606,116,804 |

| 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 | | 90,000,000 |
| 2502. Prepaid assets | 1,035,454 | 1,035,454 | | |
| 2503. Security deposit - lease | 111,881 | 111,881 | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 34,116 | | 34,116 | 91,033 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 3,380,692 | 3,346,576 | 34,116 | 90,091,033 |

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 | 2 |
|--|---------------|---------------|
| | Current Year | Prior Year |
| 1. Losses (Part 2A, Line 35, Column 8) | 123,287,727 | 131,861,792 |
| 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) | 41,027,046 | 37,268,229 |
| 4. Commissions payable, contingent commissions and other similar charges | 3,976,921 | 3,607,624 |
| 5. Other expenses (excluding taxes, licenses and fees) | 6,081,492 | 5,667,291 |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) | 979,882 | 686,629 |
| 7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses)) | | |
| 7.2 Net deferred tax liability | | |
| 8. Borrowed money \$ 227,200,000 and interest thereon \$ 9,372,000 | 236,572,000 | 331,742,250 |
| 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) | 185,916,764 | 185,495,369 |
| 10. Advance premium | 7,544,511 | 6,588,932 |
| 11. Dividends declared and unpaid: | | |
| 11.1 Stockholders | | |
| 11.2 Policyholders | | |
| 12. Ceded reinsurance premiums payable (net of ceding commissions) | 25,908,476 | 22,381,265 |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20) | | 178,745 |
| 14. Amounts withheld or retained by company for account of others | | |
| 15. Remittances and items not allocated | 2,634,678 | 2,934,010 |
| 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 | 10,714,756 | 61,496,446 |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) | 644,644,253 | 789,908,582 |
| 27. Protected cell liabilities | | |
| 28. Total liabilities (Lines 26 and 27) | 644,644,253 | 789,908,582 |
| 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) | (160,450,907) | (183,791,778) |
| 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) | (160,450,907) | (183,791,778) |
| 38. Totals (Page 2, Line 28, Col. 3) | 484,193,346 | 606,116,804 |

| DETAILS OF WRITE-IN LINES | | |
|---|-------------|------------|
| 2501. Pension benefits liability | 7,933,853 | 6,887,665 |
| 2502. Escheat liability | 2,022,878 | 956,753 |
| 2503. Deferred rent liability | 297,100 | 406,157 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 460,925 | 53,245,871 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 10,714,756 | 61,496,446 |
| 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) | 261,573,991 | 287,476,738 |
| DEDUCTIONS: | | |
| 2. Losses incurred (Part 2, Line 35, Column 7) | 80,911,038 | 86,654,749 |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) | 37,558,946 | 26,742,763 |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) | 90,594,243 | 92,414,790 |
| 5. Aggregate write-ins for underwriting deductions | | 52,641,201 |
| 6. Total underwriting deductions (Lines 2 through 5) | 209,064,227 | 258,453,503 |
| 7. Net income of protected cells | | |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) | 52,509,764 | 29,023,235 |
| INVESTMENT INCOME | | |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17) | (23,692,958) | (22,117,196) |
| 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) | (23,692,958) | (22,117,196) |
| 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 | | 90,042,566 |
| 15. Total other income (Lines 12 through 14) | | 90,042,566 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) | 28,816,806 | 96,948,605 |
| 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) | 28,816,806 | 96,948,605 |
| 19. Federal and foreign income taxes incurred | | |
| 20. Net income (Line 18 minus Line 19) (to Line 22) | 28,816,806 | 96,948,605 |
| CAPITAL AND SURPLUS ACCOUNT | | |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) | (183,791,778) | (277,864,197) |
| 22. Net income (from Line 20) | 28,816,806 | 96,948,605 |
| 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) | (4,429,747) | 135,477 |
| 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 | (1,046,188) | (3,011,663) |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37) | 23,340,871 | 94,072,419 |
| 39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37) | (160,450,907) | (183,791,778) |

| DETAILS OF WRITE-IN LINES | | |
|---|-------------|-------------|
| 0501. Statutory fund expense | | 52,641,201 |
| 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) | | 52,641,201 |
| 1401. Member Assessment Income | | 90,000,000 |
| 1402. Other income (loss) | | 42,566 |
| 1403. | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | | |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) | | 90,042,566 |
| 3701. Pension unassigned funds - unrecognized liability | (1,046,188) | (3,011,663) |
| 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) | (1,046,188) | (3,011,663) |

CASH FLOW

| | 1 | 2 |
|---|--------------|---------------|
| | Current Year | Prior Year |
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance | 265,135,781 | 280,264,406 |
| 2. Net investment income | (24,970,596) | (23,323,762) |
| 3. Miscellaneous income | 90,000,000 | 42,566 |
| 4. Total (Lines 1 through 3) | 330,165,185 | 256,983,210 |
| 5. Benefit and loss related payments | 89,539,771 | 111,977,298 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 174,473,340 | 234,448,054 |
| 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) | 264,013,111 | 346,425,352 |
| 11. Net cash from operations (Line 4 minus Line 10) | 66,152,074 | (89,442,142) |
| 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 | (95,170,250) | (51,958,375) |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | |
| 16.5 Dividends to stockholders | | |
| 16.6 Other cash provided (applied) | (3,917,104) | (115,719) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | (99,087,354) | (52,074,094) |
| 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) | (32,935,280) | (141,516,236) |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 514,611,122 | 656,127,358 |
| 19.2 End of year (Line 18 plus Line 19.1) | 481,675,842 | 514,611,122 |

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 | 261,995,386 | 185,495,369 | 185,916,764 | 261,573,991 |
| 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 | 261,995,386 | 185,495,369 | 185,916,764 | 261,573,991 |

| 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 | 185,916,764 | | | | 185,916,764 |
| 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 | 185,916,764 | | | | 185,916,764 |
| 36. Accrued retrospective premiums based on experience | | | | | |
| 37. Earned but unbilled premiums | | | | | |
| 38. Balance (Sum of Lines 35 through 37) | | | | | 185,916,764 |

| 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 Daily 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 | 369,600,488 | | | | 107,605,102 | 261,995,386 |
| 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 | 369,600,488 | | | | 107,605,102 | 261,995,386 |

| 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 \$

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

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 | 89,639,169 | | 154,066 | 89,485,103 | 123,287,727 | 131,861,792 | 80,911,038 | 30.932 |
| 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 | 89,639,169 | | 154,066 | 89,485,103 | 123,287,727 | 131,861,792 | 80,911,038 | 30.932 |

| 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 | 41,262,198 | | | | | | | | |
| 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 | | | | | | | | (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 | 41,262,198 | | 2,969 | 41,259,229 | 82,092,187 | | 63,688 | 123,287,728 | 41,027,046 |
| 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 | 22,341,389 | | | 22,341,389 |
| 1.2 Reinsurance assumed | | | | |
| 1.3 Reinsurance ceded | 7,117 | | | 7,117 |
| 1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) | 22,334,272 | | | 22,334,272 |
| 2. Commission and brokerage: | | | | |
| 2.1 Direct, excluding contingent | | 59,103,153 | | 59,103,153 |
| 2.2 Reinsurance assumed, excluding contingent | | | | |
| 2.3 Reinsurance ceded, excluding contingent | | 3,772,654 | | 3,772,654 |
| 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) | | 55,330,499 | | 55,330,499 |
| 3. Allowances to manager and agents | | | | |
| 4. Advertising | 5,940 | 53,560 | | 59,500 |
| 5. Boards, bureaus and associations | | 164,923 | | 164,923 |
| 6. Surveys and underwriting reports | | 1,326,088 | | 1,326,088 |
| 7. Audit of assureds' records | | | | |
| 8. Salary and related items: | | | | |
| 8.1 Salaries | 11,713,641 | 13,816,925 | | 25,530,566 |
| 8.2 Payroll taxes | 199,026 | 685,536 | | 884,562 |
| 9. Employee relations and welfare | 1,021,275 | 3,777,729 | | 4,799,004 |
| 10. Insurance | 57,628 | 198,497 | | 256,125 |
| 11. Directors' fees | | | | |
| 12. Travel and travel items | 9,983 | 47,898 | | 57,881 |
| 13. Rent and rent items | 898,636 | 3,541,001 | | 4,439,637 |
| 14. Equipment | 45,567 | 294,188 | | 339,755 |
| 15. Cost or depreciation of EDP equipment and software | | 28,090 | | 28,090 |
| 16. Printing and stationery | 54,015 | 148,444 | | 202,459 |
| 17. Postage, telephone and telegraph, exchange and express | 490,809 | 1,249,885 | | 1,740,694 |
| 18. Legal and auditing | 132,657 | 1,066,691 | | 1,199,348 |
| 19. Totals (Lines 3 to 18) | 14,629,177 | 26,399,455 | | 41,028,632 |
| 20. Taxes, licenses and fees: | | | | |
| 20.1 State and local insurance taxes deducting guaranty association credits of \$ 0 | | 6,862,952 | | 6,862,952 |
| 20.2 Insurance department licenses and fees | | | | |
| 20.3 Gross guaranty association assessments | | | | |
| 20.4 All other (excluding federal and foreign income and real estate) | | 41,397 | | 41,397 |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) | | 6,904,349 | | 6,904,349 |
| 21. Real estate expenses | | | | |
| 22. Real estate taxes | | | | |
| 23. Reimbursements by uninsured plans | | | | |
| 24. Aggregate write-ins for miscellaneous expenses | 595,497 | 1,959,940 | 3,265,283 | 5,820,720 |
| 25. Total expenses incurred | 37,558,946 | 90,594,243 | 3,265,283 | (a) 131,418,472 |
| 26. Less unpaid expenses—current year | 41,027,046 | 11,038,296 | | 52,065,342 |
| 27. Add unpaid expenses—prior year | 37,268,229 | 9,961,544 | | 47,229,773 |
| 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) | 33,800,129 | 89,517,491 | 3,265,283 | 126,582,903 |

| DETAILS OF WRITE-IN LINES | | | | |
|--|---------|-----------|-----------|-----------|
| 2401. IT Systems Support & Product Development | 418,847 | 1,961,595 | | 2,380,442 |
| 2402. Line of Credit Issuance Cost | | | 2,300,000 | 2,300,000 |
| 2403. Line of Credit Fees | | | 569,664 | 569,664 |
| 2498. Sum of remaining write-ins for Line 24 from overflow page | 176,650 | (1,655) | 395,619 | 570,614 |
| 2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above) | 595,497 | 1,959,940 | 3,265,283 | 5,820,720 |

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

EXHIBIT OF NET INVESTMENT INCOME

| | 1 Collected During Year | 2 Earned During Year |
|---|-------------------------------|----------------------------|
| 1. U.S. Government bonds | (a) | |
| 1.1 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) 1,781,525 | 1,570,950 |
| 7. Derivative instruments | (f) | |
| 8. Other invested assets | | |
| 9. Aggregate write-ins for investment income | | |
| 10. Total gross investment income | 1,781,525 | 1,570,950 |
| 11. Investment expenses | | (g) 3,265,283 |
| 12. Investment taxes, licenses and fees, excluding federal income taxes | | (g) |
| 13. Interest expense | | (h) 21,998,625 |
| 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) | | 25,263,908 |
| 17. Net investment income (Line 10 minus Line 16) | | (23,692,958) |

| 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 leins | | | |
| 3.2 Other than first leins | | | |
| 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 | 154,972 | 139,953 | (15,019) |
| 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 | 4,577,587 | | (4,577,587) |
| 21. Furniture and equipment, including health care delivery assets | 447,521 | 652,549 | 205,028 |
| 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 | 3,346,576 | 3,304,407 | (42,169) |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 8,526,656 | 4,096,909 | (4,429,747) |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 28. Total (Lines 26 and 27) | 8,526,656 | 4,096,909 | (4,429,747) |

| 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 | 1,035,454 | 993,285 | (42,169) |
| 2503. Security deposit - lease | 111,881 | 111,881 | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 3,346,576 | 3,304,407 | (42,169) |

NONE

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices, Impact of NAIC/State Differences

The accompanying financial statements of Texas Windstorm Insurance Association (The “Association” or “TWIA”) have been prepared on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance (“TDI”). 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’ Accounting Practices and Procedures Manual (“NAIC SAP”) subject to any deviations prescribed or permitted by TDI.

TDI has granted a permitted practice allowing TWIA to admit certain restricted assets associated with the outstanding Series 2014 Pre-Event Class 1 Revenue Bonds (“Series 2014 bonds”) as of December 31, 2020 (see Note 11 - Debt) to the extent that the assets do not exceed bond related liabilities. The detailed amounts are as follows:

- \$83,405,587 held in the obligation revenue fund for repayment of the Series 2014 bonds.

The obligation revenue funds are held in trust and restricted for future debt service obligations.

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

| Net Income | SSAP # | F/S Page | F/S Line # | 2020 | 2019 |
|--|--------|----------|------------|--------------|--------------|
| 1. Company state basis (P 4, Line 20, Columns 1 & 3) | XXX | XXX | XXX | \$28,816,806 | \$96,948,605 |
| 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 | \$28,816,806 | \$96,948,605 |

| Surplus | SSAP # | F/S Page | F/S Line # | December 31, 2020 | December 31, 2019 |
|--|--------|----------|------------|-------------------|-------------------|
| 5. Company state basis (Page 3, Line 37, Columns 1 & 2) | XXX | XXX | XXX | (\$160,450,907) | (\$183,791,778) |
| 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 | \$83,405,587 | \$82,016,050 |
| 8. NAIC SAP (5 – 6 – 7 = 8) | XXX | XXX | XXX | (\$243,856,494) | (\$265,807,828) |

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 accompanying footnotes. Actual results could differ from these estimates.

C. Accounting Policies

All insurance policies issued by the Association have a maximum term of one year from date of issuance. Premiums are earned over the terms of the related policies whereas the related acquisition costs such as sales commissions are expensed when incurred. Unearned premiums, net of deductions for reinsurance, are computed on a pro-rata basis to cover the unexpired portion of premiums written. Premiums receivable are primarily due from agents and policyholders and are charged off when specific balances are determined to be uncollectible. Net investment income consists primarily of interest income recognized on an accrual basis and is reduced by investment related expenses.

In addition, the company uses the following accounting policies:

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 days. 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 claims 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 liabilities may be in excess of or less than the amount provided.

NOTES TO FINANCIAL STATEMENTS

The methods for making such estimates and for establishing 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

Based upon its evaluation of relevant conditions and events, management does not have substantial doubt about the Association's ability to continue as a going concern.

Note 2 – Accounting Changes and Correction of Errors

A. Material Changes in Accounting Principle

None

B. Correction of Errors

Not applicable

Note 3 – Business Combinations and Goodwill

Not applicable

Note 4 – Discontinued Operations

Not applicable

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

None

B. Troubled Debt Restructuring for Creditors

None

C. Reverse Mortgages

None

D. Loan-Backed and Structured 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

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 funds represent debt service payments deposited by TWIA and held in trust at the TTSTC prior to disbursement to the bond investors. See note 1 and note 11. The reverse repurchase agreements require collateral of at least 100% for Treasuries,

NOTES TO FINANCIAL STATEMENTS

101% for Agencies and US Instrumentalities, and 102% for mortgage-backed securities. The fair value of reverse repurchase agreements was \$83,405,587 and \$82,016,050 at December 31, 2020 and December 31, 2019, 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 | Third Quarter | Fourth Quarter |
|--------------------------|---------------|----------------|---------------|----------------|
| a. Maximum Amount | | | | |
| 1. Open -- No Maturity | \$ - | \$ - | \$ - | \$ - |
| 2. Overnight | 89,234,609 | 108,266,825 | 66,162,812 | 83,405,587 |
| 3. 2 Days to 1 Week | - | - | - | - |
| 4. > 1 Week to 1 Month | - | - | - | - |
| 5. > 1 Month to 3 Months | - | - | - | - |
| 6. > 3 Months to 1 Year | - | - | - | - |
| 7. > 1 Year | - | - | - | - |

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|--------------------------|---------------|----------------|---------------|----------------|
| b. Ending Balance | | | | |
| 1. Open -- No Maturity | \$ - | \$ - | \$ - | \$ - |
| 2. Overnight | 89,234,609 | 108,266,825 | 66,162,812 | 83,405,587 |
| 3. 2 Days to 1 Week | - | - | - | - |
| 4. > 1 Week to 1 Month | - | - | - | - |
| 5. > 1 Month to 3 Months | - | - | - | - |
| 6. > 3 Months to 1 Year | - | - | - | - |
| 7. > 1 Year | - | - | - | - |

4. Counterparty, Jurisdiction and Fair Value (FV)

No Defaults, not applicable.

5. Securities Acquired Under Repo - Sale

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|----------------------------------|---------------|----------------|---------------|----------------|
| a. Maximum Amount | | | | |
| 1. BACV | X X X | X X X | X X X | X X X |
| 2. Nonadmitted -- Subset of BACV | X X X | X X X | X X X | X X X |
| 3. Fair value | \$ 89,234,609 | \$ 108,266,825 | \$ 66,162,812 | \$ 83,405,587 |

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|----------------------------------|---------------|----------------|---------------|----------------|
| b. Ending Balance | | | | |
| 1. BACV | X X X | X X X | X X X | X X X |
| 2. Nonadmitted -- Subset of BACV | X X X | X X X | X X X | X X X |
| 3. Fair value | \$ 89,234,609 | \$ 108,266,825 | \$ 66,162,812 | \$ 83,405,587 |

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 |
|----------------------------------|-----------|--------------|-------------|-------------|
| 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 | - | \$83,405,587 | - | - |
| o. Other Invested Assets -- FV | - | \$83,405,587 | - | - |
| p. Total Assets -- BACV | - | \$83,405,587 | - | - |
| q. Total Assets -- FV | - | \$83,405,587 | - | - |

| Ending Balance | 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 | - | - | - | - |
| o. Other Invested Assets -- FV | - | - | - | - |
| p. Total Assets -- BACV | - | - | - | - |
| q. Total Assets -- FV | - | - | - | - |

7. Proceeds Provided - Sale

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|----------------------|---------------|----------------|---------------|----------------|
| a. Maximum Amount | | | | |
| 1. Cash | \$ 89,234,609 | \$ 108,266,825 | \$ 66,162,812 | \$83,405,587 |
| 2. Securities (FV) | X X X | X X X | X X X | X X X |
| 3. Securities (BACV) | X X X | X X X | X X X | X X X |
| 4. Nonadmitted Subst | X X X | X X X | X X X | X X X |

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|----------------------|---------------|----------------|---------------|----------------|
| b. Ending Balance | | | | |
| 1. Cash | \$ 89,234,609 | \$ 108,266,825 | \$ 66,162,812 | \$83,405,587 |
| 2. Securities (FV) | X X X | X X X | X X X | X X X |
| 3. Securities (BACV) | X X X | X X X | X X X | X X X |
| 4. Nonadmitted Subst | X X X | X X X | X X X | X X X |

8. Recognized Forward Resale Commitment

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|-------------------|---------------|----------------|---------------|----------------|
| a. Maximum Amount | \$ 89,234,609 | \$ 108,266,825 | \$ 66,162,812 | \$83,405,587 |
| b. Ending Balance | \$ 89,234,609 | \$ 108,266,825 | \$ 66,162,812 | \$83,405,587 |

NOTES TO FINANCIAL STATEMENTS

J. Real Estate

None

K. Low-Income Housing Tax Credits

None

L. Restricted Assets

1. Restricted assets (including pledged) are summarized below by restricted asset category. These assets 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). The assets are invested in overnight reverse repurchase agreements (See note 5).

| 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 | \$83,405,587 | | | | \$83,405,587 | \$ 82,016,050 | \$1,389,537 | \$ - | \$83,405,587 | 16.93% | 17.23% |
| e. to n. None | | | | | | | | | | | |
| o. Total restricted assets | \$83,405,587 | | | | \$83,405,587 | \$ 82,016,050 | \$1,389,537 | \$ - | \$83,405,587 | 16.93% | 17.23% |

- (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)

None

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. 5GI Securities

None

P. Short Sales

None

Q. Prepayment Penalty and Acceleration Fees

None

NOTES TO FINANCIAL STATEMENTS

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

Note 7 – Investment Income

A. Accrued Investment Income

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

B. Amounts Non-Admitted

None

Note 8 – Derivative Instruments

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 Texas Commissioner of Insurance enacted Article 21.49A of the Texas Insurance Code creating the Texas FAIR Plan Association (“FAIR Plan” or “the Plan”). The Commissioner instructed the Texas Windstorm Insurance Association to manage all activities of FAIR Plan.

B. Significant Transactions and Changes in Terms of Intercompany Arrangements

None

C. Transactions with related parties who are not reported on Schedule Y

None

D. Amounts Due to or from Related Parties

During 2020 and 2019 the Association made expenditures on behalf of the Texas FAIR Plan Association under its management contract and was reimbursed \$14,314,490 and \$14,133,008, respectively. As of December 31, 2020, and December 31, 2019, the Association held an intercompany admitted receivable of \$1,132,407 and \$1,075,625, respectively. This arrangement is subject to a written agreement which requires that balances be settled within 30 days.

E. Management, Service Contracts, Cost Sharing Arrangements

During 2002, the Association entered into a service contract with the Texas Fair Plan Association 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.

NOTES TO FINANCIAL STATEMENTS

- F. Guarantees or Undertakings for Related Parties
Not applicable
- 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 Greater 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 or SSAP No. 48 Loss Tracking
Not applicable

Note 11 – Debt

- A. The Texas Public Finance Authority (the “Authority” or the “Issuer”) 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 were 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 TWIA 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 \$227,200,000 and \$318,600,000 was outstanding as of December 31, 2020 and December 31, 2019, respectively. The bonds mature July 1, 2024 and can be redeemed in whole or in part 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 associated with the Bonds. The primary provisions, which exist as long as there are outstanding Class 1 Public Securities and associated Administrative Expenses, require that; (1) TWIA will take actions that produce Projected Net Coverage Revenues in an amount not less than 125% of the Obligations and Administrative Expenses due in the succeeding four quarters and; (2) that actual Net Coverage Revenues for the Preceding Four Quarters will be in an amount not less than 110% of the actual Obligations and Administrative Expenses for the same period. Another provision, which exists as long as the Bonds are outstanding, requires TWIA to maintain the Operating bank account subject to a deposit account control agreement to provide a perfected security interest in the Net Premiums and Other Revenue held for the benefit of the Bondholders. As of December 31, 2020, TWIA estimates projected net coverage revenues will be 140% of the obligations and administrative expenses for the next four quarters ending December 31, 2021 which exceeds the required 125% threshold.

NOTES TO FINANCIAL STATEMENTS

On May 11, 2020 the Association completed a voluntary early redemption of \$45 million principal of the 2014 Class 1 pre-event bonds and paid \$1.3 million interest associated with the redeemed securities. While the redemption was optional, the \$46.3 million paid to redeem these securities is required to be included as a debt obligation impacting the preceding 4 quarters “look back” calculation. The coverage ratio for the four quarters ending December 31, 2020 is 44% or 66 percentage points below the specified ratio of 110% due to the inclusion of the \$46.3 million redemption amount and losses from Hurricanes Hanna, Laura and Delta which struck TWIA coverage areas along the Texas coast during the 2020 hurricane season. Pursuant to the bond documents, if either the Actual Net Coverage Revenue test or the Projected Net Coverage Revenue test falls below the applicable threshold (110% and 125%, respectively) the Association is required to disclose to the Authority “the action or actions (including but not limited to rate changes, Reinsurance Costs adjustments, and other fiscal steps) necessary to meet” the requirements in the future. Future periods are forecasted to produce sufficient Projected Net Coverage Revenues as the early redemption and non-catastrophic losses from the 2020 hurricane season are excluded from the coverage calculation due to the passage of time. As a result, neither a rate adjustment nor an adjustment to reinsurance costs are necessary to ensure future Projected Net Coverage Revenues are equal to or exceed 125% of the Obligations and Administrative Expenses.

The Bonds were 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 subject to optional redemption prior to maturity on or after July 1, 2019 at a redemption price equal to the principal amount of bonds to be redeemed plus accrued interest to the date of redemption. On February 18, 2020 the Association Board of Directors approved an early redemption in the amount of \$45 million and directed Association staff to request approval from the Texas Commissioner. On February 24, 2020 the Association received approval from the Texas Commissioner to redeem the requested \$45 million of bond principal. The redemption was completed on May 11, 2020.

At December 31, 2020 and December 31, 2019, 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 totaled \$21,998,625 and \$28,342,875 for the years ended December 31, 2020 and 2019 respectively. Interest of \$25,768,875 and \$30,401,250 was paid to bondholders for the years ended December 31, 2020 and 2019 respectively.

Changes in bonds payable for the year ending December 31, 2020:

| Description | Bonds Outstanding December 31, 2019 | Bonds Issued | Bonds Matured/Redeemed | Bonds Outstanding December 31, 2020 |
|------------------------|--|--------------|---------------------------|--|
| Taxable Series 2014 | \$ 318,600,000 | \$ - | \$91,400,000 | \$ 227,200,000 |

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

| Year | Amount |
|------------|----------------|
| 2021 | 50,200,000 |
| 2022 | 54,400,000 |
| 2023 | 58,900,000 |
| 2024 | 63,700,000 |
| Thereafter | - |
| On Demand | - |
| Total | \$ 227,200,000 |

The Association obtained a \$500,000,000 committed line of credit with two of its primary financial institutions during 2020. The line of credit agreement was entered into June 1, 2020 subsequent to the Association's board of directors approval on May 12, 2020. No amounts have been drawn against the line of credit. Issuance fees for the line of credit were \$500,000 and the Association paid the lenders a 0.8% commitment fee against the unused portion of the line of credit. The commitment originally matured on May 31, 2021, however the line of credit was terminated by the Association as of December 28, 2020 without penalty.

B. FHLB (Federal Home Loan Bank) Agreements

Not applicable

NOTES TO FINANCIAL STATEMENTS

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

A. Defined Benefit Plan

The Association sponsors a non-contributory defined benefit pension plan covering employees from date of hire that are 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 comply with the minimum funding provisions of the Employee Retirement Income Security Act. As of December 31, 2020, the Association accrued in accordance with actuarially determined amounts with an offset to the pension cost accrual for the incremental asset amortization.

A summary of assets, obligations and assumptions of the Pension Plan are as follows at December 31, 2020 and 2019:

1. Change in benefit obligation:

| | <u>Underfunded</u> | |
|---|----------------------|----------------------|
| | <u>2020</u> | <u>2019</u> |
| Benefit obligation at beginning of year | \$ 30,989,299 | \$ 22,936,583 |
| Service cost | 2,276,135 | 1,731,374 |
| Interest cost | 1,095,410 | 1,030,727 |
| Contribution by plan participants | - | - |
| Actuarial loss/(gain) | 2,892,774 | 5,887,877 |
| Foreign currency exchange rate changes | - | - |
| Benefits paid | (663,002) | (597,262) |
| Plan Amendments | - | - |
| Business combinations, divestitures, curtailments, settlements and special termination benefits | - | - |
| Benefit obligation at end of year | \$ 36,590,616 | \$ 30,989,299 |

2. Change in plan assets:

| | <u>2020</u> | <u>2019</u> |
|---|----------------------|----------------------|
| Fair value of plan assets at beginning of year | \$ 21,547,602 | \$ 16,171,021 |
| Actual return/(loss) on plan assets | 2,502,715 | 3,614,067 |
| Foreign currency exchange rate changes | - | - |
| Employer contributions | 2,568,240 | 2,359,776 |
| Plan participants' contributions | - | - |
| Benefits paid | (663,002) | (597,262) |
| Business combinations, divestitures and settlements | - | - |
| Fair value of plan assets at end of year | \$ 25,955,555 | \$ 21,547,602 |

3. Funded status:

| | <u>2020</u> | <u>2019</u> |
|-----------------------------------|-------------|-------------|
| Components: | | |
| Prepaid benefit costs | \$ - | \$ - |
| Overfunded plan assets | - | - |
| Accrued benefit costs | 2,701,208 | 2,554,032 |
| Liability for pension benefits | 7,933,853 | 6,887,665 |
| Assets and liabilities recognized | | |
| Assets (nonadmitted) | - | - |
| Liability recognized | 10,635,061 | 9,441,697 |
| Unrecognized liabilities | \$ - | \$ - |

4. Components of net periodic benefit costs:

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Service cost | \$ 2,276,135 | \$ 1,731,374 |
| Interest cost | 1,095,410 | 1,030,727 |
| Expected return on plan assets | (1,110,566) | (932,793) |
| Transition asset or obligation | - | - |
| (Gains) and losses amortization | 410,078 | 150,581 |
| Prior service cost or (credit) | 44,359 | 44,359 |
| (Gain) or loss recognized due to settlement or curtailment | - | - |
| Total net periodic benefit cost | \$ 2,715,416 | \$ 2,024,248 |

NOTES TO FINANCIAL STATEMENTS

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

| | <u>2020</u> | <u>2019</u> |
|---|--------------|--------------|
| Items not yet recognized as a component of net periodic cost – prior year | \$ 6,887,665 | \$ 3,876,002 |
| 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 | 1,500,625 | 3,206,603 |
| Net loss/(gain) recognized | (410,078) | (150,581) |
| Items not yet recognized as a component of net periodic cost – current year | \$ 7,933,853 | \$ 6,887,665 |

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

| | <u>2020</u> | <u>2019</u> |
|------------------------------------|-------------|-------------|
| Net transition asset or obligation | \$ - | \$ - |
| Net prior service cost or (credit) | 266,947 | 311,306 |
| Net recognized (gains) and losses | 7,666,906 | 6,576,359 |

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

| | <u>2020</u> | <u>2019</u> |
|--|-------------|-------------|
| Weighted-average discount rate | 3.50% | 4.50% |
| Expected long-term rate of return on plan assets | 5.00% | 5.50% |
| Rate of compensation increase | 2.50% | 2.50% |
| Interest crediting rates | n/a | n/a |

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

| | | |
|--------------------------------|-------|-------|
| Weighted-average discount rate | 3.50% | 3.50% |
| Rate of compensation increase | 2.50% | 2.50% |
| Interest crediting rates | n/a | n/a |

8. The amount of accumulated benefit obligation for the defined benefit pension plan was \$32,056,741 for the current year and \$27,626,057 for the prior year.

9. Postretirement Benefits or Special or Contractual Benefits Per SSAP No. 11

None

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

| <u>Years</u> | <u>Amount</u> |
|-------------------|---------------|
| 2021 | \$ 744,360 |
| 2022 | 829,611 |
| 2023 | 934,376 |
| 2024 | 1,039,366 |
| 2025 | 1,158,754 |
| 2026 through 2030 | 7,723,213 |

11. The Company expects to contribute \$2,960,939 during 2021.

12 to 18 Not applicable

- B. Description of Investment Policies

The investment policy is designed to 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 | \$ - | \$ 125,740 | \$ - | \$ 125,740 |
| Small Cap Equity | 810,255 | - | - | 810,255 |
| Large Cap Equity | 5,747,951 | - | - | 5,747,951 |
| Mid Cap Equity | 1,853,532 | - | - | 1,853,532 |
| International Equity | - | 2,804,195 | - | 2,804,195 |
| Realty Funds | - | 1,421,045 | - | 1,421,045 |
| Fixed Income | - | 13,192,837 | - | 13,192,837 |
| Limited Partnerships | - | - | - | - |
| Total Plan Assets | \$ 8,411,738 | \$ 17,543,817 | \$ - | \$ 25,955,555 |

NOTES TO FINANCIAL STATEMENTS

D. Rate of Return Assumptions

The plan seeks to be diversified while trying to maximize investment returns. The expected long-term rate-of-return-on-assets assumption is based on historical returns.

E. Defined Contribution Plan

The Association maintains a qualified defined contribution (401(k)) plan available to eligible employees after 6 months of continuous service. Matching contributions totaling \$935,000 and \$949,000 (before allocation to FAIR Plan) were made for fiscal years ending December 31, 2020 and 2019, respectively. The Association's portion was approximately \$644,000 for the current year and \$645,000 for 2019.

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 1993, the Texas legislature created the Catastrophe Reserve Trust Fund ("CRTF"). At the end of each year and pursuant to administrative rules, the Association must deposit the net gain from operations of the Association in excess of incurred losses, operating expenses, public security obligations, and public security administrative expenses into the CRTF and/or purchase reinsurance. In addition, pursuant to Tex. Ins. Code §2210.259, a surcharge is assessed on non-compliant structures insured by the Association, and these surcharges are deposited monthly into the CRTF.

When there is an occurrence or series of occurrences in a catastrophe area, the Association shall pay losses in excess of premium and other revenue of the Association from available reserves of the Association and available amounts in the CRTF. Administrative rules adopted by the Commissioner of insurance establish the procedures relating to the disbursement of money from the CRTF.

The Texas Comptroller of Public Accounts ("comptroller") administers the CRTF in accordance with Tex. Ins. Code, Chapter 2210. All money, including investment income, deposited in the CRTF are state funds to be held by the comptroller outside the state treasury on behalf of, and with legal title in, the TDI until disbursed as provided by the Tex. Ins. Code, Chapter 2210 and administrative rules adopted by the TDI under the Association's Plan of Operation.

The CRTF may be terminated only by law. On termination of the CRTF, all assets of the CRTF revert to the state of Texas to provide funding for the mitigation and preparedness plan established under Tex. Ins. Code, §2210.454.

For the twelve months ended December 31, 2020 and 2019, statutory fund costs were \$0 and \$52,641,201, respectively, based on the TDI's interpretation of the relevant statutes. TDI's directive requires the Association to determine its net gain from operations based on catastrophe-year incurred losses, rather than calendar year reported losses. Starting at the end of calendar year 2018, the Association is required to use the net gain from operations of the Association to make payments to the CRTF, procure reinsurance, or use alternative risk financing mechanisms. Although amounts held in the CRTF are not presented as an asset in the statutory statements of admitted assets, liabilities, surplus and other funds, once contributed to the CRTF, these funds are held in trust with the TTSTC and available for the exclusive use of the Association to pay losses and expenses of the Association as permitted by law. No contribution to the CRTF has been accrued related to calendar year 2020 while the December 31, 2019 payable to the CRTF of \$52,641,201 was remitted to the TTSTC on March 30, 2020.

In August 2017 the Texas coverage area insured by the Association was struck by Hurricane Harvey. The ultimate loss and loss adjustment expenses from Hurricane Harvey are estimated to be approximately \$1,700,000,000. Texas Insurance Code Chapter 2210 allows the Association to assess member companies Class 1 assessments up to \$500,000,000. A Class 1 member assessment was approved by the Commissioner of the Texas Department of Insurance on May 25, 2018 for \$175,000,000, a second assessment on August

NOTES TO FINANCIAL STATEMENTS

29, 2018 for \$106,819,778 and a third assessment of \$90,000,000 on January 10, 2020 for a combined total of \$371,819,778. As of April 1, 2020, \$369,620,537 has been collected from the three assessments. One insurance group disputed whether they were subject to a 2018 assessment based on their interpretation of a 2017 legislative change. In 2020, the TDI Commissioner made a determination that the insurance group was not subject to the 2018 assessments. The insurance group's assessment of \$2,199,241 has been non-admitted by the Association as of December 31, 2020. The outstanding assessment will be reallocated and collected from the other member companies. Further assessments will be requested if needed as Hurricane Harvey paid loss development matures. As of December 31, 2020, the Association had a deficit surplus of \$160,450,907.

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent 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.

| 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.

| (1) 0-25 Claims | (2) 26-50 Claims | (3) 51-100 Claims | (4) 101-500 Claims | (5) More than 500 Claims |
|-----------------------|------------------------|-------------------------|--------------------------|--------------------------------|
| X | | | | |

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

(f) Per Claim (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. 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

- 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 \$1,481,000 and \$1,422,000 respectively. The Association's portion was approximately \$963,000 for the current year and \$924,000 for the prior year.

NOTES TO FINANCIAL STATEMENTS

2. At December 31, 2020, the future minimum aggregate rental commitments are as follows:

| <u>Year Ending December 31</u> | <u>Operating Leases</u> |
|------------------------------------|-------------------------|
| 2021 | \$ 1,062,027 |
| 2022 | \$ 1,088,352 |
| 2023 | - |
| 2024 | - |
| 2025 | - |
| Thereafter | - |
| Total | \$ 2,150,379 |

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

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 values of all admitted assets and liabilities that are financial instruments. The fair values are also categorized into the three-level fair value hierarchy. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows.

Level 1- Quoted Prices in Active Markets for Identical Assets and Liabilities.

Level 2 - Significant Other Observable Inputs: This category is for items measured at fair value on a recurring basis often determined by independent pricing services using observable inputs. The Association has no assets or liabilities measured at fair value in this category.

Level 3 - Significant Unobservable Inputs: The Association has no assets or liabilities measured at fair value in this category.

Cash, cash equivalents and short-term investments are the only financial instruments held by the Association.

| <u>Type of Financial Instrument</u> | <u>Aggregate Fair Value</u> | <u>Admitted Assets</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Net Asset Value (NAV)</u> | <u>Not Practicable (Carrying Value)</u> |
|---|---------------------------------|----------------------------|----------------|----------------|----------------|----------------------------------|---|
| Cash, cash equivalents and short-term investments | \$ 196,418,871 | \$ 196,418,871 | \$ 196,418,871 | \$ - | \$ - | \$ - | \$ - |
| Exempt Money Market Mutual Funds – as Identified by SVO | 201,851,384 | 201,851,384 | - | - | - | 201,851,384 | - |
| All Other - Reverse Repurchase Agreements | 83,405,587 | 83,405,587 | 83,405,587 | - | - | - | - |
| Total Cash, cash equivalents and short-term investments | \$ 481,675,842 | \$ 481,675,842 | \$ 279,824,458 | \$ - | \$ - | \$ 201,851,384 | \$ - |

NOTES TO FINANCIAL STATEMENTS

D. Items for which Not Practicable to Estimate Fair Values

Not applicable

E. Instruments Measured at Net Asset Value (NAV)

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

Note 21 – Other Items

A. Unusual or Infrequent Items

See Note 13

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

Not applicable

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-transferable Tax Credits

Not applicable

F. Subprime Mortgage Related Risk Exposure

Not applicable

G. Insurance Linked Securities (ILS) Contracts

The Association has ceded risks under an excess of loss agreement to a reinsurer during 2020 and 2019 who in-turn obtained retrocession coverage utilizing 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> |
|---------------------------------------|--|---|
| (6) Directly Written Insurance Risks | | |
| a. ILS Contracts as Issuer | - | - |
| b. ILS Contracts as Ceding Insurer | 3 | \$1,000,000,000 |
| 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 through February 25, 2021, the date of issuance of these statutory financial statements. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverables

The Association has unsecured aggregate recoverables for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with individual reinsurers, authorized or unauthorized, that exceed 3% of the Company’s policyholder surplus.

NOTES TO FINANCIAL STATEMENTS

Individual Reinsurers Who Are Not Members of a Group

| FEIN | Reinsurer Name | Unsecured Amount |
|------------|-----------------------------|------------------|
| 90-0797817 | Weston Insurance Company | \$64,135 |
| 46-3943172 | SafePoint Insurance Company | \$87,278 |
| | | |

Individual Reinsurers Who Are Members of a Group

| Group Code | FEIN | Reinsurer Name | Unsecured Amount |
|------------|------|----------------|------------------|
| | | None | |
| | | | |
| | | | |

All Members of the Groups Shown above with Unsecured Reinsurance Recoverables

| Group Code | FEIN | Reinsurer Name | Unsecured Amount |
|--------------------|------|----------------|------------------|
| | | None | |
| | | | |
| Total Group | | | |

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 | 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 as of December 31, 2020.

| | 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 | | | \$185,916,764 | | | |

The maximum amount of return commission that would have been due the reinsurers if they or the Association had cancelled the Association’s excess of loss reinsurance agreement is \$0 as of December 31, 2020.

2. No accrual exists at the end of the current period 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

NOTES TO FINANCIAL STATEMENTS

- H. Run-off Agreements
Not applicable
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
Not applicable
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation
Not applicable
- K. Reinsurance Credit on Contracts Covering Health Business
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. 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 calendar year losses and LAE reflected on the Statement of Income of \$118,469,984 had relatively minimal unfavorable prior year development. During 2020, Association policyholders were impacted by Hurricanes Hanna, Laura and Delta which have an estimated combined gross ultimate loss and loss adjustment expense of \$92.1 million as of December 31, 2020. The coverage area insured by the Association was previously impacted by Hurricane Harvey in 2017. Ultimate loss and loss adjustment expenses from Hurricane Harvey are estimated to be approximately \$1,700,000,000 as of December 31, 2020. The ultimate losses and loss adjustment expense attributable to Hurricane Harvey was increased by \$90,000,000 in 2019 due to the increase in severity of claims development. 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. Due to the inherently uncertain process involving loss and loss adjustment expense reserve estimates, the final resolution of the ultimate liability may be different from that anticipated at the reporting date. The Appointed Actuary for the Association has opined that the loss and LAE reserves as of December 31, 2020 make a reasonable provision for the Association's claims liabilities.

| Rollforward of unpaid losses and LAE | December 31, 2020 | December 31, 2019 |
|---|-------------------|-------------------|
| Balance as of January 1, | \$ 169,197,994 | \$ 200,857,903 |
| Less: Reinsurance Recoverable | 67,973 | 78,260 |
| Net Balance at January 1, | 169,130,021 | 200,779,643 |
| Incurred, net of reinsurance, related to: | | |
| Current year | 118,361,396 | 26,451,275 |
| Prior years | 108,588 | 86,946,237 |
| Net Incurred | 118,469,984 | 113,397,512 |
| Paid, net of reinsurance, related to: | | |
| Current year | (66,779,939) | (19,915,729) |
| Prior years | (56,505,293) | (125,131,405) |
| Net Paid Losses | (123,285,232) | (145,047,134) |
| Net Balance at end of period, | 164,314,773 | 169,130,021 |
| Plus: Reinsurance Recoverable | 86,013 | 67,973 |
| Balance at end of period, | \$ 164,400,786 | \$ 169,197,994 |

- B. Significant Changes in Reserving Methodology
Not applicable

Note 26 – Intercompany Pooling Arrangements

Not applicable

Note 27 – Structured Settlements

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 28 – Health Care Receivables

Not applicable

Note 29 – Participating Policies

Not applicable

Note 30 – Premium Deficiency Reserves

The Association evaluated the need to record a premium deficiency reserve as of the end of the current year. No premium deficiency reserve was required as of December 31, 2020. The Association does not anticipate investment income when evaluating the need for premium deficiency reserves.

- | | |
|--|-------------------|
| (1) Liability carried for premium deficiency reserve | \$ -0- |
| (2) Date of the most recent evaluation of this liability | December 31, 2020 |
| (3) Was anticipated investment income utilized in calculation? | Yes () No (X) |

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 Association policies. A petition was heard for the purpose of clarifying TWIA's exclusion related to mold coverage. TWIA policies do not cover loss due to mold damage, and the clarification verbiage was added to all Association 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 [] N/A [X]
- 1.3 State Regulating? Texas
- 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 [] No [X]

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

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

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

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

GENERAL INTERROGATORIES

14.2 Has the code of ethics for senior managers been amended? Yes [] No [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 [X]
- 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 [X] 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 [X]
- 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 for debt service associated with the outstanding 2014 bonds. 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 does not have a security lending program.

- 24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk Based Capital Instructions. \$ _____
- 24.05 For the reporting entity's securities lending program report amount of collateral for other programs. \$ _____
- 24.06 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 [X]
- 24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.08 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 [X]
- 24.09 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- | | | |
|--|--|----------|
| | 24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ _____ |
| | 24.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ _____ |
| | 24.093 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 [X] 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>83,405,587</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.

LINES 26.3 through 26.5 : FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [] No [X]

26.4 If the response to 26.3 is YES, does the reporting entity utilize:

| | | |
|--|--|----------------|
| | 26.41 Special accounting provision of SSAP No. 108 | Yes [] No [X] |
| | 26.42 Permitted accounting practice | Yes [] No [X] |
| | 26.43 Other accounting guidance | Yes [] No [X] |

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [] No [X]

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

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]

GENERAL INTERROGATORIES

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]

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 | |
| | |
| | |

28.0597 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 invested assets? Yes [] No [X]

28.0598 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 invested 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 |
|--------------|--------------------------|-----------------------------------|
| | | |
| | | |

GENERAL INTERROGATORIES

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

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 [X] No []

32.2 If no, list exceptions:

.....

.....

.....

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

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
 - b. Issuer or obligor is current on all contracted interest and principal payments.
 - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5GI securities? Yes [] No [X]

GENERAL INTERROGATORIES

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]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

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

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

36. By rolling/renewing short-term or cash-equivalent investments with continued reporting on Schedule DA, part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a - 36.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [] No [] N/A [X]

OTHER

37.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$ 164,923

37.2 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 Checking Office | \$ 106,637 |
| | \$ |
| | \$ |

38.1 Amount of payments for legal expenses, if any? \$ 568,468

38.2 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 |
|------------------------------|------------------|
| Perkins Law Group PLLC | \$ 267,544 |
| | \$ |
| | \$ |

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

39.2 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 | \$ 261,573,991 | | \$ 287,476,738 | |
| 2.3 Premium Ratio (2.1 / 2.2) | _____ | | _____ | |
| 2.4 Reserve Numerator | \$ _____ | | \$ _____ | |
| 2.5 Reserve Denominator | \$ 350,231,537 | | \$ 354,625,390 | |
| 2.6 Reserve Ratio (2.4 / 2.5) | _____ | | _____ | |

3.1 Did the reporting entity issue participating policies during the calendar year? Yes [] No [X]

3.2 If yes, provide the amount of premium written for participating and/or non-participating policies during the calendar year

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 []

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

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 []

5.2 If yes, is the commission paid:

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

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

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 []

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 \$2.1 billion in excess of \$2.1 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 [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 37 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 |
|---|---------------|---------------|---------------|-----------------|--------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| 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) | 369,600,488 | 372,016,601 | 395,551,679 | 423,074,138 | 487,353,537 |
| 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) | 369,600,488 | 372,016,601 | 395,551,679 | 423,074,138 | 487,353,537 |
| 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) | 261,995,386 | 277,922,157 | 287,112,861 | 319,081,366 | 361,300,741 |
| 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) | 261,995,386 | 277,922,157 | 287,112,861 | 319,081,366 | 361,300,741 |
| Statement of Income (Page 4) | | | | | |
| 13. Net underwriting gain (loss) (Line 8) | 52,509,764 | 29,023,235 | (81,471,557) | (1,225,823,932) | 75,008,379 |
| 14. Net investment gain (loss) (Line 11) | (23,692,958) | (22,117,196) | (27,331,179) | (28,886,165) | (34,620,236) |
| 15. Total other income (Line 15) | | 90,042,566 | 281,871,761 | 743,268,162 | 66,919 |
| 16. Dividends to policyholders (Line 17) | | | | | |
| 17. Federal and foreign income taxes incurred (Line 19) | | | | | |
| 18. Net income (Line 20) | 28,816,806 | 96,948,605 | 173,069,025 | (511,441,935) | 40,455,062 |
| Balance Sheet Lines (Pages 2 and 3) | | | | | |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) | 484,193,346 | 606,116,804 | 657,838,728 | 647,953,929 | 972,707,900 |
| 20. Premiums and considerations (Page 2, Col. 3) | | | | | |
| 20.1 In course of collection (Line 15.1) | 1,281,551 | 116,418 | 106,172 | 90,174 | 204,394 |
| 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) | 644,644,253 | 789,908,582 | 935,702,925 | 1,109,344,091 | 972,707,900 |
| 22. Losses (Page 3, Line 1) | 123,287,727 | 131,861,792 | 157,182,138 | 358,214,371 | 43,248,596 |
| 23. Loss adjustment expenses (Page 3, Line 3) | 41,027,046 | 37,268,229 | 43,597,505 | 56,519,895 | 10,209,966 |
| 24. Unearned premiums (Page 3, Line 9) | 185,916,764 | 185,495,369 | 195,049,950 | 209,452,528 | 237,725,520 |
| 25. Capital paid up (Page 3, Lines 30 & 31) | | | | | |
| 26. Surplus as regards policyholders (Page 3, Line 37) | (160,450,907) | (183,791,778) | (277,864,197) | (461,390,162) | |
| Cash Flow (Page 5) | | | | | |
| 27. Net cash from operations (Line 11) | 66,152,074 | (89,442,142) | 55,208,905 | (338,643,135) | 62,934,874 |
| Risk-Based Capital Analysis | | | | | |
| 28. Total adjusted capital | (160,450,907) | (183,791,778) | (277,864,197) | (461,390,162) | |
| 29. Authorized control level risk-based capital | 27,931,881 | 26,601,548 | 27,483,960 | 226,868,452 | 38,763,217 |
| 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 |
|--|------------|-------------|-------------|---------------|------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| 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) | 23,340,871 | 94,072,419 | 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) | 89,639,169 | 112,071,468 | 307,370,851 | 952,193,352 | 36,786,677 |
| 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) | 89,639,169 | 112,071,468 | 307,370,851 | 952,193,352 | 36,786,677 |
| 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) | 89,485,103 | 111,975,095 | 307,294,828 | 951,275,842 | 36,786,677 |
| 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) | 89,485,103 | 111,975,095 | 307,294,828 | 951,275,842 | 36,786,677 |
| 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) | 30.9 | 30.1 | 35.2 | 364.5 | 5.1 |
| 68. Loss expenses incurred (Line 3) | 14.4 | 9.3 | 23.1 | 60.2 | 5.3 |
| 69. Other underwriting expenses incurred (Line 4) | 34.6 | 32.1 | 32.0 | 28.2 | 29.6 |
| 70. Net underwriting gain (loss) (Line 8) | 20.1 | 10.1 | (27.0) | (352.9) | 20.3 |
| Other Percentages | | | | | |
| 71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0) | 34.6 | 19.8 | (26.1) | (202.3) | 71.1 |
| 72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) | 45.3 | 39.4 | 58.4 | 424.7 | 10.4 |
| 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) | (163.3) | (151.2) | (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) | (46) | 73,735 | 109,178 | (8,374) | (8,900) |
| 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) | 0.0 | (26.5) | (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) | 73,496 | 183,740 | (10,499) | (15,876) | (11,266) |
| 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) | (26.5) | (39.8) | | | |

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:

.....



30040202043044100

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

BUSINESS IN THE STATE OF TEXAS DURING THE YEAR 2020

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 Dividends Paid or Credited to Policyholders on Direct Business | 4 Direct Unearned Premium Reserves | 5 Direct Losses Paid (deducting salvage) | 6 Direct Losses Incurred | 7 Direct Losses Unpaid | 8 Direct Defense and Cost Containment Expense Paid | 9 Direct Defense and Cost Containment Expense Incurred | 10 Direct Defense and Cost Containment Expense Unpaid | 11 Commissions and Brokerage Expenses | 12 Taxes, Licenses and Fees | |
|---|--|-----------------------------------|--|--|--|--------------------------------|------------------------------|--|--|---|--|--------------------------------------|--|
| | 1 Direct Premiums Written | 2 Direct Premiums Earned | | | | | | | | | | | |
| 1. Fire | | | | | | | | | | | | | |
| 2.1 Allied Lines | 369,600,488 | 369,179,093 | | 185,916,764 | 89,639,169 | 81,103,186 | 123,354,385 | 3,969,356 | 6,246,881 | 20,202,457 | 59,103,153 | 6,862,952 | |
| 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 | | | | | | | | | | | | | |
| 29. International | | | | | | | | | | | | | |
| 30. Warranty | | | | | | | | | | | | | |
| 34. Aggregate Write-Ins for Other Lines of Business | | | | | | | | | | | | | |
| 35. TOTALS (a) | 369,600,488 | 369,179,093 | | 185,916,764 | 89,639,169 | 81,103,186 | 123,354,385 | 3,969,356 | 6,246,881 | 20,202,457 | 59,103,153 | 6,862,952 | |
| DETAILS OF WRITE-INS | | | | | | | | | | | | | |
| 3401. | | | | NONE | | | | | | | | | |
| 3402. | | | | | | | | | | | | | |
| 3403. | | | | | | | | | | | | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | | | | | | | | | | | | | |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above) | | | | | | | | | | | | | |

19 TX

(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.



30040202043059100

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

BUSINESS IN THE STATE OF TOTAL DURING THE YEAR 2020

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 | 369,600,488 | 369,179,093 | | 185,916,764 | 89,639,169 | 81,103,186 | 123,354,385 | 3,969,356 | 6,246,881 | 20,202,457 | 59,103,153 | 6,862,952 |
| 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 | | | | | | | | | | | | |
| 29. International | | | | | | | | | | | | |
| 30. Warranty | | | | | | | | | | | | |
| 34. Aggregate Write-Ins for Other Lines of Business | | | | | | | | | | | | |
| 35. TOTALS (a) | 369,600,488 | 369,179,093 | | 185,916,764 | 89,639,169 | 81,103,186 | 123,354,385 | 3,969,356 | 6,246,881 | 20,202,457 | 59,103,153 | 6,862,952 |
| 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 | | |
| 47-0574325 | 32603 | Berkley Insurance Company | DE | | 216 | | | | | | | | | | | | 52 | (52) | |
| 22-2005057 | 26921 | Everest Reinsurance Company | DE | | 8,900 | | | | | | | | | | | | 2,163 | (2,163) | |
| 13-4924125 | 10227 | Munich Re America | DE | | 3,429 | | | | | | | | | | | | 833 | (833) | |
| 13-3138390 | 42307 | Navigators Insurance Company | NY | | 427 | | | | | | | | | | | | 104 | (104) | |
| 47-0698507 | 23680 | Odyssey Reinsurance Company | CT | | 2,267 | | | | | | | | | | | | 551 | (551) | |
| 23-1641984 | 10219 | QBE Reinsurance Corporation | PA | | 352 | | | | | | | | | | | | 86 | (86) | |
| 13-1675535 | 25364 | Swiss Reinsurance America Corporation | NY | | 615 | | | | | | | | | | | | 149 | (149) | |
| 31-0542366 | 10677 | The Cincinnati Insurance Company | OH | | 1,267 | | | | | | | | | | | | 308 | (308) | |
| 90-0797817 | 14930 | Weston Insurance Company | FL | | 505 | | 1 | 3 | 13 | 43 | 4 | | | | 64 | | | 64 | |
| 46-3943172 | 15341 | Safepoint Insurance Company | FL | | 235 | 65 | | | | 21 | 2 | | | | 88 | | | 88 | |
| 0999999 | Total Authorized - Other U.S. Unaffiliated Insurers | | | | 18,213 | 65 | 1 | 3 | 13 | 64 | 6 | | | 152 | | 4,246 | | (4,094) | |
| AA-3194168 | 0 | Aspen Bermuda Limited | BMU | | 853 | | | | | | | | | | | | 207 | (207) | |
| AA-3194139 | 0 | AXIS Specialty Limited | BMU | | 1,280 | | | | | | | | | | | | 311 | (311) | |
| AA-1340125 | 0 | Hannover Re | DEU | | 35,296 | | | | | | | | | | | | 9,445 | (9,445) | |
| AA-1126566 | 0 | Lloyd's Underwriter Syndicate No. 0566 STN | GBR | | 427 | | | | | | | | | | | | 104 | (104) | |
| AA-1127084 | 0 | Lloyd's Underwriter Syndicate No. 1084 CSL | GBR | | 1,600 | | | | | | | | | | | | 389 | (389) | |
| AA-1127183 | 0 | Lloyd's Underwriter Syndicate No. 1183 TAL | GBR | | 792 | | | | | | | | | | | | 192 | (192) | |
| AA-1120085 | 0 | Lloyd's Underwriter Syndicate No. 1274 AUL | GBR | | 144 | | | | | | | | | | | | 35 | (35) | |
| AA-1127414 | 0 | Lloyd's Underwriter Syndicate No. 1414 ASC | GBR | | 2,667 | | | | | | | | | | | | 648 | (648) | |
| AA-1120102 | 0 | Lloyd's Underwriter Syndicate No. 1458 RNR | GBR | | 747 | | | | | | | | | | | | 181 | (181) | |
| AA-1120156 | 0 | Lloyd's Underwriter Syndicate No. 1686 AXS | GBR | | 747 | | | | | | | | | | | | 181 | (181) | |
| AA-1127861 | 0 | Lloyd's Underwriter Syndicate No. 1861 CNP | GBR | | 248 | | | | | | | | | | | | 60 | (60) | |
| AA-1120084 | 0 | Lloyd's Underwriter Syndicate No. 1955 BAR | GBR | | 280 | | | | | | | | | | | | 68 | (68) | |
| AA-1128001 | 0 | Lloyd's Underwriter Syndicate No. 2001 AML | GBR | | 507 | | | | | | | | | | | | 123 | (123) | |
| AA-1128003 | 0 | Lloyd's Underwriter Syndicate No. 2003 XLC | GBR | | 233 | | | | | | | | | | | | 57 | (57) | |
| AA-1128791 | 0 | Lloyd's Underwriter Syndicate No. 2791 MAP | GBR | | 1,400 | | | | | | | | | | | | 340 | (340) | |

SCHEDULE F – PART 3

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

22.2

| 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 | | | |
| 2899999 | Total Unauthorized - Total Unauthorized Excluding Protected Cells | | | | 12,034 | | | | | | | | | | | | 2,923 | | (2,923) | |
| CR-3194126 | 0 | Arch Reinsurance Ltd/Arch Re Ltd | BMU | | 3,029 | | | | | | | | | | | | 736 | | (736) | |
| CR-3190770 | 0 | Chubb Tempest Reinsurance Ltd. | BMU | | 1,130 | | | | | | | | | | | | 275 | | (275) | |
| CR-3194122 | 0 | DaVinci Reinsurance Limited | BMU | | 2,707 | | | | | | | | | | | | 658 | | (658) | |
| CR-1340125 | 0 | Hannover Rück SE | DEU | | 15,465 | | | | | | | | | | | | 2,832 | | (2,832) | |
| CR-1460100 | 0 | New Reinsurance Company Ltd. | CHE | | 320 | | | | | | | | | | | | 78 | | (78) | |
| CR-3190339 | 0 | Renaissance Reinsurance Ltd. | BMU | | 2,707 | | | | | | | | | | | | 658 | | (658) | |
| CR-3191315 | 0 | XL Bermuda Ltd | BMU | | 533 | | | | | | | | | | | | 130 | | (130) | |
| 4099999 | Total Certified - Other Non-U.S. Insurers# | | | | 25,891 | | | | | | | | | | | | 5,367 | | (5,367) | |
| 4199999 | Total Certified - Protected Cells | | | | | | | | | | | | | | | | | | | |
| 4299999 | Total Certified - Total Certified Excluding Protected Cells | | | | 25,891 | | | | | | | | | | | | 5,367 | | (5,367) | |
| 5799999 | Total Authorized, Unauthorized and Certified Excluding Protected Cells | | | | 107,605 | 65 | 1 | 3 | 13 | 64 | 6 | | | | 152 | | 25,908 | | (25,756) | |
| 9999999 | Totals | | | | 107,605 | 65 | 1 | 3 | 13 | 64 | 6 | | | | 152 | | 25,908 | | (25,756) | |

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) |
| 47-0574325 | Berkley Insurance Company | | | 0 | | | | | | | | | | | | 2 | |
| 22-2005057 | Everest Reinsurance Company | | | 0 | | | | | | | | | | | | 2 | |
| 13-4924125 | Munich Re America | | | 0 | | | | | | | | | | | | 2 | |
| 13-3138390 | Navigators Insurance Company | | | 0 | | | | | | | | | | | | 2 | |
| 47-0698507 | Odyssey Reinsurance Company | | | 0 | | | | | | | | | | | | 3 | |
| 23-1641984 | QBE Reinsurance Corporation | | | 0 | | | | | | | | | | | | 3 | |
| 13-1675535 | Swiss Reinsurance America Corporation | | | 0 | | | | | | | | | | | | 2 | |
| 31-0542366 | The Cincinnati Insurance Company | | | 0 | | | | | | | | | | | | 2 | |
| 90-0797817 | Weston Insurance Company | | | 0 | | | 64 | | 64 | 77 | | 77 | | 77 | | 3 | 4 |
| 46-3943172 | Safepoint Insurance Company | | | 0 | | | 88 | | 88 | 106 | | 106 | | 106 | | 6 | 15 |
| 0999999 | Total Authorized - Other U.S. Unaffiliated Insurers | | | XXX | | | 152 | | 152 | 183 | | 183 | | 183 | XXX | | 19 |
| AA-3194168 | Aspen Bermuda Limited | | | 0 | | | | | | | | | | | | 3 | |
| AA-3194139 | AXIS Specialty Limited | | | 0 | | | | | | | | | | | | 3 | |
| AA-1340125 | Hannover Re | | | 0 | | | | | | | | | | | | 2 | |
| AA-1126566 | Lloyd's Underwriter Syndicate No. 0566 STN | | | 0 | | | | | | | | | | | | 3 | |
| AA-1127084 | Lloyd's Underwriter Syndicate No. 1084 CSL | | | 0 | | | | | | | | | | | | 2 | |
| AA-1127183 | Lloyd's Underwriter Syndicate No. 1183 TAL | | | 0 | | | | | | | | | | | | 2 | |
| AA-1120085 | Lloyd's Underwriter Syndicate No. 1274 AUL | | | 0 | | | | | | | | | | | | 2 | |
| AA-1127414 | Lloyd's Underwriter Syndicate No. 1414 ASC | | | 0 | | | | | | | | | | | | 2 | |
| AA-1120102 | Lloyd's Underwriter Syndicate No. 1458 RNR | | | 0 | | | | | | | | | | | | 2 | |
| AA-1120156 | Lloyd's Underwriter Syndicate No. 1686 AXS | | | 0 | | | | | | | | | | | | 2 | |
| AA-1127861 | Lloyd's Underwriter Syndicate No. 1861 CNP | | | 0 | | | | | | | | | | | | 2 | |
| AA-1120084 | Lloyd's Underwriter Syndicate No. 1955 BAR | | | 0 | | | | | | | | | | | | 2 | |
| AA-1128001 | Lloyd's Underwriter Syndicate No. 2001 AML | | | 0 | | | | | | | | | | | | 2 | |
| AA-1128003 | Lloyd's Underwriter Syndicate No. 2003 XLC | | | 0 | | | | | | | | | | | | 2 | |
| AA-1128791 | Lloyd's Underwriter Syndicate No. 2791 MAP | | | 0 | | | | | | | | | | | | 2 | |

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-1120075 | Lloyd's Underwriter Syndicate No. 4020 ARK | | | 0 | | | | | | | | | | | | 2 | |
| AA-1126004 | Lloyd's Underwriter Syndicate No. 4444 CNP | | | 0 | | | | | | | | | | | | 2 | |
| AA-3190829 | Markel Bermuda Limited | | | 0 | | | | | | | | | | | | 3 | |
| AA-3190870 | Validus Reinsurance, Ltd. | | | 0 | | | | | | | | | | | | 3 | |
| 1299999 | Total Authorized - Other Non-U.S. Insurers# | | | XXX | | | | | | | | | | | | XXX | |
| 1499999 | Total Authorized - Total Authorized Excluding Protected Cells | | | XXX | | | 152 | | 152 | 183 | | 183 | | 183 | XXX | | 19 |
| 39-6040366 | American Standard Ins Co of WI | | | 0 | | | | | | | | | | | | 3 | |
| 2399999 | Total Unauthorized - Other U.S. Unaffiliated Insurers | | | XXX | | | | | | | | | | | | XXX | |
| AA-1464104 | Allianz Risk Transfer AG | | | 0 | | | | | | | | | | | | 2 | |
| AA-3190932 | Argo Re Limited | | | 0 | | | | | | | | | | | | 4 | |
| AA-3191352 | Ascot Reinsurance Company Limited | | | 0 | | | | | | | | | | | | 3 | |
| AA-9240012 | China Property & Casualty Reinsurance Company Limited | | | 0 | | | | | | | | | | | | 3 | |
| AA-3191190 | Hamilton Re, Ltd. | | | 0 | | | | | | | | | | | | 4 | |
| AA-8310008 | Humboldt Re Limited | | | 0 | | | | | | | | | | | | 4 | |
| AA-8310006 | Kelvin Re Limited | | | 0 | | | | | | | | | | | | 4 | |
| AA-5420050 | Korean Reinsurance Company | | | 0 | | | | | | | | | | | | 3 | |
| AA-1240051 | QBE Europe SA / NV | | | 0 | | | | | | | | | | | | 3 | |
| AA-5340660 | The New India Assurance Company Limited | | | 0 | | | | | | | | | | | | 5 | |
| AA-3191295 | Third Point Reinsurance (USA) Ltd. | | | 0 | | | | | | | | | | | | 4 | |
| AA-3191388 | Vermeer Reinsurance Ltd. | | | 0 | | | | | | | | | | | | 2 | |
| 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 |

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) |
| 2899999 | Total Unauthorized - Total Unauthorized Excluding Protected Cells | | | XXX | | | | | | | | | | | XXX | |
| CR-3194126 | Arch Reinsurance Ltd/Arch Re Ltd | | | 0 | | | | | | | | | | | 2 | |
| CR-3190770 | Chubb Tempest Reinsurance Ltd. | | | 0 | | | | | | | | | | | 1 | |
| CR-3194122 | DaVinci Reinsurance Limited | | | 0 | | | | | | | | | | | 3 | |
| CR-1340125 | Hannover Rück SE | | | 0 | | | | | | | | | | | 2 | |
| CR-1460100 | New Reinsurance Company Ltd. | | | 0 | | | | | | | | | | | 2 | |
| CR-3190339 | Renaissance Reinsurance Ltd. | | | 0 | | | | | | | | | | | 2 | |
| CR-3191315 | XL Bermuda Ltd | | | 0 | | | | | | | | | | | 2 | |
| 4099999 | Total Certified - Other Non-U.S. Insurers# | | | XXX | | | | | | | | | | | XXX | |
| 4199999 | Total Certified - Protected Cells | | | XXX | | | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 4299999 | Total Certified - Total Certified Excluding Protected Cells | | | XXX | | | | | | | | | | | XXX | |
| 5799999 | Total Authorized, Unauthorized and Certified Excluding Protected Cells | | | XXX | | | 152 | 152 | 183 | | 183 | | 183 | XXX | | 19 |
| 9999999 | Totals | | | XXX | | | 152 | 152 | 183 | | 183 | | 183 | XXX | | 19 |

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 |
| 47-0574325 | Berkley Insurance Company | | | | | | | | | | | | | | | | YES | |
| 22-2005057 | Everest Reinsurance Company | | | | | | | | | | | | | | | | YES | |
| 13-4924125 | Munich Re America | | | | | | | | | | | | | | | | YES | |
| 13-3138390 | Navigators Insurance Company | | | | | | | | | | | | | | | | YES | |
| 47-0698507 | Odyssey Reinsurance Company | | | | | | | | | | | | | | | | YES | |
| 23-1641984 | QBE Reinsurance Corporation | | | | | | | | | | | | | | | | YES | |
| 13-1675535 | Swiss Reinsurance America Corporation | | | | | | | | | | | | | | | | YES | |
| 31-0542366 | The Cincinnati Insurance Company | | | | | | | | | | | | | | | | YES | |
| 90-0797817 | Weston Insurance Company | 1 | | | | | | 1 | | | | | | | | | YES | |
| 46-3943172 | Safepoint Insurance Company | 65 | | | | | | 65 | | | | | | | | | YES | |
| 0999999 | Total Authorized - Other U.S. Unaffiliated Insurers | 66 | | | | | | 66 | | | | | | | | | XXX | |
| AA-3194168 | Aspen Bermuda Limited | | | | | | | | | | | | | | | | YES | |
| AA-3194139 | AXIS Specialty Limited | | | | | | | | | | | | | | | | YES | |
| AA-1340125 | Hannover Re | | | | | | | | | | | | | | | | 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-1120156 | Lloyd's Underwriter Syndicate No. 1686 AXS | | | | | | | | | | | | | | | | YES | |
| AA-1127861 | Lloyd's Underwriter Syndicate No. 1861 CNP | | | | | | | | | | | | | | | | 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 | | | | | | | | | | | | | | | | YES | |
| AA-1128791 | Lloyd's Underwriter Syndicate No. 2791 MAP | | | | | | | | | | | | | | | | 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-1120075 AA-1126004 AA-3190829 AA-3190870 | Lloyd's Underwriter Syndicate No. 4020 ARK Lloyd's Underwriter Syndicate No. 4444 CNP Markel Bermuda Limited Validus Reinsurance, Ltd. | | | | | | | | | | | | | | | | YES YES YES YES |
| 1299999 | Total Authorized - Other Non-U.S. Insurers# | | | | | | | | | | | | | | | | XXX |
| 1499999 | Total Authorized - Total Authorized Excluding Protected Cells | 66 | | | | | 66 | | | 66 | | | | | | | XXX |
| 39-6040366 | American Standard Ins Co of WI | | | | | | | | | | | | | | | | YES |
| 2399999 | Total Unauthorized - Other U.S. Unaffiliated Insurers | | | | | | | | | | | | | | | | XXX |
| AA-1464104 AA-3190932 AA-3191352 AA-9240012 AA-3191190 AA-8310008 AA-8310006 AA-5420050 AA-1240051 AA-5340660 AA-3191295 AA-3191388 | Allianz Risk Transfer AG Argo Re Limited Ascot Reinsurance Company Limited China Property & Casualty Reinsurance Company Limited Hamilton Re, Ltd. Humboldt Re Limited Kelvin Re Limited Korean Reinsurance Company QBE Europe SA / NV The New India Assurance Company Limited Third Point Reinsurance (USA) Ltd. Vermeer Reinsurance Ltd. | | | | | | | | | | | | | | | | YES YES YES YES YES YES YES YES YES YES YES YES |
| 2699999 | Total Unauthorized - Other non-U.S. Insurers# | | | | | | | | | | | | | | | | XXX |
| 2799999 | Total Unauthorized - Protected Cells | | | | | | | | | | | | | | | | XXX |

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 | | | | | | | | | | | |
| 2899999 | Total Unauthorized - Total Unauthorized Excluding Protected Cells | | | | | | | | | | | | | | | | XXX |
| CR-3194126 | Arch Reinsurance Ltd/Arch Re Ltd | | | | | | | | | | | | | | | | YES |
| CR-3190770 | Chubb Tempest Reinsurance Ltd. | | | | | | | | | | | | | | | | YES |
| CR-3194122 | DaVinci Reinsurance Limited | | | | | | | | | | | | | | | | YES |
| CR-1340125 | Hannover Rück SE | | | | | | | | | | | | | | | | YES |
| CR-1460100 | New Reinsurance Company Ltd. | | | | | | | | | | | | | | | | YES |
| CR-3190339 | Renaissance Reinsurance Ltd. | | | | | | | | | | | | | | | | YES |
| CR-3191315 | XL Bermuda Ltd | | | | | | | | | | | | | | | | YES |
| 4099999 | Total Certified - Other Non-U.S. Insurers# | | | | | | | | | | | | | | | | XXX |
| 4199999 | Total Certified - Protected Cells | | | | | | | | | | | | | | | | XXX |
| 4299999 | Total Certified - Total Certified Excluding Protected Cells | | | | | | | | | | | | | | | | XXX |
| 5799999 | Total Authorized, Unauthorized and Certified Excluding Protected C | 66 | | | | | 66 | | | 66 | | | | | | | XXX |
| 9999999 | Totals | 66 | | | | | 66 | | | 66 | | | | | | | 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 Certified Reinsurer Rating (1 through 6) | 55 Effective D of Certified Reinsurer Rating | 56 Percent Collateral Required for Full Credit (0% through 100%) | 57 Catastrophic Recoverables Qualifying for Collateral Deferral | 58 Net Recoverable Subject to Collateral Requirement for Full Credit (Col. 19 - Col. 57) | 59 Dollar Amount of Collateral Required (Col. 56 * Col. 58) | 60 Percent of Collateral Provided for Net Recoverables Subject to Collateral Requirements ((Col. 20 + Col. 21 + Col.22 + Col. 24)/ Col. 58) | 61 Percent Credit Allowed on Net Recoverables Subject to Collate Requirements (Col. 60 / Col. 56, not to exceed 100%) | 62 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts (Col. 45 * 20%) | 63 Amounts of Credit Allowed for Net Recoverables (Col. 57 +[Col. 58 * Col. 61]) | 64 Provision for Reinsurance with Certified Reinsurers Du to Collateral Deficiency (Col. 19 - Col. 63) | 65 20% of Recoverable on Paid Losse % LAE Over 90 Days Past Due Amounts Not in Dispute (Col. 47 * 20) | Complete if Col. 52 = "No"; Otherwise Enter 0 | | | 69 Provision for Overdue Reinsurance Ced to Certified Reinsurers (Grea of [Col. 62 + Col. 65] or Col.68; not to Exceed Col. 63 | |
|-----------------------|---|--|---|---|--|---|--|--|--|---|--|---|--|--|---|--------------------------------|---|-----|
| | | | | | | | | | | | | | | 66 Total Collater Provided (Col. 20 + Col. 21 + Col. 22 Col.24; not to Exceed Col 6 | 67 Net Unsecured Recoverable fo Which Credit is Allowed (Col. 63 -Col. 6 | 68 20% of Amount in Col. 67 | | |
| 47-0574325 | Berkley Insurance Company | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 22-2005057 | Everest Reinsurance Company | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 13-4924125 | Munich Re America | XXX | 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 | XXX |
| 47-0698507 | Odyssey Reinsurance Company | XXX | 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 | XXX |
| 13-1675535 | Swiss Reinsurance America Corporation | XXX | 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 | XXX |
| 90-0797817 | Weston Insurance Company | XXX | 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 | XXX |
| 0999999 | Total Authorized - Other U.S. Unaffiliated Insurers | | | | XXX | 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 | XXX |
| AA-3194139 | AXIS Specialty Limited | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| AA-1340125 | Hannover Re | XXX | 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 | 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 | 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 | 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 | 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 | 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 | XXX |
| AA-1120156 | Lloyd's Underwriter Syndicate No. 1686 AXS | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| AA-1127861 | Lloyd's Underwriter Syndicate No. 1861 CNP | XXX | 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 | XXX |
| 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 | XXX |
| AA-1128003 | Lloyd's Underwriter Syndicate No. 2003 XLC | XXX | 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 | 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 Certified Reinsurer Rating (1 through 6) | 55 Effective D of Certified Reinsurer Rating | 56 Percent Collateral Required for Full Credit (0% through 100%) | 57 Catastrophic Recoverables Qualifying for Collateral Deferral | 58 Net Recoverable Subject to Collateral Requirement for Full Credit (Col. 19 - Col. 57) | 59 Dollar Amount of Collateral Required (Col. 56 * Col. 58) | 60 Percent of Collateral Provided for Net Recoverables Subject to Collateral Requirements ((Col. 20 + Col. 21 + Col.22 + Col. 24)/ Col. 58) | 61 Percent Credit Allowed on Net Recoverables Subject to Collateral Requirements (Col. 60 / Col. 56, not to exceed 100%) | 62 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts in Dispute (Col. 45 * 20%) | 63 Amounts of Credit Allowed for Net Recoverables (Col. 57 +[Col. 58 * Col. 61]) | 64 Provision for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 19 - Col. 63) | 65 20% of Recoverable on Paid Losses % LAE Over 90 Days Past Due Amounts Not in Dispute (Col. 47 * 20) | Complete if Col. 52 = "No"; Otherwise Enter 0 | | | 69 Provision for Overdue Reinsurance Ceded to Certified Reinsurers (Gross of [Col. 62 + Col. 65] or Col.68; not to Exceed Col. 63) |
|-----------------------|---|--|---|---|--|---|--|--|---|--|--|--|---|--|---|--------------------------------|--|
| | | | | | | | | | | | | | | 66 Total Collateral Provided (Col. 20 + Col. 21 + Col. 22 Col.24; not to Exceed Col.6 | 67 Net Unsecured Recoverables for Which Credit is Allowed (Col. 63 -Col. 6 | 68 20% of Amount in Col. 67 | |
| | | | | | | | | | | | | | | | | | |
| 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-3190829 | Markel Bermuda Limited | 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 |
| 1499999 | Total Authorized - Total Authorized Excluding Protected Cells | | | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 39-6040366 | American Standard Ins Co of WI | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 2399999 | Total Unauthorized - Other U.S. Unaffiliated Insurers | | | | 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-3190932 | Argo Re Limited | 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-9240012 | China Property & Casualty Reinsurance Company Limited | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| AA-3191190 | Hamilton Re, Ltd. | 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-1240051 | QBE Europe SA / NV | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| AA-5340660 | The New India Assurance Company Limited | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| AA-3191295 | Third Point Reinsurance (USA) Ltd. | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| AA-3191388 | Vermeer Reinsurance 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 |

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 Certified Reinsurer Rating (1 through 6) | 55 Effective D of Certified Reinsurer Rating | 56 Percent Collateral Required for Full Credit (0% through 100%) | 57 Catastrophic Recoverables Qualifying for Collateral Deferral | 58 Net Recoverable Subject to Collateral Requirement for Full Credit (Col. 19 - Col. 57) | 59 Dollar Amount of Collateral Required (Col. 56 * Col. 58) | 60 Percent of Collateral Provided for Net Recoverables Subject to Collateral Requirements ((Col. 20 + Col. 21 + Col.22 + Col. 24)/ Col. 58) | 61 Percent Credit Allowed on Net Recoverables Subject to Collateral Requirements (Col. 60 / Col. 56, not to exceed 100%) | 62 20% of Recoverable on Paid Losses & LAE Over 90 Days Past Due Amounts in Dispute (Col. 45 * 20%) | 63 Amounts of Credit Allowed for Net Recoverables (Col. 57 +[Col. 58 * Col. 61]) | 64 Provision for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 19 - Col. 63) | 65 20% of Recoverable on Paid Losses % LAE Over 90 Days Past Due Amounts Not in Dispute (Col. 47 * 20) | Complete if Col. 52 = "No"; Otherwise Enter 0 | | | 69 Provision for Overdue Reinsurance Ceded to Certified Reinsurers (Greater of [Col. 62 + Col. 65] or Col.68; not to Exceed Col. 63 |
|-----------------------|--|--|---|---|--|---|--|--|---|--|--|--|---|---|--|--------------------------------|--|
| | | | | | | | | | | | | | | 66 Total Collateral Provided (Col. 20 + Col. 21 + Col. 22 Col.24; not to Exceed Col. 6 | 67 Net Unsecured Recoverable for Which Credit is Allowed (Col. 63 -Col. 6 | 68 20% of Amount in Col. 67 | |
| 2899999 | Total Unauthorized - Total Unauthorized Excluding Protected Cells | | | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| CR-3194126 | Arch Reinsurance Ltd/Arch Re Ltd | 2 | 1/1/2019 | 10.000 | | (736) | (74) | | | | | | | | | | |
| CR-3190770 | Chubb Tempest Reinsurance Ltd. | 1 | 8/6/2019 | | | (275) | | | | | | | | | | | |
| CR-3194122 | DaVinci Reinsurance Limited | 3 | 10/15/2019 | 20.000 | | (658) | (132) | | | | | | | | | | |
| CR-1340125 | Hannover Rück SE | 2 | 11/20/2018 | 10.000 | | (2,832) | (283) | | | | | | | | | | |
| CR-1460100 | New Reinsurance Company Ltd. | 2 | 4/4/2019 | 10.000 | | (78) | (8) | | | | | | | | | | |
| CR-3190339 | Renaissance Reinsurance Ltd. | 2 | 11/12/2019 | 10.000 | | (658) | (66) | | | | | | | | | | |
| CR-3191315 | XL Bermuda Ltd | 2 | 1/1/2019 | 10.000 | | (130) | (13) | | | | | | | | | | |
| 4099999 | Total Certified - Other Non-U.S. Insurers# | | | | | (5,367) | (575) | XXX | XXX | | | | | | | | |
| 4199999 | Total Certified - Protected Cells | | | | | | | XXX | XXX | | | | | | | | |
| 4299999 | Total Certified - Total Certified Excluding Protected Cells | | | | | (5,367) | (575) | XXX | XXX | | | | | | | | |
| 5799999 | Total Authorized, Unauthorized and Certified Excluding Protected Cells | | | | | (5,367) | (575) | XXX | XXX | | | | | | | | |
| 9999999 | Totals | | | | | (5,367) | (575) | 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 (Col. 47 * 20%) | Provision for Unauthorized Reinsurance | | Provision for Overdue Authorized and Reciprocal Jurisdiction 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 and Reciprocal Jurisdiction 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) | |
| 47-0574325 | Berkley Insurance Company | | XXX | XXX | | | | | XXX | XXX | |
| 22-2005057 | Everest Reinsurance Company | | XXX | XXX | | | | | XXX | XXX | |
| 13-4924125 | Munich Re America | | 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 Reinsurance America Corporation | | XXX | XXX | | | | | XXX | XXX | |
| 31-0542366 | The Cincinnati 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-1340125 | Hannover Re | | 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-1120156 | Lloyd's Underwriter Syndicate No. 1686 AXS | | XXX | XXX | | | | | XXX | XXX | |
| AA-1127861 | Lloyd's Underwriter Syndicate No. 1861 CNP | | XXX | XXX | | | | | XXX | XXX | |
| AA-1120084 | Lloyd's Underwriter Syndicate No. 1955 BAR | | XXX | XXX | | | | | XXX | XXX | |
| AA-1128001 | Lloyd's Underwriter Syndicate No. 2001 AML | | XXX | XXX | | | | | XXX | XXX | |
| AA-1128003 | Lloyd's Underwriter Syndicate No. 2003 XLC | | XXX | XXX | | | | | XXX | XXX | |
| AA-1128791 | Lloyd's Underwriter Syndicate No. 2791 MAP | | 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 and Reciprocal Jurisdiction 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 and Reciprocal Jurisdiction 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-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-3190829 | Markel Bermuda Limited | | 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 | |
| 1499999 | Total Authorized - Total Authorized Excluding Protected Cells | | XXX | XXX | | | | | XXX | XXX | |
| 39-6040366 | American Standard Ins Co of WI | | | | XXX | XXX | XXX | XXX | | XXX | |
| 2399999 | Total Unauthorized - Other U.S. Unaffiliated Insurers | | | | XXX | XXX | XXX | | | XXX | |
| AA-1464104 | Allianz Risk Transfer AG | | | | XXX | XXX | XXX | XXX | | XXX | |
| AA-3190932 | Argo Re Limited | | | | XXX | XXX | XXX | XXX | | XXX | |
| AA-3191352 | Ascot Reinsurance Company Limited | | | | XXX | XXX | XXX | XXX | | XXX | |
| AA-9240012 | China Property & Casualty Reinsurance Company Limited | | | | XXX | XXX | XXX | XXX | | XXX | |
| AA-3191190 | Hamilton Re, Ltd. | | | | XXX | XXX | XXX | XXX | | XXX | |
| AA-8310008 | Humboldt Re Limited | | | | XXX | XXX | XXX | XXX | | XXX | |
| AA-8310006 | Kelvin Re Limited | | | | XXX | XXX | XXX | XXX | | XXX | |
| AA-5420050 | Korean Reinsurance Company | | | | XXX | XXX | XXX | XXX | | XXX | |
| AA-1240051 | QBE Europe SA / NV | | | | XXX | XXX | XXX | XXX | | XXX | |
| AA-5340660 | The New India Assurance Company Limited | | | | XXX | XXX | XXX | XXX | | XXX | |
| AA-3191295 | Third Point Reinsurance (USA) Ltd. | | | | XXX | XXX | XXX | XXX | | XXX | |
| AA-3191388 | Vermeer Reinsurance Ltd. | | | | XXX | 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 | |

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%) | 71 Provision for Unauthorized Reinsurance | | 73 Provision for Overdue Authorized and Reciprocal Jurisdiction Reinsurance | | 75 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 and Reciprocal Jurisdiction 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) |
| 2899999 | Total Unauthorized - Total Unauthorized Excluding Protected Cells | | | | XXX | XXX | XXX | | XXX | |
| CR-3194126 | Arch Reinsurance Ltd/Arch Re Ltd | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| CR-3190770 | Chubb Tempest Reinsurance Ltd. | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| CR-3194122 | DaVinci Reinsurance Limited | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| CR-1340125 | Hannover Rück SE | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| CR-1460100 | New Reinsurance Company Ltd. | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| CR-3190339 | Renaissance Reinsurance Ltd. | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| CR-3191315 | XL Bermuda Ltd | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 4099999 | Total Certified - Other Non-U.S. Insurers# | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 4199999 | Total Certified - Protected Cells | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 4299999 | Total Certified - Total Certified Excluding Protected Cells | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 5799999 | 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 | 64 | 505 | Yes [] No [X] |
| 7. | Safepoint Insurance Company | 88 | 235 | Yes [] No [X] |
| 8. | | | | Yes [] No [X] |
| 9. | | | | Yes [] No [X] |
| 10. | | | | Yes [] No [X] |

NOT 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) | 481,675,842 | | 481,675,842 |
| 2. Premiums and considerations (Line 15) | 1,281,551 | | 1,281,551 |
| 3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1) | 65,526 | (65,526) | |
| 4. Funds held by or deposited with reinsured companies (Line 16.2) | | | |
| 5. Other assets | 1,170,427 | | 1,170,427 |
| 6. Net amount recoverable from reinsurers | | (25,756,937) | (25,756,937) |
| 7. Protected cell assets (Line 27) | | | |
| 8. Totals (Line 28) | 484,193,346 | (25,822,463) | 458,370,883 |
| LIABILITIES (Page 3) | | | |
| 9. Losses and loss adjustment expenses (Lines 1 through 3) | 164,314,773 | 86,013 | 164,400,786 |
| 10. Taxes, expenses, and other obligations (Lines 4 through 8) | 247,610,295 | | 247,610,295 |
| 11. Unearned premiums (Line 9) | 185,916,764 | | 185,916,764 |
| 12. Advance premiums (Line 10) | 7,544,511 | | 7,544,511 |
| 13. Dividends declared and unpaid (Line 11.1 and 11.2) | | | |
| 14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12) | 25,908,476 | (25,908,476) | |
| 15. Funds held by company under reinsurance treaties (Line 13) | | | |
| 16. Amounts withheld or retained by company for account of others (Line 14) | | | |
| 17. Provision for reinsurance (Line 16) | | | |
| 18. Other liabilities | 13,349,434 | | 13,349,434 |
| 19. Total liabilities excluding protected cell business (Line 26) | 644,644,253 | (25,822,463) | 618,821,790 |
| 20. Protected cell liabilities (Line 27) | | | |
| 21. Surplus as regards policyholders (Line 37) | (160,450,907) | X X X | (160,450,907) |
| 22. Totals (Line 38) | 484,193,346 | (25,822,463) | 458,370,883 |

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 | (8) | | 430 | | 178 | | | 600 | X X X |
| 2. 2011 | 385,000 | 63,219 | 321,781 | 96,073 | | 725 | | 14,383 | | 48 | 111,181 | X X X |
| 3. 2012 | 429,594 | 108,472 | 321,122 | 66,741 | | 842 | | 14,963 | | 69 | 82,546 | X X X |
| 4. 2013 | 456,630 | 161,499 | 295,131 | 70,810 | | 901 | | 12,922 | | 72 | 84,633 | X X X |
| 5. 2014 | 484,049 | 116,493 | 367,556 | 7,002 | | 1,017 | | 5,796 | | 126 | 13,815 | X X X |
| 6. 2015 | 501,722 | 124,128 | 377,594 | 138,675 | | 2,743 | | 37,129 | | 3 | 178,547 | X X X |
| 7. 2016 | 496,457 | 126,053 | 370,404 | 28,417 | 18 | 499 | | 14,882 | 12 | 65 | 43,768 | X X X |
| 8. 2017 | 451,347 | 103,993 | 347,354 | 1,377,918 | 966 | 10,037 | 20 | 256,408 | 206 | 523 | 1,643,171 | X X X |
| 9. 2018 | 409,954 | 108,439 | 301,515 | 11,996 | 50 | 198 | | 6,347 | 20 | 20 | 18,471 | X X X |
| 10. 2019 | 381,571 | 94,094 | 287,477 | 16,845 | 101 | 196 | 7 | 8,567 | 30 | 6 | 25,470 | X X X |
| 11. 2020 | 369,179 | 107,605 | 261,574 | 45,888 | 109 | 46 | | 20,972 | 13 | 16 | 66,784 | X X X |
| 12. Totals | X X X | X X X | X X X | 1,860,357 | 1,244 | 17,634 | 27 | 392,547 | 281 | 948 | 2,268,986 | 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 | | 9,230 | | 478 | | 7,211 | | 1,764 | | | 20,214 | X X X |
| 2. 2011 | | | | | | | | | | | | | X X X |
| 3. 2012 | 747 | | | | 26 | | | | | | | 773 | X X X |
| 4. 2013 | | | 3 | | | | | | 1 | | | 4 | X X X |
| 5. 2014 | 3 | | 2 | | 9 | | | | | | | 14 | X X X |
| 6. 2015 | 6 | | 52 | | 82 | | 13 | | 9 | | | 162 | X X X |
| 7. 2016 | 2 | | 38 | | 31 | | 12 | | | | | 83 | X X X |
| 8. 2017 | 28,515 | | 40,717 | | 5,256 | | 6,407 | | 8,808 | | | 89,703 | X X X |
| 9. 2018 | 174 | | 23 | | 149 | | 5 | | 20 | | | 371 | X X X |
| 10. 2019 | 947 | 3 | 157 | 1 | 266 | 13 | 9 | | 50 | | | 1,412 | X X X |
| 11. 2020 | 9,338 | | 31,869 | 62 | 155 | | 94 | | 10,191 | 6 | | 51,579 | X X X |
| 12. Totals | 41,263 | 3 | 82,091 | 63 | 6,452 | 13 | 13,751 | | 20,843 | 6 | | 164,315 | 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 | 10,761 | 9,453 |
| 2. 2011 | 111,181 | | 111,181 | 28,878 | | 34,552 | | | | | |
| 3. 2012 | 83,319 | | 83,319 | 19,395 | | 25,946 | | | | 747 | 26 |
| 4. 2013 | 84,637 | | 84,637 | 18,535 | | 28,678 | | | | 3 | 1 |
| 5. 2014 | 13,829 | | 13,829 | 2,857 | | 3,762 | | | | 5 | 9 |
| 6. 2015 | 178,709 | | 178,709 | 35,619 | | 47,328 | | | | 58 | 104 |
| 7. 2016 | 43,881 | 30 | 43,851 | 8,839 | 0.024 | 11,839 | | | | 40 | 43 |
| 8. 2017 | 1,734,066 | 1,192 | 1,732,874 | 384,198 | 1.146 | 498,878 | | | | 69,232 | 20,471 |
| 9. 2018 | 18,912 | 70 | 18,842 | 4,613 | 0.065 | 6,249 | | | | 197 | 174 |
| 10. 2019 | 27,037 | 155 | 26,882 | 7,086 | 0.165 | 9,351 | | | | 1,100 | 312 |
| 11. 2020 | 118,553 | 190 | 118,363 | 32,113 | 0.177 | 45,250 | | | | 41,145 | 10,434 |
| 12. Totals | X X X | X X X | X X X | X X X | X X X | X X X | | | X X X | 123,288 | 41,027 |

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

SCHEDULE P – PART 2 – SUMMARY

| Years in Which Losses Were Incurred | INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) | | | | | | | | | | DEVELOPMENT | |
|-------------------------------------|--|---------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|-------------|----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | One Year | Two Year |
| 1. Prior | 223,165 | 528,364 | 427,986 | 402,479 | 395,596 | 394,745 | 385,528 | 385,094 | 384,620 | 383,423 | (1,197) | (1,671) |
| 2. 2011 | 95,386 | 97,559 | 98,106 | 97,510 | 96,893 | 96,709 | 97,107 | 97,015 | 96,814 | 96,798 | (16) | (217) |
| 3. 2012 | XXX | 63,238 | 70,390 | 68,006 | 67,357 | 67,245 | 68,538 | 68,482 | 68,368 | 68,356 | (12) | (126) |
| 4. 2013 | XXX | XXX | 77,923 | 76,010 | 73,574 | 72,912 | 72,277 | 72,039 | 71,726 | 71,714 | (12) | (325) |
| 5. 2014 | XXX | XXX | XXX | 7,255 | 8,346 | 8,383 | 8,527 | 8,145 | 8,040 | 8,033 | (7) | (112) |
| 6. 2015 | XXX | XXX | XXX | XXX | 148,901 | 141,773 | 142,814 | 142,526 | 141,745 | 141,571 | (174) | (955) |
| 7. 2016 | XXX | XXX | XXX | XXX | XXX | 31,669 | 30,271 | 29,636 | 29,076 | 28,981 | (95) | (655) |
| 8. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | 1,278,036 | 1,389,339 | 1,466,449 | 1,467,864 | 1,415 | 78,525 |
| 9. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 13,463 | 12,636 | 12,495 | (141) | (968) |
| 10. 2019 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 18,102 | 18,295 | 193 | XXX |
| 11. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 87,219 | XXX | XXX |
| 12. Totals | | | | | | | | | | | (46) | 73,496 |

SCHEDULE P – PART 3 – SUMMARY

| Years in Which Losses Were Incurred | CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) | | | | | | | | | | 11 | 12 |
|-------------------------------------|---|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|---|--|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Number of Claims Closed With Loss Payment | Number of Claims Closed Without Loss Payment |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | |
| 1. Prior | 000 | 189,941 | 327,426 | 349,642 | 355,789 | 359,749 | 361,784 | 364,330 | 364,551 | 364,973 | XXX | XXX |
| 2. 2011 | 77,392 | 88,433 | 95,197 | 95,726 | 96,316 | 96,493 | 96,814 | 96,814 | 96,814 | 96,798 | XXX | XXX |
| 3. 2012 | XXX | 47,906 | 63,347 | 65,653 | 66,047 | 66,299 | 67,561 | 67,570 | 67,570 | 67,583 | XXX | XXX |
| 4. 2013 | XXX | XXX | 67,645 | 71,138 | 71,467 | 71,583 | 71,676 | 71,712 | 71,712 | 71,711 | XXX | XXX |
| 5. 2014 | XXX | XXX | XXX | 4,880 | 7,312 | 7,706 | 8,043 | 8,019 | 8,019 | 8,019 | XXX | XXX |
| 6. 2015 | XXX | XXX | XXX | XXX | 127,928 | 138,288 | 139,087 | 140,663 | 141,262 | 141,418 | XXX | XXX |
| 7. 2016 | XXX | XXX | XXX | XXX | XXX | 24,665 | 28,353 | 28,821 | 28,875 | 28,898 | XXX | XXX |
| 8. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | 945,431 | 1,243,600 | 1,344,403 | 1,386,969 | XXX | XXX |
| 9. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 9,076 | 11,730 | 12,144 | XXX | XXX |
| 10. 2019 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 12,885 | 16,933 | XXX | XXX |
| 11. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 45,825 | XXX | XXX |

SCHEDULE P – PART 4 – SUMMARY

| Years in Which Losses Were Incurred | BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED) | | | | | | | | | |
|-------------------------------------|---|---------|--------|--------|--------|--------|---------|--------|--------|--------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 1. Prior | 107,653 | 220,391 | 89,640 | 46,270 | 35,172 | 31,549 | 20,234 | 18,462 | 17,817 | 16,441 |
| 2. 2011 | 4,424 | 2,912 | 1,826 | 917 | 483 | 88 | 259 | 201 | | |
| 3. 2012 | XXX | 7,378 | 4,349 | 1,467 | 622 | 52 | 190 | 126 | 12 | |
| 4. 2013 | XXX | XXX | 8,794 | 4,270 | 1,875 | 1,205 | 580 | 322 | 14 | 3 |
| 5. 2014 | XXX | XXX | XXX | 1,536 | 232 | 85 | 99 | 65 | 9 | 2 |
| 6. 2015 | XXX | XXX | XXX | XXX | 15,183 | 1,081 | 1,589 | 1,333 | 167 | 65 |
| 7. 2016 | XXX | XXX | XXX | XXX | XXX | 5,435 | 1,344 | 589 | 134 | 50 |
| 8. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | 267,831 | 78,255 | 63,927 | 47,124 |
| 9. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 3,175 | 282 | 28 |
| 10. 2019 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 3,896 | 165 |
| 11. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 31,901 |

- 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 | | | |
| | | | | | | | | | | | | |
| 1. Prior | X X X | X X X | X X X | 39,842 | | 3,735 | | 7,372 | | 24 | 50,949 | X X X |
| 2. 2019 | 381,571 | 94,094 | 287,477 | 16,845 | 101 | 196 | 7 | 8,567 | 30 | 6 | 25,470 | X X X |
| 3. 2020 | 369,179 | 107,605 | 261,574 | 45,888 | 109 | 46 | | 20,972 | 13 | 16 | 66,784 | X X X |
| 4. Totals | X X X | X X X | X X X | 102,575 | 210 | 3,977 | 7 | 36,911 | 43 | 46 | 143,203 | 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 | | | | | |
| | | | | | | | | | | | | | |
| 1. Prior | 30,978 | | 50,065 | | 6,031 | | 13,648 | | 10,602 | | | 111,324 | 635 |
| 2. 2019 | 947 | 3 | 157 | 1 | 266 | 13 | 9 | | 50 | | | 1,412 | 278 |
| 3. 2020 | 9,338 | | 31,869 | 62 | 155 | | 94 | | 10,191 | 6 | | 51,579 | 7,625 |
| 4. Totals | 41,263 | 3 | 82,091 | 63 | 6,452 | 13 | 13,751 | | 20,843 | 6 | | 164,315 | 8,538 |

| | 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 | 81,043 | 30,281 |
| 2. 2019 | 27,037 | 155 | 26,882 | 7.086 | 0.165 | 9.351 | | | | 1,100 | 312 |
| 3. 2020 | 118,553 | 190 | 118,363 | 32.113 | 0.177 | 45.250 | | | | 41,145 | 10,434 |
| 4. Totals | X X X | X X X | X X X | X X X | X X X | X X X | | | X X X | 123,288 | 41,027 |

- 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. Occurrence**
- 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 |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | One Year | Two Year |
| 1. Prior | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 175,134 | 248,869 | 248,630 | (239) | 73,496 |
| 2. 2019 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 18,102 | 18,295 | 193 | XXX |
| 3. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 87,219 | XXX | XXX |
| 4. Totals | | | | | | | | | | | (46) | 73,496 |

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 |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | One Year | Two Year |
| 1. Prior | XXX | XXX | XXX | XXX | XXX | NONE | | XXX | | | | |
| 2. 2019 | XXX | XXX | XXX | XXX | XXX | NONE | | XXX | | | | XXX |
| 3. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | XXX | XXX |
| 4. Totals | | | | | | | | | | | | |

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 |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | One Year | Two Year |
| 1. Prior | XXX | XXX | XXX | XXX | XXX | NONE | | | | | | |
| 2. 2019 | XXX | XXX | XXX | XXX | XXX | NONE | | XXX | | | | XXX |
| 3. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | XXX | XXX |
| 4. Totals | | | | | | | | | | | | |

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 |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | One Year | Two Year |
| 1. Prior | XXX | XXX | XXX | XXX | XXX | NONE | | | | | | |
| 2. 2019 | XXX | XXX | XXX | XXX | XXX | NONE | | XXX | | | | XXX |
| 3. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | XXX | XXX |
| 4. Totals | | | | | | | | | | | | |

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 |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | One Year | Two Year |
| 1. Prior | | | | | | | | | | | | |
| 2. 2011 | | | | | | | | | | | | |
| 3. 2012 | XXX | | | | | | | | | | | |
| 4. 2013 | XXX | XXX | | | | | | | | | | |
| 5. 2014 | XXX | XXX | XXX | | | | | | | | | |
| 6. 2015 | XXX | XXX | XXX | XXX | | | | | | | | |
| 7. 2016 | XXX | XXX | XXX | XXX | XXX | | | | | | | |
| 8. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | | | | | | |
| 9. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | | | |
| 10. 2019 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | | XXX |
| 11. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | XXX | XXX |
| 12. Totals | | | | | | | | | | | | |

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 2011 | 2 2012 | 3 2013 | 4 2014 | 5 2015 | 6 2016 | 7 2017 | 8 2018 | 9 2019 | 10 2020 | | |
| 1. Prior | X X X | X X X | X X X | X X X | X X X | X X X | X X X | 000 | 104,331 | 147,908 | X X X | X X X |
| 2. 2019 | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | 12,885 | 16,933 | X X X | X X X |
| 3. 2020 | 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 | 45,825 | 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 2011 | 2 2012 | 3 2013 | 4 2014 | 5 2015 | 6 2016 | 7 2017 | 8 2018 | 9 2019 | 10 2020 | | |
| 1. Prior | X X X | X X X | X X X | X X X | X X X | NONE | | 000 | | | | |
| 2. 2019 | X X X | X X X | X X X | X X X | X X X | NONE | | X X X | | | | |
| 3. 2020 | 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 2011 | 2 2012 | 3 2013 | 4 2014 | 5 2015 | 6 2016 | 7 2017 | 8 2018 | 9 2019 | 10 2020 | | |
| 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. 2019 | 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. 2020 | 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 2011 | 2 2012 | 3 2013 | 4 2014 | 5 2015 | 6 2016 | 7 2017 | 8 2018 | 9 2019 | 10 2020 | | |
| 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. 2019 | 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. 2020 | 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 2011 | 2 2012 | 3 2013 | 4 2014 | 5 2015 | 6 2016 | 7 2017 | 8 2018 | 9 2019 | 10 2020 | | |
| 1. Prior | 000 | | | | | | | | | | X X X | X X X |
| 2. 2011 | | | | | | | | | | | X X X | X X X |
| 3. 2012 | X X X | | | | | | | | | | X X X | X X X |
| 4. 2013 | X X X | X X X | | | | | | | | | X X X | X X X |
| 5. 2014 | X X X | X X X | X X X | | | | | | | | X X X | X X X |
| 6. 2015 | X X X | X X X | X X X | X X X | | | | | | | X X X | X X X |
| 7. 2016 | X X X | X X X | X X X | X X X | X X X | | | | | | X X X | X X X |
| 8. 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 |
| 9. 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 |
| 10. 2019 | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | | | X X X | X X X |
| 11. 2020 | 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 |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 1. Prior | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 84,066 | 64,545 | 63,713 |
| 2. 2019 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 3,896 | 165 |
| 3. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 31,901 |

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 |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 1. Prior | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | |
| 2. 2019 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 3. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |

NONE

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 |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 1. Prior | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | |
| 2. 2019 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 3. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |

NONE

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 |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 1. Prior | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | |
| 2. 2019 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 3. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |

NONE

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 |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| 1. Prior | | | | | | | | | | |
| 2. 2011 | | | | | | | | | | |
| 3. 2012 | XXX | | | | | | | | | |
| 4. 2013 | XXX | XXX | | | | | | | | |
| 5. 2014 | XXX | XXX | XXX | | | | | | | |
| 6. 2015 | XXX | XXX | XXX | XXX | | | | | | |
| 7. 2016 | XXX | XXX | XXX | XXX | XXX | | | | | |
| 8. 2017 | XXX | XXX | XXX | XXX | XXX | XXX | | | | |
| 9. 2018 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | |
| 10. 2019 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 11. 2020 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |

NONE

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 2011 | | |
| 1.603 2012 | | |
| 1.604 2013 | | |
| 1.605 2014 | | |
| 1.606 2015 | | |
| 1.607 2016 | | |
| 1.608 2017 | | |
| 1.609 2018 | | |
| 1.610 2019 | | |
| 1.611 2020 | | |
| 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 2020 are included in the 2020 reported claim counts

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 | 369,600,488 | 369,179,093 | 89,639,169 | 81,103,186 | 123,354,385 | | |
| 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 | | 369,600,488 | 369,179,093 | 89,639,169 | 81,103,186 | 123,354,385 | | |

| 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 (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile _____
 - R - Registered - Non-domiciled RRGs _____
 - Q - Qualified - Qualified or accredited reinsurer _____
 - N - None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLI) 56

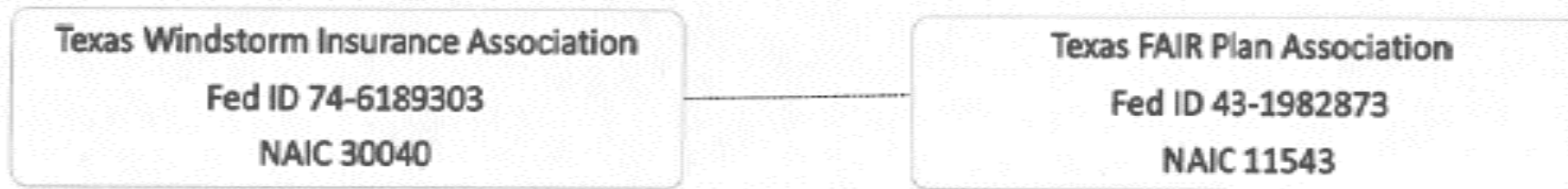
Explanation of basis of allocation of premiums by states, etc.

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 Group Code | 2 Group Name | 3 NAIC Company Code | 4 ID Number | 5 Federal RSSD | 6 CIK | 7 Name of Securities Exchange if Publicly Traded (U.S. or International) | 8 Names of Parent, Subsidiaries Or Affiliates | 9 Domiciliary Location | 10 Relationship to Reporting Entity | 11 Directly Controlled by (Name of Entity / Person) | 12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other) | 13 If Control is Ownership Provide Percentage | 14 Ultimate Controlling Entity(ies)/Person(s) | 15 Is an SCA Filing Required? (Y/N) | 16 * |
|-----------------|-----------------|------------------------|--------------------------|-------------------|----------|---|--|---------------------------|--|--|--|--|--|--|---------|
| 4766 4766 | | 30040 11543 | 74-6189303 43-1982873 | | | | Texas Windstorm Insurance Association Texas FAIR Plan Association | TX TX | OTH OTH | Unaffiliated Unaffiliated | Service Contract Service Contract | | | N N | 0 0 |

97

| Asterik | Explanation |
|---------|-------------------------------|
| 1 | Contract between Associations |
| 2 | Contract between Associations |

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 | | | | | | 14,314,490 (14,314,490) | | | 14,314,490 (14,314,490) | |
| 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? | NO |
| 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)? | YES |
| 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? | See Explanation |
| 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

37. Will the Private Flood Insurance Supplement be filed with the state of domicile and the NAIC by April 1? NO

AUGUST FILING

38. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? NO

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 18: Not applicable.

Explanation 19: Not applicable.

Explanation 22: There were no exceptions to the Reinsurance Supplement.

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.
.....
.....
- Explanation 37: Not applicable.
.....
.....
- Explanation 38: Not applicable.
.....
.....

Bar Code:



3004020203900000



3004020202100000



3004020202200000



3004020202210000



3004020204200000



3004020202400000



3004020203600000



3004020204550000



3004020204900000



3004020203850000



3004020204010000



3004020203650000



3004020204000000



3004020205000000



3004020205050000



3004020202240000



3004020202250000



3004020202260000



3004020205550000



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3004020203060000



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3004020202160000



3004020202170000



3004020205500000



3004020202110000



3004020202120000

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 / others | 27,486 | | 27,486 | 67,900 |
| 2505. Due from Depop Carriers - Assumption | 6,630 | | 6,630 | 23,133 |
| 2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598) | 34,116 | | 34,116 | 91,033 |

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 | 251,691 | 377,536 |
| 2505. Surcharge payable | 209,234 | 227,134 |
| 2506. Statutory fund payable | | 52,641,201 |
| 2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598) | 460,925 | 53,245,871 |

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. Investment Expenses | | | 301,264 | 301,264 |
| 2405. Claim Storm Reports and Assignments | 176,650 | | | 176,650 |
| 2406. HB3 Ombudsman Program | | 126,899 | | 126,899 |
| 2407. Bond Issuance Expense | | | 94,355 | 94,355 |
| 2408. Miscellaneous Expense | | (52,489) | | (52,489) |
| 2409. Depopulation Service Fees | | (76,065) | | (76,065) |
| 2497. Totals (Lines 2404 through 2496) (Page 11, Line 24) | 176,650 | (1,655) | 395,619 | 570,614 |

OVERFLOW PAGE FOR WRITE-INS

Page 13 - Continuation

EXHIBIT OF NONADMITTED ASSETS

| <p style="text-align: center;">DETAILS OF WRITE-IN LINES FOR OTHER THAN INVESTED ASSETS AT LINE 25</p> | <p style="text-align: center;">1 Current Year Total Nonadmitted Assets</p> | <p style="text-align: center;">2 Prior Year Total Nonadmitted Assets</p> | <p style="text-align: center;">3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)</p> |
|---|--|--|---|
| 2504. Accounts Receivable - Premium Finance / others | | | |
| 2505. Due from Depop Carriers - Assumption | | | |
| 2597. Totals (Lines 2504 through 2596) (Page 13, Line 2598) | | | |

SUMMARY INVESTMENT SCHEDULE

| Investment Categories | Gross Investment Holdings | | Admitted Assets as Reported in the Annual Statement | | | |
|--|---------------------------|---|---|--|--------------------------------------|---|
| | 1 Amount | 2 Percentage of Column 1 Line 13 | 3 Amount | 4 Securities Lending Reinvested Collateral Amount | 5 Total (Col. 3 + 4) Amount | 6 Percentage of Column 5 Line 13 |
| 1. Long-Term Bonds (Schedule D, Part 1): | | | | | | |
| 1.01 U.S. Governments | | | | | | |
| 1.02 All other governments | | | | | | |
| 1.03 U.S. states, territories and possessions, etc. guaranteed | | | | | | |
| 1.04 U.S. political subdivisions of states, territories, and possessions, guaranteed | | | | | | |
| 1.05 U.S. special revenue and special assessment obligations, etc. non-guaranteed | | | | | | |
| 1.06 Industrial and miscellaneous | | | | | | |
| 1.07 Hybrid securities | | | | | | |
| 1.08 Parent, subsidiaries and affiliates | | | | | | |
| 1.09 SVO identified funds | | | | | | |
| 1.10 Unaffiliated bank loans | | | | | | |
| 1.11 Total long-term bonds | | | | | | |
| 2. Preferred stocks (Schedule D, Part 2, Section 1): | | | | | | |
| 2.01 Industrial and miscellaneous (Unaffiliated) | | | | | | |
| 2.02 Parent, subsidiaries and affiliates | | | | | | |
| 2.03 Total preferred stocks | | | | | | |
| 3. Common stocks (Schedule D, Part 2, Section 2): | | | | | | |
| 3.01 Industrial and miscellaneous Publicly traded (Unaffiliated) | | | | | | |
| 3.02 Industrial and miscellaneous Other (Unaffiliated) | | | | | | |
| 3.03 Parent, subsidiaries and affiliates Publicly traded | | | | | | |
| 3.04 Parent, subsidiaries and affiliates Other | | | | | | |
| 3.05 Mutual funds | | | | | | |
| 3.06 Unit investment trusts | | | | | | |
| 3.07 Closed-end funds | | | | | | |
| 3.08 Total common stocks | | | | | | |
| 4. Mortgage loans (Schedule B): | | | | | | |
| 4.01 Farm mortgages | | | | | | |
| 4.02 Residential mortgages | | | | | | |
| 4.03 Commercial mortgages | | | | | | |
| 4.04 Mezzanine real estate loans | | | | | | |
| 4.05 Total valuation allowance | | | | | | |
| 4.06 Total mortgage loans | | | | | | |
| 5. Real estate (Schedule A): | | | | | | |
| 5.01 Properties occupied by company | | | | | | |
| 5.02 Properties held for production of income | | | | | | |
| 5.03 Properties held for sale | | | | | | |
| 5.04 Total real estate | | | | | | |
| 6. Cash, cash equivalents and short-term investments: | | | | | | |
| 6.01 Cash (Schedule E, Part 1) | 196,418,871 | 40.78 | 196,418,871 | | 196,418,871 | 40.78 |
| 6.02 Cash equivalents (Schedule E, Part 2) | 285,256,971 | 59.22 | 285,256,971 | | 285,256,971 | 59.22 |
| 6.03 Short-term investments (Schedule DA) | | | | | | |
| 6.04 Total cash, cash equivalents and short-term investments | 481,675,842 | 100.00 | 481,675,842 | | 481,675,842 | 100.00 |
| 7. Contract loans | | | | | | |
| 8. Derivatives (Schedule DB) | | | | | | |
| 9. Other invested assets (Schedule BA) | | | | | | |
| 10. Receivables for securities | | | | | | |
| 11. Securities Lending (Schedule DL, Part 1) | | | | X X X | X X X | X X X |
| 12. Other invested assets (Page 2, Line 11) | | | | | | |
| 13. Total invested assets | 481,675,842 | 100.00 | 481,675,842 | | 481,675,842 | 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)**
- NONE** **Schedule DA Verification**
- NONE** **Schedule DB - Part A and B Verification**
- NONE** **Schedule DB - Part C - Section 1**
- NONE** **Schedule DB - Part C - Section 2**
- NONE** **Schedule DB - Verification**

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 | 304,771,310 | | 222,755,260 | 82,016,050 |
| 2. Cost of cash equivalents acquired | 1,389,537 | | | 1,389,537 |
| 3. Accrual of discount | | | | |
| 4. Unrealized valuation increase (decrease) | | | | |
| 5. Total gain (loss) on disposals | | | | |
| 6. Deduct consideration received on disposals | 20,903,877 | | 20,903,877 | |
| 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) | 285,256,970 | | 201,851,383 | 83,405,587 |
| 11. Deduct total nonadmitted amounts | | | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 285,256,970 | | 201,851,383 | 83,405,587 |

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

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 DB - Part E

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 | | 0.180 | 526,707 | | 150,436,163 | |
| Citibank, N.A. Dallas, TX | | | | | 202,251 | |
| Citibank, N.A. - MMDA Dallas, TX | O | 0.010 | 184,059 | | 16,985,578 | |
| JP Morgan Chase Bank, N.A. San Antonio, TX | | | | | 50,000 | |
| JP Morgan Chase Bank, N.A. San Antonio, TX | | | | | 28,744,879 | |
| 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 | 710,766 | | 196,418,871 | 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 | 710,766 | | 196,418,871 | 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 | 710,766 | | 196,418,871 | X X X |

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

| | | | | | | | |
|-------------|-------------|----------|-------------|--------------|-------------|--------------|-------------|
| 1. January | 204,918,486 | 4. April | 243,417,280 | 7. July | 205,932,390 | 10. October | 210,712,622 |
| 2. February | 213,613,480 | 5. May | 237,949,981 | 8. August | 193,983,831 | 11. November | 193,244,761 |
| 3. March | 233,242,325 | 6. June | 334,417,068 | 9. September | 194,868,555 | 12. December | 196,418,871 |

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

| 1 CUSIP | 2 Description | 3 Code | 4 Date Acquired | 5 Rate of Interest | 6 Maturity Date | 7 Book/Adjusted Carrying Value | 8 Amount of Interest Due & Accrued | 9 Amount Received During Year |
|-------------|---|-----------|--------------------|-----------------------|--------------------|-----------------------------------|---------------------------------------|----------------------------------|
| 09248U-71-8 | BlackRock Money Market Fund | | 12/31/2020 | 0.012 | X X X | 51,628,282 | 415 | 275,697 |
| 4812C2-23-9 | JP Morgan US Treasury Plus Money Market Fund - Capital Shares Fund 4110 | | 12/31/2020 | 0.030 | X X X | 150,223,101 | 3,420 | |
| 8599999 | Exempt Money Market Mutual Funds – as Identified by SVO | | | | | 201,851,383 | 3,835 | 275,697 |
| | Assets Subject to Reverse Repurchase Agreement at Tx Treasury Safekeeping | | 12/31/2020 | 0.030 | 01/01/2021 | 83,405,587 | 70 | 251,122 |
| 8799999 | Other Cash Equivalents | | | | | 83,405,587 | 70 | 251,122 |
| 8899999 | Total Cash Equivalents | | | | | 285,256,970 | 3,905 | 526,819 |
| 8899999 | Total Cash Equivalents | | | | | 285,256,970 | 3,905 | 526,819 |

Book/Adjusted Carrying Value by NAIC Designation Category Footnote:

E28

| | | | | | | |
|-------|-------|-------|-------|-------|-------|-------|
| 1A \$ | 1B \$ | 1C \$ | 1D \$ | 1E \$ | 1F \$ | 1G \$ |
| 2A \$ | 2B \$ | 2C \$ | | | | |
| 3A \$ | 3B \$ | 3C \$ | | | | |
| 4A \$ | 4B \$ | 4C \$ | | | | |
| 5A \$ | 5B \$ | 5C \$ | | | | |
| 6 \$ | | | | | | |

NONE Schedule E - Part 3