



30040201620100100

ANNUAL STATEMENT

For the Year Ended December 31, 2016
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 Texas

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 512-899-4900
(City or Town, State, Country and Zip Code) (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 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

Georgia Rutherford Neblett

Name	Title
1. <u>John William Polak</u>	<u>General Manager</u>
2. <u>Joshua Fields</u>	<u>Vice Chairman</u>
3. <u>Debbie King</u>	<u>Secretary-Treasurer</u>

VICE-PRESIDENTS

Name	Title	Name	Title
<u>David Patrick Durden</u>	<u>VP Legal</u>	<u>James Colin Murphy</u>	<u>VP Actuary</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>Blair E. Crossan</u>	<u>Joshua Fields</u>	<u>Tony Schrader</u>	<u>Michael Frank Gerik</u>
<u>Bryan Shofner</u>	<u>Georgia Rutherford Neblett</u>	<u>R. Scott Kesner</u>	<u>Chandra Womack</u>
<u>Debbie King</u>			

State of Texas

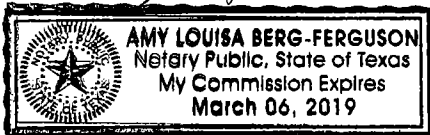
County of Travis ss

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)	(Signature)	(Signature)
<u>John William Polak</u>	<u>Peter Harold Gise</u>	
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
<u>General Manager</u>	<u>Chief Financial Officer</u>	
(Title)	(Title)	(Title)

Subscribed and sworn to (or affirmed) before me this on this
21st day of February, 2017, by

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 (\$ 467,792,573, Schedule E - Part 1), cash equivalents (\$ 476,641,574, Schedule E - Part 2), and short-term investments (\$ 26,095,768, Schedule DA)	1,029,690,287	59,160,372	970,529,915	991,616,741
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)	1,029,690,287	59,160,372	970,529,915	991,616,741
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	613,249		613,249	99,543
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	313,901	109,507	204,394	228,148
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				
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	3,527,929	3,527,929		
21. Furniture and equipment, including health care delivery assets (\$ 0)	1,128,370	1,128,370		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,260,559		1,260,559	1,054,610
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	448,084	348,301	99,783	94,819
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,036,982,379	64,274,479	972,707,900	993,093,861
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	1,036,982,379	64,274,479	972,707,900	993,093,861

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. Prepaid assets	236,420	236,420		
2502. Security deposit - lease	111,881	111,881		
2503. Accounts receivable write-in	99,783		99,783	94,819
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	448,084	348,301	99,783	94,819

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	43,248,596	61,066,377
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)	10,209,966	13,986,366
4. Commissions payable, contingent commissions and other similar charges	4,507,888	4,932,525
5. Other expenses (excluding taxes, licenses and fees)	4,210,175	4,200,368
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,563,166	1,954,041
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ 458,400,000 and interest thereon \$ 18,252,000	476,652,000	519,344,000
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)	237,725,520	246,828,924
10. Advance premium	7,108,831	7,326,578
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	27,496,977	26,038,730
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	1,819,185	
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	3,344,050	6,184,337
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 8)		
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	154,821,546	101,231,615
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	972,707,900	993,093,861
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	972,707,900	993,093,861
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)		
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)		
38. Totals (Page 2, Line 28, Col. 3)	972,707,900	993,093,861

DETAILS OF WRITE-IN LINES		
2501. Statutory fund payable	147,014,890	92,712,956
2502. Pension benefits liability	4,342,622	4,262,518
2503. Escheat funds	1,778,755	2,539,084
2598. Summary of remaining write-ins for Line 25 from overflow page	1,685,279	1,717,057
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	154,821,546	101,231,615
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)	370,404,145	377,594,383
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	18,968,895	136,494,508
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	19,656,030	42,391,266
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	109,755,951	114,972,763
5. Aggregate write-ins for underwriting deductions	147,014,890	92,712,956
6. Total underwriting deductions (Lines 2 through 5)	295,395,766	386,571,493
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	75,008,379	(8,977,110)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	(34,620,236)	(37,754,478)
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)	(34,620,236)	(37,754,478)
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	66,919	3,888
15. Total other income (Lines 12 through 14)	66,919	3,888
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	40,455,062	(46,727,700)
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)	40,455,062	(46,727,700)
19. Federal and foreign income taxes incurred		(7,828,675)
20. Net income (Line 18 minus Line 19) (to Line 22)	40,455,062	(38,899,025)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)		
22. Net income (from Line 20)	40,455,062	(38,899,025)
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)	(40,374,958)	39,446,750
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	(80,104)	(547,725)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)		
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)		

DETAILS OF WRITE-IN LINES		
0501. Statutory fund expense	147,014,890	92,712,956
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)	147,014,890	92,712,956
1401. Other income (loss)	66,919	3,888
1402. Sales tax refund		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	66,919	3,888
3701. Pension unassigned funds - unrecognized losses	(80,104)	(547,725)
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)	(80,104)	(547,725)

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	362,587,617	379,328,516
2. Net investment income	(36,440,376)	(37,895,090)
3. Miscellaneous income	66,919	3,888
4. Total (Lines 1 through 3)	326,214,160	341,437,314
5. Benefit and loss related payments	36,786,677	134,184,261
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	226,492,609	417,775,602
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		(61,059,212)
10. Total (Lines 5 through 9)	263,279,286	490,900,651
11. Net cash from operations (Line 4 minus Line 10)	62,934,874	(149,463,337)
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	(42,692,000)	9,564,533
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(41,329,700)	(13,842,187)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(84,021,700)	(4,277,654)
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)	(21,086,826)	(153,740,991)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	991,616,741	1,145,357,732
19.2 End of year (Line 18 plus Line 19.1)	970,529,915	991,616,741

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	361,300,741	246,828,924	237,725,520	370,404,145
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	361,300,741	246,828,924	237,725,520	370,404,145

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	237,725,520				237,725,520
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	237,725,520				237,725,520
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					237,725,520

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

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	487,353,537				126,052,796	361,300,741
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	487,353,537				126,052,796	361,300,741

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

NONE

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire								
2. Allied lines	36,786,677			36,786,677	43,248,596	61,066,377	18,968,896	5.121
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	36,786,677			36,786,677	43,248,596	61,066,377	18,968,896	5.121

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	6,746,404			6,717,404	36,537,188		5,997	43,248,595	10,209,966
3. Farmowners multiple peril			29,000						
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)									
15. Other accident and health								(a)	
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	6,746,404		29,000	6,717,404	36,537,188		5,997	43,248,595	10,209,966
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	9,754,203			9,754,203
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	8,797			8,797
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	9,745,406			9,745,406
2. Commission and brokerage:				
2.1 Direct, excluding contingent		77,986,786		77,986,786
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent		3,976,361		3,976,361
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)		74,010,425		74,010,425
3. Allowances to manager and agents				
4. Advertising		68,951		68,951
5. Boards, bureaus and associations		201,821		201,821
6. Surveys and underwriting reports		2,010,926		2,010,926
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	4,990,444	9,408,063		14,398,507
8.2 Payroll taxes	158,122	632,486		790,608
9. Employee relations and welfare	765,412	3,274,672		4,040,084
10. Insurance	62,892	251,568		314,460
11. Directors' fees				
12. Travel and travel items	45,422	206,988		252,410
13. Rent and rent items	905,430	1,725,904		2,631,334
14. Equipment	234,031	652,300		886,331
15. Cost or depreciation of EDP equipment and software		2,729,598		2,729,598
16. Printing and stationery	84,261	262,034		346,295
17. Postage, telephone and telegraph, exchange and express	315,578	1,234,769		1,550,347
18. Legal and auditing	274,316	689,326		963,642
19. Totals (Lines 3 to 18)	7,835,908	23,349,406		31,185,314
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 0		9,586,141		9,586,141
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)		40,455		40,455
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		9,626,596		9,626,596
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	2,074,715	2,769,523	302,769	5,147,007
25. Total expenses incurred	19,656,029	109,755,950	302,769	(a) 129,714,748
26. Less unpaid expenses—current year	10,209,966	10,281,229	199,434	20,690,629
27. Add unpaid expenses—prior year	13,986,366	11,086,935	15,000	25,088,301
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)	23,432,429	110,561,656	118,335	134,112,420

DETAILS OF WRITE-IN LINES				
2401. IT Expenses less Capitalization of Hardware & Software	2,074,715	2,648,074		4,722,789
2402. Bond Issuance Expense			302,769	302,769
2403. HB3 Ombudsman Program		116,186		116,186
2498. Sum of remaining write-ins for Line 24 from overflow page		5,263		5,263
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	2,074,715	2,769,523	302,769	5,147,007

(a) Includes management fees of \$ 0 to affiliates and \$ (10,533,789) 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) 2,764,827	3,278,533
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	2,764,827	3,278,533
11. Investment expenses		(g) 302,769
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h) 37,596,000
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)		37,898,769
17. Net investment income (Line 10 minus Line 16)		(34,620,236)

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

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

EXHIBIT OF CAPITAL GAINS (LOSSES)

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

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First lines			
3.2 Other than first lines			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)	59,160,372	15,091,697	(44,068,675)
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)	59,160,372	15,091,697	(44,068,675)
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	109,507	132,129	22,622
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	3,527,929	6,207,478	2,679,549
21. Furniture and equipment, including health care delivery assets	1,128,370	1,355,358	226,988
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	348,300	1,112,860	764,560
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	64,274,478	23,899,522	(40,374,956)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	64,274,478	23,899,522	(40,374,956)

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. Prepaid Expense	236,419	1,000,979	764,560
2502. Lease Security Deposit	111,881	111,881	
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	348,300	1,112,860	764,560

NONE

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

A. Accounting Practices, Impact of NAIC/State Differences

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

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

Description	SSAP #	F/S Page	F/S Line #	2016	2015
1. Net income, TX basis	XXX	XXX	XXX	\$ 40,455,062	(\$ 38,899,025)
2. Effect of TX prescribed practices				-	-
3. Effect of TX permitted practices				-	-
4. Net income, NAIC SAP basis	XXX	XXX	XXX	\$ 40,455,062	(\$ 38,899,025)

Description	SSAP #	F/S Page	F/S Line #	2016	2015
5. Policyholders' surplus, TX basis	XXX	XXX	XXX	\$ -	\$ -
6. Effect of TX prescribed practices				-	-
7. Effect of TX permitted practices	20	2	5	(476,641,574)	(519,341,179)
8. Policyholders' surplus, NAIC SAP basis	XXX	XXX	XXX	(\$ 476,641,574)	(\$ 519,341,179)

TDI has approved the permitted practice to allow TWIA to admit the following restricted assets associated with the issuance of Series 2014 Pre-Event Class 1 Revenue Bonds ("Series 2014 bonds") as of December 31, 2016 (see Debt footnote):

- \$445,390,169 held in the program fund.
- \$90,411,777 held in the obligation revenue fund for repayment of the Series 2014 bonds.
- (\$59,160,372) related to the amount of assets in excess of bond liabilities.

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

B. Use of Estimates

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

C. Accounting Policy

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

In addition, the company uses the following accounting policy:

1. Loss and loss adjustment expense reserves are based upon claim estimates for (1) losses for cases reported prior to the close of the accounting period, (2) losses incurred but unreported prior to the close of the accounting period, and (3) expenses for investigating and adjusting claims. Such liabilities are necessarily based on assumptions and estimates and while management believes the amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
2. 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.
3. Reverse repurchase agreements are recorded in cash equivalents of the repurchase date is less than 90 day. Reverse repurchase agreements represent the purchase of a security with an agreement to resell.

NOTES TO FINANCIAL STATEMENTS

D. Going Concern

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

Note 2 – Accounting Changes and Correction of Errors

A. Material Changes in Accounting Principal

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

B. Correction of Errors

Not applicable.

Note 3 – Business Combinations and Goodwill

A. Not applicable

Note 4 – Discontinued Operations

A. Not applicable

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

None

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan-Backed Securities

None

E. Repurchase Agreements and/or Securities Lending Transactions

1. The Association invests in overnight reverse repurchase agreements with the Texas Treasury Safekeeping Trust Company (TTSTC). These invested funds were received during the issuance of bonds during 2014 and include debt service payments. The funds are held at the TTSTC to be used for debt service and for use when a catastrophic event occurs. See note 1 and note 11. The collateral required requires at least 100% for Treasuries; 101% for Agencies and US Instrumentalities and 102% for mortgage-backed securities. The fair value of reverse repurchase agreements was \$535,801,946 and \$534,432,876 at December 31, 2016 and 2015, respectively.
2. The Association has not pledged any of its assets as collateral as of December 31, 2016.
3. A. Collateral Received

Fair Value

1. Repurchase Agreement

(a) Open	\$ -
(b) 30 Days or Less	535,801,946
(c) 31 to 60 Days	-
(d) 61 to 90 Days	-
(e) Greater Than 90 Days	-
(f) Sub-Total	-
(g) Securities Received	-
(h) Total Collateral Received	\$535,801,946

NOTES TO FINANCIAL STATEMENTS

2. Securities Lending

(a) Open	\$	-
(b) 30 Days or Less		-
(c) 31 to 60 Days		-
(d) 61 to 90 Days		-
(e) Greater Than 90 Days		-
(f) Sub-Total		-
(g) Securities Received		-
(h) Total Collateral	\$	-

3. Dollar Repurchase

(a) Open	\$	-
(b) 30 Days or Less		-
(c) 31 to 60 Days		-
(d) 61 to 90 Days		-
(e) Greater Than 90 Days		-
(f) Sub-Total		-
(g) Securities Received		-
(h) Total Collateral	\$	-

B. The aggregate fair value of all securities acquired was \$535,801,946.

C. The securities received are held in cash equivalents.

4. The Association had no security lending transactions as of December 31, 2016 or 2015.

5. Collateral Reinvestment

None

6. The Association invests in overnight repurchase agreements. In the event of default, the Association would redeem collateral as needed.

7. Securities Lending Transactions greater than one year.

None

F. Real Estate

None

G. Investment in Low-Income Housing Tax Credits

None

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

1. Restricted assets (including pledged) summarized by restricted asset category. Assets restricted below are held by the Texas Treasury Safekeeping Trust Company and are restricted for use for debt service reserves and for when a catastrophic event occurs. See note 1 and note 11. These assets are invested in overnight reverse repurchase agreements. The Association also holds minimum maturity time deposits which have withdrawal provisions in that notice to withdrawal is given in advance of availability which is generally 90 days or less.

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						Current Year				
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
	Total General Account (G/A)	G/A Supporting S/A Restricted Assets (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Non-admitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Non-admitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. to c. None											
d. Subject to reverse repurchase	535,801,946				535,801,946	534,432,876	1,369,070	59,160,372	476,641,574	51.67%	49.00%
e. to m. None											
n. Other restricted assets	90,424,866				90,424,866	60,870,112	29,554,754	-	90,424,866	8.72%	9.30%
o. Total restricted assets	626,226,812				626,226,812	595,302,988	30,923,824	59,160,372	567,066,440	60.39%	58.30%

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Column 5 divided by Asset Page, Column 1, Line 28
- (d) Column 9 divided by Asset Page, Column 3, Line 28

2. Detail of assets pledged as collateral not captured in other categories (reported on line m above)

None

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

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						Current Year				Percentage	
	Current Year					6	7	8	9	10		
	1	2	3	4	5							
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Non-admitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets		
Minimum Maturity Time Deposits	90,424,866				90,424,866	60,870,112	29,554,754	90,424,866	8.72%	9.30%		
Total other restricted assets	90,424,866				90,424,866	60,870,112	29,554,754	90,424,866	8.72%	9.30%		

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

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

None

I. Working Capital Finance Investments

None

J. Offsetting and Netting of Assets and Liabilities

None

NOTES TO FINANCIAL STATEMENTS

K. Structured Notes

None

L. 5* Securities

None

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

A. Not applicable

Note 7 – Investment Income

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

Note 8 – Derivative Instruments

A. Not applicable

Note 9 – Income Taxes

In 2010, Texas Windstorm Insurance Association (“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 filed amended returns with the Internal Revenue Service for open years based upon the Private Letter Ruling excluding from gross income the income derived from an essential governmental function. During September 2015, TWIA received a final federal tax refund in the amount of \$61,059,212.41. As of September 30, 2015, the recoverable, liabilities and non-admitted assets was reduced to \$0. Due to the actual refund being greater than the original estimate recorded at December 31, 2014, \$7,828,675 has been recognized in the Federal and foreign income taxes incurred within the Statement of Income.

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

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

A. Nature of Relationships

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

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

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

None

C. Change in Terms of Intercompany Arrangements

None

D. Amounts Due to or from Related Parties

During 2016 and 2015 the Association paid expenses for the Texas FAIR Plan Association (“the Plan”) under its management contract and was reimbursed \$10,533,789 and \$9,505,904, respectively. As of December 31, 2016 and 2015, the Association incurred or paid expenses for which it has not been reimbursed of \$1,260,559 and \$1,054,610, respectively, on behalf of the Plan. These amounts are

NOTES TO FINANCIAL STATEMENTS

recognized in the statutory statements of admitted assets, liabilities, surplus and other funds as a receivable from Texas FAIR Plan Association. This arrangement is subject to a written agreement which requires that balances be settled within 30 days.

E. Guarantees or Undertakings for Related Parties

Not applicable

F. Management, Service Contracts, Cost Sharing Arrangements

During 2002, the Association entered into a service contract with the Texas Fair Plan Association (the "Plan") in which the Association is to be fully reimbursed for all expenditures, professional fees, consulting services, allocated employee time, lost investment income and other costs directly associated with the services provided by the Association on behalf of the Plan.

G. Nature of Relationships that Could Affect Operations

None

H. Amount Deducted for Investment in Upstream Company

Not applicable

I. Detail of Investments in Affiliates Great than 10% of Admitted Assets

Not applicable

J. Write-downs for Impairment of Investments in Affiliates

Not applicable

K. Foreign Insurance Subsidiary Valued Using CARVM

Not applicable

L. Downstream Holding Company valued Using Look-Through method

Not applicable

M. All SCA Investments

Not applicable

N. Investment in Insurance SCAs

Not applicable

Note 11 – Debt

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

The secured Bonds were issued on September 30, 2014 for \$500,000,000 of which \$458,400,000 and \$500,000,000 was outstanding as of December 31, 2016 and 2015, respectively. The bonds mature July 1, 2024 and can be called by the Seller beginning January 1, 2020. The Bonds bear interest from 5.25% to 8.25% with an effective interest rate of 8.03%. Interest is payable semi-annually on January 1 and July 1 with the first payment made January 1, 2015. The Bonds are secured by TWIA's net premium and other revenue which is used to fund the Debt Service and related accounts held by the Texas Treasury Safekeeping Trust Company.

There are various general and special covenants. The primary covenant, which exists as long as there are outstanding Class 1 Public Securities and Administrative Expenses are incurred, states that TWIA will take actions that produce Projected Net Coverage Revenues in an amount not less than 1.25 times the Obligations due in the next calendar year and 1.25 times the estimated amount of Administrative Expenses due in the next calendar year. Another covenant, which exists as long as the Bonds are outstanding, states that TWIA will maintain the Operating bank account subject to a deposit account control agreement to maintain a perfected security interest in the Net Premiums and Other Revenue held for the benefit of the Bondholders. The deposit

NOTES TO FINANCIAL STATEMENTS

account control agreement is activated upon default of the debt covenants. As of both December 31, 2016 and 2015, TWIA is not in violation of these or any of the other various covenants.

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

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

At December 31, 2016 and 2015, the notes had no unamortized premium or discount. Bond issuance costs are expensed as incurred.

Interest expense incurred is recorded as an investment expense and was \$37,596,000 and \$38,688,000 for the years ended December 31, 2016 and 2015, respectively. Interest expense of \$38,688,000 and \$29,123,467 was paid for the years ended December 31, 2016 and 2015, respectively.

Changes in bonds payable for the period ending December 31, 2016:

Description	Bonds Outstanding December 31, 2015	Bonds Issued	Bonds Matured	Bonds Outstanding December 31, 2016
Taxable Series 2014	\$ 500,000,000	\$ -	\$ 41,600,000	\$ 458,400,000

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

Year	Amount
2017	\$ 43,800,000
2018	46,100,000
2019	49,900,000
2020	54,000,000
2021	58,500,000
Thereafter	206,100,000
On Demand	-
Total	\$ 458,400,000

B. Funding Agreements with Federal Home Loan Bank (FHLB)

Not applicable

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

A. Defined Benefit Plan

The Association has a defined pension benefit plan, which covers employees from their date of hire, if the employee is scheduled to work at least 1,000 hours in a twelve-month period. Pension benefits are based on years of service and the employee's compensation during the five highest consecutive years' earnings from the last ten years of employment. An employee's benefits vest 5 years from date of hire. The Association makes contributions to the plan that complies with the minimum funding provisions of the Employee Retirement Income Security Act. Such contributions are included in general expenses. As of December 31, 2016, the Association accrued in accordance with actuarially determined amounts with an offset to the pension cost accrual for the incremental asset amortization.

NOTES TO FINANCIAL STATEMENTS

A summary of assets, obligations and assumptions of the Pension Plan are as follows at December 31, 2016 and 2015:

1. Change in benefit obligation:

	<u>Underfunded</u>	
	<u>2016</u>	<u>2015</u>
Benefit obligation at beginning of year	\$ 17,463,952	\$ 16,020,628
Service cost	1,416,848	1,308,992
Interest cost	777,793	676,518
Contribution by plan participants	-	-
Actuarial loss/(gain)	470,537	(603,468)
Foreign currency exchange rate changes	-	-
Benefits paid	(510,991)	(427,460)
Plan Amendments	-	488,742
Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-
Benefit obligation at end of year	\$ 19,618,139	\$ 17,463,952

2. Change in Pension plan assets:

	<u>2016</u>	<u>2015</u>
Fair value of plan assets at beginning of year	\$ 11,403,161	\$ 11,087,637
Actual return/(loss) on plan assets	795,118	(187,904)
Foreign currency exchange rate changes	-	-
Employer contributions	1,023,972	930,888
Plan participants' contributions	-	-
Benefits paid	(510,991)	(427,460)
Business combinations, divestitures and settlements	-	-
Fair value of plan assets at end of year	\$ 12,711,260	\$ 11,403,161

3. Funded status:

	<u>2016</u>	<u>2015</u>
Assets (nonadmitted)		
Prepaid benefit costs	\$ -	\$ -
Overfunded plan assets	-	-
Total assets (nonadmitted)	-	-
Liabilities recognized		
Accrued benefit costs	2,564,257	1,798,273
Liability for pension benefits	4,342,622	4,262,518
Total liabilities recognized	6,906,879	6,060,791
Unrecognized liabilities as a component of net periodic benefit cost	-	-
Funded Status	(\$6,906,879)	(\$6,060,791)

4. Components of net periodic benefit costs:

	<u>2016</u>	<u>2015</u>
Service cost	\$ 1,416,848	\$ 1,308,992
Interest cost	777,793	676,518
Expected return on plan assets	(638,184)	(681,234)
Transition asset or obligation	-	-
(Gains) and losses amortization	189,140	206,687
Prior service cost or (credit)	44,359	-
(Gain) or loss recognized due to settlement or curtailment	-	-
Total net periodic benefit cost	\$ 1,789,956	\$ 1,510,963

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

	<u>2016</u>	<u>2015</u>
Items not yet recognized as a component of net periodic cost – prior year	\$ 4,262,518	\$ 3,714,793
Net transition asset or obligation recognized	-	-
Net prior service cost or (credit) arising during the period	-	488,742
Net prior service cost or (credit) recognized	(44,359)	-
Net (gain) and loss arising during the period	313,603	265,670
Net loss/(gain) recognized	(189,140)	(206,687)
Items not yet recognized as a component of net periodic cost – current year	\$ 4,342,622	\$ 4,262,518

NOTES TO FINANCIAL STATEMENTS

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

	<u>2016</u>	<u>2015</u>
Net transition asset or obligation	\$ -	\$ -
Net prior service cost or (credit)	44,359	44,359
Net recognized (gains) and losses	179,083	184,006

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

	<u>2016</u>	<u>2015</u>
Net transition asset or obligation	\$ -	\$ -
Net prior service cost or (credit)	444,383	488,742
Net recognized (gains) and losses	3,898,239	3,773,776

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

	<u>2016</u>	<u>2015</u>
Weighted-average discount rate	4.50%	4.25%
Expected long-term rate of return on plan assets	5.50%	6.00%
Rate of compensation increase	2.50%	2.50%

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

Weighted-average discount rate	4.25%	4.50%
Rate of compensation increase	2.50%	2.50%

9. The amount of accumulated benefit obligation for defined benefit pension plans was \$17,547,130 for the current year and \$15,806,325 for the prior year.

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

Not applicable

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

<u>Years</u>	<u>Amount</u>
2017	\$ 540,883
2018	594,033
2019	653,780
2020	698,797
2021	766,997
2022 through 2026	\$ 5,049,741

13. The Company expects to contribute \$1,593,998 during 2017.

B. Description of Investment Policies

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

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

<u>Description for each class of plan assets</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Cash	\$ -	\$ 60,887	\$ -	\$ 60,887
Small Cap Equity	609,555	-	-	609,555
Large Cap Equity	3,243,851	-	-	3,243,851
Mid Cap Equity	1,075,020	-	-	1,075,020
International Equity	-	1,497,532	-	1,497,532
Fixed Income	-	6,218,760	-	6,218,760
Limited Partnerships	-	-	5,655	5,655
Total Plan Assets	\$ 4,928,426	\$ 7,777,179	\$ 5,655	\$ 12,711,260

(2) Fair Value Measurements in Level 3 of Fair Value Hierarchy:

Description for each class of plan assets	Beginning Balance at 1/1/2016	Transfers into Level 3	Transfers out of Level 3	Return on Assets Still Held	Return on Assets Sold	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2016
Ltd. Partnerships	\$ 5,288	\$ -	\$ -	\$ 367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,655
Other	-	-	-	-	-	-	-	-	-	-
Total Plan Assets	\$ 5,288	\$ -	\$ -	\$ 367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,655

NOTES TO FINANCIAL STATEMENTS

D. Rate of Return Assumptions

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

E. Defined Contribution Plan

The Association has a defined contribution 401(k) plan available to eligible employees after 6 months of employment. The Association contributed approximately \$673,000 and \$666,000 for fiscal years ending December 31, 2016 and 2015, respectively.

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

Not applicable

Note 14 – Contingencies

A. Capital Commitments

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

B. Assessments

Not applicable

C. Gain Contingencies

Not applicable

D. Extra Contractual Obligation and Bad Faith Losses

None

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. Other Contingencies

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

Note 15 – Leases

A. Lessee Leasing Arrangements

1. The Association leases office space under a non-cancelable operating lease agreement that expires in 2022. Rental expense for the current year and the prior year was approximately \$1,413,000 and \$1,386,000, respectively.

NOTES TO FINANCIAL STATEMENTS

2. Future minimum rental payments are as follows:

<u>Years</u>	<u>Amount</u>
2017	\$ 956,727
2018	983,052
2019	1,009,377
2020	1,035,702
2021	1,062,027
<u>Thereafter</u>	<u>1,088,352</u>
Total	\$ 6,135,237

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 assets and liabilities that are financial instruments. The fair values are also categorized into the three-level fair value hierarchy. Cash, cash equivalents and short-term investments are the only financial instruments held by the Association in which carrying value and fair value are the same.

<u>Type or Class 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>
Cash, cash equivalents and short-term investments	\$1,029,690,287	\$970,529,915	\$1,029,690,287	\$ -	\$ -

D. Items for which Not Practicable to Estimate Fair Values

Not applicable

Note 21 – Other Items

A. Unusual or Infrequent Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

None

NOTES TO FINANCIAL STATEMENTS

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

The Association has ceded risks to a reinsurer during 2016 and 2015 who in-turn issued Catastrophe Bonds (“CAT Bonds”). Funds from the issuance of the CAT Bonds are held in trust. Certain events can bring rise to the Association to recover on ceded losses.

<u>Management of Risk Related To:</u>	<u>Number of Outstanding Contracts</u>	<u>Aggregate Maximum Proceeds</u>
<p>(1) Directly Written Insurance Risks</p>		
a. ILS Contracts as Issuer	-	-
b. ILS Contracts as Ceding Insurer	2	\$1,100,000,000
c. ILS Contracts as Counterparty	-	-
<p>(2) Assumed Insurance Risks</p>		
a. ILS Contracts as Issuer	-	-
b. ILS Contracts as Ceding Insurer	-	-
c. ILS Contracts as Counterparty	-	-

Note 22 – Events Subsequent

The Association has evaluated subsequent events occurring after December 31, 2016, the date of the most recent balance sheet, through February 24, 2017, the date the annual statement was issued. The Association does not believe any subsequent events have occurred that would require further disclosure or adjustment to the statutory financial statements.

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverables

The Association does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company’s policyholder surplus.

NAIC Code	Federal ID #	Name of Reinsurer	Amount
NONE			

B. Reinsurance Recoverables in Dispute

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

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

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded

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

	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates						
b. All other						
c. Totals						
d. Direct Unearned Premium Reserve	\$237,725,520					

2. No accrual exists at the end of the current year for additional or return commission, predicated on loss experience or on any other form of profit sharing agreements in this annual statement as a result of existing contractual arrangements.

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

D. Uncollectible Reinsurance

Not applicable

E. Commutation of Ceded Reinsurance

Not applicable

F. Retroactive Reinsurance

Not applicable

G. Reinsurance Accounted for as a Deposit

Not applicable

H. Run-off Agreements

Not applicable

I. Certified Reinsurer Downgrades or Status Subject to Revocation

Not applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable

Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses

	2016	2015
Balance as of January 1,	\$ 75,052,743	\$ 71,308,833
Less: Reinsurance Recoverable	-	-
Net Balance at January 1,	75,052,743	71,308,833
Incurred, net of reinsurance, related to:		
Current year	46,219,694	184,534,606
Prior years	(7,594,769)	(5,648,833)
Net Incurred	38,624,925	178,885,773
Paid, net of reinsurance, related to:		
Current year	(37,597,529)	(159,315,215)
Prior years	(22,621,577)	(15,826,648)
Net Paid Losses	(60,219,106)	(175,141,863)
Net Balance at December 31,	53,458,562	75,052,743
Plus: Reinsurance Recoverable	42,967	-
Balance at December 31,	\$ 53,501,529	\$ 75,052,743

NOTES TO FINANCIAL STATEMENTS

Current year changes in estimates of the costs of prior year losses and loss adjustment expenses (LAE) affect the current year Statement of Income. Increases in those estimates increase current year expense and are referred to as unfavorable development or prior year reserve shortages. Decreases in those estimates decrease current year expense and are referred to as favorable development or prior year reserve redundancies. Current year losses and LAE reflected on the Statement of Income of \$38,624,925 are lower by \$7,594,769 due to favorable development of prior year estimates. The favorable development is primarily related to a net decrease in the ultimate losses and LAE from accident year 2015. 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. The Association feels that the loss and LAE reserves as of December 31, 2016 make a reasonable provision for Texas Windstorm Insurance Association's claim liabilities.

Note 26 – Intercompany Pooling Arrangements

Not applicable

Note 27 – Structured Settlements

Not applicable

Note 28 – Health Care Receivables

Not applicable

Note 29 – Participating Policies

Not applicable

Note 30 – Premium Deficiency Reserves

The Association did not record a premium deficiency reserve for 2015.

Note 31 – High Deductibles

Not applicable

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

Not applicable

Note 33 – Asbestos and Environmental Reserves

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

Note 34 – Subscriber Savings Accounts

Not applicable

Note 35 – Multiple Peril Crop Insurance

Not applicable

Note 36 – Financial Guaranty Insurance

A. and B. Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No [X]
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] N/A [X]
- 1.3 State Regulating? _____
- 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. 12/31/2012
- 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. 12/31/2012
- 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). 10/24/2014
- 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]
- 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
.....
.....

GENERAL INTERROGATORIES

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 and Matza, LLP, 9500 Arboretum Blvd, Ste 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:

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:

GENERAL INTERROGATORIES

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

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

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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?
 James Colin Murphy, FCAS, MAA, 5700 S MoPac Expy, Austin, TX 78749, In-house Actuary

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

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?

.....

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.....

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

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

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

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 No

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

.....

.....

.....

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 The Ethics policy revision and update was conducted as part of TWIA's standard process for reviewing association policies. The amendments primarily relate to minor reorganizing of the Code of Ethics. The main subject areas updated relate to prohibited relationships, disclosures and acceptance and rejection of gifts. Please contact TWIA for further information.

.....

.....

GENERAL INTERROGATORIES

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	\$ _____

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]

GENERAL INTERROGATORIES

22.2 If answer is yes:

	22.21 Amount paid as losses or risk adjustment	\$ _____
	22.22 Amount paid as expenses	\$ _____
	22.23 Other amounts paid	\$ _____

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____ 1,260,559

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes No

24.02 If no, give full and complete information, relating thereto:
 The Association invests in overnight reverse repurchase agreements with the Texas Treasury Safekeeping Trust Company. These invested funds were received during the issuance of bonds during 2015. The funds are held at the TTSTC to be used for debt service and for use when a catastrophic event occurs. See note 1 and note 11.

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 Texas Windstorm Insurance Association has no security lending programs.

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes No N/A

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ _____

24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ _____

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

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

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

24.103 Total payable for securities lending reported on the liability page \$ _____

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes No

GENERAL INTERROGATORIES

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

	25.21 Subject to repurchase agreements	\$ _____
	25.22 Subject to reverse repurchase agreements	\$ <u>476,641,574</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	\$ <u>90,424,866</u>

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
.....
.....

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

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

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

GENERAL INTERROGATORIES

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

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

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

1 Name Firm or Individual	2 Affiliation
John Polak	I
Pete Gise	I

28.059 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [] No [X]

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

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

1 Name Firm or Individual	2 Central Registration Depository Number	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

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

29.2 If yes, complete the following schedule:

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

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

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

GENERAL INTERROGATORIES

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds			
30.2 Preferred stocks			
30.3 Totals			

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

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

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

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

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

32.2 If no, list exceptions:
 Texas Windstorm Insurance Association did not file with the SVO.

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$ 145,975

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

1 Name	2 Amount Paid
Insurance Services Office	\$ 97,114
Texas Insurance Checking Office	\$ 48,861
	\$

34.1 Amount of payments for legal expenses, if any? \$ 823,928

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

1 Name	2 Amount Paid
Sneed Vine & Perry	\$ 241,369
Digital Discovery Solutions LLP	\$ 235,019
	\$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 1,764

GENERAL INTERROGATORIES

35.2 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
DuBois, Bryant&Campbell, LLP	\$ 1,764
.....	\$
.....	\$

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	\$ 370,404,145	\$ 377,594,384
2.3 Premium Ratio (2.1 / 2.2)	_____	_____
2.4 Reserve Numerator	\$ _____	\$ _____
2.5 Reserve Denominator	\$ 291,184,082	\$ 321,881,667
2.6 Reserve Ratio (2.4 / 2.5)	_____	_____

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

3.2 If yes, state the amount of calendar year premiums written on:
 3.21 Participating policies \$ _____
 3.22 Non-participating policies \$ _____

4. For Mutual reporting entities and Reciprocal Exchanges only:
 4.1 Does the reporting entity issue assessable policies? Yes [] No [X]
 4.2 Does the reporting entity issue non-assessable policies? Yes [] No [X]
 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? _____ %
 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ _____

5. For Reciprocal Exchanges Only:
 5.1 Does the exchange appoint local agents? Yes [] No [X]

5.2 If yes, is the commission paid:
 5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A [X]
 5.22 As a direct expense of the exchange Yes [] No [] N/A [X]

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

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

5.5 If yes, give full information

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit loss:
 Texas Windstorm Insurance Association does not write workers compensation insurance policies.

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
 Texas Windstorm Insurance Association estimates its probable maximum loss using AIR Touchstone and RMS RiskLink software models to model the risk of hurricanes. The PML comprises residential and commercial property exposures which are most concentrated in and around the Galveston and Corpus Christi areas.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
 Texas Windstorm Insurance Association has reinsured \$2.2 billion in excess of \$2.7 billion under catastrophe reinsurance agreements. For the second season, Texas Windstorm Insurance Association has reinsured \$0.7 billion in excess of \$2 billion under catastrophe reinsurance agreements. Further, Texas Windstorm Insurance Association has the ability to sell post event bonds, and the use of the Catastrophe Reserve
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [] No [X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss
 Funding for Texas Windstorm Insurance Association is specified by Chapter 2210, Texas Insurance Code.
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [X] No []
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [X] No []
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or, Yes [] No [X]
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [] No [] N/A [X]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes [] No [X]
- 11.2 If yes, give full information

- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | |
|---|----------|
| 12.11 Unpaid losses | \$ _____ |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ _____ |
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ _____
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] N/A [X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | |
|------------|---------|
| 12.41 From | _____ % |
| 12.42 To | _____ % |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- | | |
|----------------------------------|----------|
| 12.61 Letters of Credit | \$ _____ |
| 12.62 Collateral and other funds | \$ _____ |
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 4,424,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. _____
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [] No [X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No []
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [] No []
- 14.5 If the answer to 14.4 is no, please explain:

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

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

* Disclose type of coverage: _____

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$ _____
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	\$ _____

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$ _____
17.19 Unfunded portion of Interrogatory 17.18	\$ _____
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$ _____
17.21 Case reserves portion of Interrogatory 17.18	\$ _____
17.22 Incurred but not reported portion of Interrogatory 17.18	\$ _____
17.23 Unearned premium portion of Interrogatory 17.18	\$ _____
17.24 Contingent commission portion of Interrogatory 17.18	\$ _____

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. \$ _____

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
	2016	2015	2014	2013	2012
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)	487,353,537	503,824,316	494,036,010	472,739,474	443,479,701
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)	487,353,537	503,824,316	494,036,010	472,739,474	443,479,701
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)	361,300,741	379,696,858	377,542,539	356,408,862	334,994,830
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)	361,300,741	379,696,858	377,542,539	356,408,862	334,994,830
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	75,008,379	(8,977,110)	9,640,759	167,800,698	(174,333,957)
14. Net investment gain (loss) (Line 11)	(34,620,236)	(37,754,478)	(15,841,220)	929,082	(5,597,480)
15. Total other income (Line 15)	66,919	3,888	7,986,533	2,177,068	(159,547)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)		(7,828,675)	6,938,511		
18. Net income (Line 20)	40,455,062	(38,899,025)	(5,152,439)	170,906,848	(180,090,984)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	972,707,900	993,093,861	1,146,483,407	440,231,488	428,636,416
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	204,394	228,148	209,735	296,311	115,245
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)	972,707,900	993,093,862	1,146,483,407	440,231,488	611,615,459
22. Losses (Page 3, Line 1)	43,248,596	61,066,377	58,756,130	111,636,395	323,135,763
23. Loss adjustment expenses (Page 3, Line 3)	10,209,966	13,986,366	12,552,703	21,322,660	55,581,086
24. Unearned premiums (Page 3, Line 9)	237,725,520	246,828,924	244,726,450	234,739,308	173,460,751
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)					(182,979,043)
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	62,934,874	(149,463,336)	193,519,723	9,322,514	(37,623,004)
Risk-Based Capital Analysis					
28. Total adjusted capital					(182,979,043)
29. Authorized control level risk-based capital	38,763,217	40,423,373	37,472,798	33,218,619	43,972,938
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
	2016	2015	2014	2013	2012
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)				182,979,043	(182,979,043)
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)	36,786,677	134,184,261	27,054,064	247,827,353	243,137,884
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)	36,786,677	134,184,261	27,054,064	247,827,353	243,137,884
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)	36,786,677	134,184,261	27,054,064	223,968,263	243,137,884
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)	36,786,677	134,184,261	27,054,064	223,968,263	243,137,884
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)	5.1	36.1	(7.0)	4.2	112.5
68. Loss expenses incurred (Line 3)	5.3	11.2	3.2	(2.9)	12.6
69. Other underwriting expenses incurred (Line 4)	29.6	30.4	29.7	34.1	29.1
70. Net underwriting gain (loss) (Line 8)	20.3	(2.4)	2.6	56.9	(54.3)
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)	71.1	54.7	96.4	34.0	28.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	10.4	47.4	(3.8)	1.3	125.1
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)					(183.1)
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)	(8,900)	(9,494)	(30,400)	(92,679)	307,372
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)				50.6	
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)	(11,266)	(40,985)	(121,166)	207,541	407,936
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)					

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

Yes [] No []

If no, please explain:

.....



30040201643044100

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

BUSINESS IN THE STATE OF TEXAS DURING THE YEAR 2016

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	487,353,537	496,456,941		237,725,520	36,786,677	19,003,892	43,283,593	3,139,470	3,798,707	5,402,227	77,986,786	9,626,597
2.2 Multiple Peril Crop												
2.3 Federal Flood												
2.4 Private Crop												
2.5 Private Flood												
3. Farmowners Multiple Peril												
4. Homeowners Multiple Peril												
5.1 Commercial Multiple Peril (Non-Liability Portion)												
5.2 Commercial Multiple Peril (Liability Portion)												
6. Mortgage Guaranty												
8. Ocean Marine												
9. Inland Marine												
10. Financial Guaranty												
11. Medical Professional Liability												
12. Earthquake												
13. Group Accident and Health (b)												
14. Credit A & H (Group and Individual)												
15.1 Collectively Renewable A & H (b)												
15.2 Non-Cancelable A & H (b)												
15.3 Guaranteed Renewable A & H (b)												
15.4 Non-Renewable for Stated Reasons Only (b)												
15.5 Other Accident Only												
15.6 Medicare Title XVIII Exempt from State Taxes or Fees												
15.7 All Other A & H (b)												
15.8 Federal Employees Health Benefits Plan Premium (b)												
16. Workers' Compensation												
17.1 Other Liability - Occurrence												
17.2 Other Liability - Claims-Made												
17.3 Excess Workers' Compensation												
18. Products Liability												
19.1 Private Passenger Auto No-Fault (Personal Injury Protection)												
19.2 Other Private Passenger Auto Liability												
19.3 Commercial Auto No-Fault (Personal Injury Protection)												
19.4 Other Commercial Auto Liability												
21.1 Private Passenger Auto Physical Damage												
21.2 Commercial Auto Physical Damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and Theft												
27. Boiler and Machinery												
28. Credit												
30. Warranty												
34. Aggregate Write-Ins for Other Lines of Business												
35. TOTALS (a)	487,353,537	496,456,941		237,725,520	36,786,677	19,003,892	43,283,593	3,139,470	3,798,707	5,402,227	77,986,786	9,626,597

19 TX

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.



30040201643059100

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 4766

BUSINESS IN THE STATE OF TOTAL DURING THE YEAR 2016

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	487,353,537	496,456,941		237,725,520	36,786,677	19,003,892	43,283,593	3,139,470	3,798,707	5,402,227	77,986,786	9,626,597
2.2 Multiple Peril Crop												
2.3 Federal Flood												
2.4 Private Crop												
2.5 Private Flood												
3. Farmowners Multiple Peril												
4. Homeowners Multiple Peril												
5.1 Commercial Multiple Peril (Non-Liability Portion)												
5.2 Commercial Multiple Peril (Liability Portion)												
6. Mortgage Guaranty												
8. Ocean Marine												
9. Inland Marine												
10. Financial Guaranty												
11. Medical Professional Liability												
12. Earthquake												
13. Group Accident and Health (b)												
14. Credit A & H (Group and Individual)												
15.1 Collectively Renewable A & H (b)												
15.2 Non-Cancelable A & H (b)												
15.3 Guaranteed Renewable A & H (b)												
15.4 Non-Renewable for Stated Reasons Only (b)												
15.5 Other Accident Only												
15.6 Medicare Title XVIII Exempt from State Taxes or Fees												
15.7 All Other A & H (b)												
15.8 Federal Employees Health Benefits Plan Premium (b)												
16. Workers' Compensation												
17.1 Other Liability - Occurrence												
17.2 Other Liability - Claims-Made												
17.3 Excess Workers' Compensation												
18. Products Liability												
19.1 Private Passenger Auto No-Fault (Personal Injury Protection)												
19.2 Other Private Passenger Auto Liability												
19.3 Commercial Auto No-Fault (Personal Injury Protection)												
19.4 Other Commercial Auto Liability												
21.1 Private Passenger Auto Physical Damage												
21.2 Commercial Auto Physical Damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and Theft												
27. Boiler and Machinery												
28. Credit												
30. Warranty												
34. Aggregate Write-Ins for Other Lines of Business												
35. TOTALS (a)	487,353,537	496,456,941		237,725,520	36,786,677	19,003,892	43,283,593	3,139,470	3,798,707	5,402,227	77,986,786	9,626,597
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		18 Net Amount Recoverable From Reinsurers Cols. 15 – [16 + 17]	19 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 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			
22-2005057	26921	Everest Reinsurance Company	DE		15,250											3,496		(3,496)	
47-0698507	23680	Odyssey Reinsurance Company	CT		1,612											348		(348)	
23-1641984	10219	QBE Reinsurance Corporation	PA		249											53		(53)	
13-1675535	25364	Swiss Re Underwriters Agency, Inc. o/b/o Swi	NY		428											92		(92)	
13-5616275	19453	Transatlantic Reinsurance Company	NY		602											131		(131)	
46-1168622	14568	Maison Insurance Company	LA	2	186		1								2			2	141
47-1005834	15545	Woodlands Insurance Company	TX	2	328										1			1	249
59-3560143	10969	United Property & Casualty Insurance Compa	FL	2	582										1			1	443
90-0797817	14930	Weston Insurance Company	FL	2	1,298			29	7	3	1				40			40	986
0999998	Total Authorized - Other U.S. Unaffiliated Insurers (Under \$100,000)																		
0999999	Total Authorized - Other U.S. Unaffiliated Insurers					20,535		1	29	7	6	1			44	4,120		(4,076)	1,819
AA-1120083	0	Ariel Re Bermuda Limited obo Lloyd's Underw	GBR		1,451											313		(313)	
AA-3194168	0	Aspen Bermuda Limited	BMU		537											116		(116)	
AA-3194139	0	AXIS Specialty Limited	BMU		2,345											504		(504)	
AA-3194122	0	DaVinci Reinsurance Ltd thru Renaissance U/	BMU		3,875											849		(849)	
AA-1340125	0	Hannover Rueck SE	DEU		59,270											13,338		(13,338)	
AA-3190871	0	Lancashire Insurance Company Ltd	BMU		349											81		(81)	
AA-1126566	0	Lloyd's Underwriter Syndicate No. 0566	GBR		249											53		(53)	
AA-1127084	0	Lloyd's Underwriter Syndicate No. 1084 CSL	GBR		614											134		(134)	
AA-1127183	0	Lloyd's Underwriter Syndicate No. 1183 TAL	GBR		199											43		(43)	
AA-1120085	0	Lloyd's Underwriter Syndicate No. 1274 AUL	GBR		237											51		(51)	
AA-1127414	0	Lloyd's Underwriter Syndicate No. 1414 ASC	GBR		2,560											559		(559)	
AA-1120102	0	Lloyd's Underwriter Syndicate No. 1458 RNR	GBR		829											179		(179)	
AA-1120084	0	Lloyd's Underwriter Syndicate No. 1955 BAR	GBR		249											53		(53)	
AA-1128001	0	Lloyd's Underwriter Syndicate No. 2001 AML	GBR		622											133		(133)	
AA-1128003	0	Lloyd's Underwriter Syndicate No. 2003 XLC f	GBR		365											80		(80)	

22

NOTE: 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 of \$50,000:

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

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

	1 Name of Reinsurer	2 Total Recoverables	3 Ceded Premiums	4 Affiliated
1)	_____	_____	_____	Yes [] No []
2)	_____	_____	_____	Yes [] No []
3)	_____	_____	_____	Yes [] No []
4)	_____	_____	_____	Yes [] No []
5)	_____	_____	_____	Yes [] No []

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		18 Net Amount Recoverable From Reinsurers Cols. 15 – [16 + 17]	19 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 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			
AA-1120071	0	Lloyd's Underwriter Syndicate No. 2007 NVA	GBR		249											53		(53)	
AA-1120097	0	Lloyd's Underwriter Syndicate No. 2468 MFM	GBR		260											60		(60)	
AA-1128791	0	Lloyd's Underwriter Syndicate No. 2791 MAP	GBR		941											205		(205)	
AA-1128987	0	Lloyd's Underwriter Syndicate No. 2987 BRT	GBR		202											47		(47)	
AA-1120075	0	Lloyd's Underwriter Syndicate No. 4020 ARK	GBR		348											75		(75)	
AA-1126004	0	Lloyd's Underwriter Syndicate No. 4444 CNP	GBR		995											213		(213)	
AA-3190686	0	Partner Reinsurance Company Ltd.	BMU		1,343											290		(290)	
AA-3190339	0	Renaissance Reinsurance Ltd.	BMU		5,723											1,254		(1,254)	
AA-3190870	0	Validus Reinsurance, Ltd.	BMU		2,380											514		(514)	
1299998	Total Authorized - Other Non-U.S. Insurers# (Under \$100,000)																		
1299999	Total Authorized - Other Non-U.S. Insurers#				86,192											19,197		(19,197)	
1399999	Total Authorized - Total Authorized				106,727		1	29	7	6	1				44	23,317		(23,273)	1,819
AA-3190770	0	Chubb Tempest Reinsurance Ltd. Fka Ace Te	BMU		1,099											237		(237)	
AA-1464104	0	Allianz Risk Transfer AG	CHE		698											162		(162)	
AA-3190829	0	Markel Bermuda Limited f/k/a Alterra Bermud	BMU		1,343											290		(290)	
AA-3190005	0	Ascot Underwriting (Bermuda) Ltd. o/b/o Ame	BMU		1,483											324		(324)	
AA-3194126	0	Arch Reinsurance Ltd	BMU		645											139		(139)	
AA-3190347	0	Artex SAC Limited on behalf of Series CX Se	BMU		452											97		(97)	
AA-9240012	0	China Property & Casualty Reinsurance Com	CHN		149											32		(32)	
AA-3191289	0	Fidelis Insurance Bermuda Limited	BMU		688											153		(153)	
AA-3191190	0	Hamilton Re, Ltd (Formerly S.A.C. Re Ltd)	BMU		478											104		(104)	
AA-3190875	0	Hiscox Insurance Company Ltd (Bermuda)	BMU		249											53		(53)	
AA-3190677	0	Horseshoe Re Limited	BMU		689											148		(148)	
AA-8310008	0	Humboldt Re Limited	GGY		124											27		(27)	
AA-8310006	0	Kelvin Re Limited	GGY		124											27		(27)	
AA-5420050	0	Korean Reinsurance Company	KOR		161											35		(35)	

22.1

NOTE: 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 of \$50,000:

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

B. Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on-the total recoverables, 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 Premiums	Affiliated
1) _____	_____	_____	Yes [] No []
2) _____	_____	_____	Yes [] No []
3) _____	_____	_____	Yes [] No []
4) _____	_____	_____	Yes [] No []
5) _____	_____	_____	Yes [] No []

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		18 Net Amount Recoverable From Reinsurers Cols. 15 – [16 + 17]	19 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 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			
AA-1120152	0	Nautical Management Ltd o/b/o Lloyd's Syndi	BMU		3,808											816		(816)	
AA-5340660	0	The New India Assurance Company Limited	IND		249											53		(53)	
AA-1460100	0	SATEC Srl o/b/o Neue Ruckversicherungs-Ge	CHE		158											34		(34)	
AA-5320039	0	Pioneer Underwriting Ltd. Obo Peak Reinsura	HKG		168											37		(37)	
AA-9240019	0	Pioneer Underwriting Ltd. Obo PICC Property	CHN		149											32		(32)	
AA-3194224	0	Poseidon Re Ltd.	BMU		2,161											463		(463)	
AA-1120145	0	QBE Re (Europe) Ltd - Bermuda Branch, Ha	BMU		645											139		(139)	
AA-3191298	0	Qatar Reinsurance Company Ltd. fka Qatar R	BMU		215											46		(46)	
AA-1080029	0	Dom Re IC (formerly Solidum Re Dom IC Limi	GBR		876											189		(189)	
AA-5324100	0	Pioneer Underwriting Ltd. oboTaiping Reinsur	HKG		178											39		(39)	
AA-1460023	0	Tokio Millennium Re AG	CHE		1,590											344		(344)	
AA-3191315	0	XL Re Ltd.	BMU		746											160		(160)	
2599998	Total Unauthorized - Other non-U.S. Insurers# (under \$100,000)																		
2599999	Total Unauthorized - Other non-U.S. Insurers#				19,325											4,180		(4,180)	
2699999	Total Unauthorized - Total Unauthorized				19,325											4,180		(4,180)	
4099999	Total Authorized, Unauthorized and Certified				126,052	1	29	7	6	1				44	27,497		(27,453)	1,819	
9999999	Totals				126,052	1	29	7	6	1				44	27,497		(27,453)	1,819	

222

NOTE: 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 of \$50,000:

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

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

1 Name of Reinsurer	2 Total Recoverables	3 Ceded Premiums	4 Affiliated
1) _____	_____	_____	Yes [] No []
2) _____	_____	_____	Yes [] No []
3) _____	_____	_____	Yes [] No []
4) _____	_____	_____	Yes [] No []
5) _____	_____	_____	Yes [] No []

NONE Schedule F - Part 4 Aging of Ceded Reinsurance

SCHEDULE F – PART 5

Provision for Unauthorized Reinsurance as of December 31, Current Year (000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Special Code	Reinsurance Recoverable all Items Schedule F Part 3, Col. 15	Funds Held By Company Under Reinsurance Treaties	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Ceded Balances Payable	Miscellaneous Balances Payable	Trust Funds and Other Allowed Offset Items	Total Collateral and Offsets Allowed (Cols. 7 + 8 + 10 + 11 + 12 but not in Excess of Col. 6)	Provision for Unauthorized Reinsurance (Col. 6 minus Col. 13)	Recoverable Paid Losses & LAE Expenses Over 90 Days past Due not in Dispute	20 % of Amount in Col. 15	20% of Amount in Dispute Included in Column 6	Provision for Overdue Reinsurance (Col. 16 plus Col 17)	Total Provision for Reinsurance Ceded to Unauthorized Reinsurers (Col. 14 plus Col. 18 but not in Excess of Col. 6)
AA-3190770	0	Chubb Tempest Reinsurance Ltd. Fka Ace Te	BMU						237									
AA-1464104	0	Allianz Risk Transfer AG	CHE						162									
AA-3190829	0	Markel Bermuda Limited f/k/a Alterra Bermud	BMU						290									
AA-3190005	0	Ascot Underwriting (Bermuda) Ltd. o/b/o Ame	BMU						324									
AA-3194126	0	Arch Reinsurance Ltd	BMU						139									
AA-3190873	0	Ariel Reinsurance Company Ltd	BMU															
AA-3190347	0	Artex SAC Limited on behalf of Series CX Se	BMU						97		9,075							
AA-9240012	0	China Property & Casualty Reinsurance Com	CHN						32									
AA-3191289	0	Fidelis Insurance Bermuda Limited	BMU						153									
AA-3191190	0	Hamilton Re, Ltd (Formerly S.A.C. Re Ltd)	BMU						104									
AA-3190875	0	Hiscox Insurance Company Ltd (Bermuda)	BMU						53									
AA-3190677	0	Horseshoe Re Limited	BMU						148		13,804							
AA-8310008	0	Humboldt Re Limited	GGY						27									
AA-8310006	0	Kelvin Re Limited	GGY						27									
AA-5420050	0	Korean Reinsurance Company	KOR						35									
AA-1120152	0	Nautical Management Ltd o/b/o Lloyd's Syndi	BMU						816									
AA-5340660	0	The New India Assurance Company Limited	IND						53									
AA-1460100	0	SATEC Srl o/b/o Neue Ruckversicherungs-G	CHE						34									
AA-5320039	0	Pioneer Underwriting Ltd. Obo Peak Reinsura	HKG						37									
AA-9240019	0	Pioneer Underwriting Ltd. Obo PICC Property	CHN						32									
AA-3194224	0	Poseidon Re Ltd.	BMU						463		43,006							
AA-1120145	0	QBE Re (Europe) Ltd - Bermuda Branch, Ha	BMU						139									
AA-3191298	0	Qatar Reinsurance Company Ltd. fka Qatar R	BMU						46									
AA-1080029	0	Dom Re IC (formerly Solidum Re Dom IC Lim	GBR						189									
AA-5324100	0	Pioneer Underwriting Ltd. oboTaiping Reinsur	HKG						39									
AA-1460023	0	Tokio Millennium Re AG	CHE						344									
AA-3191315	0	XL Re Ltd.	BMU						160									
1299999		Total Other Non-U.S. Insurers #						X X X	4,180		65,885							
1399999		Total Affiliates and Others						X X X	4,180		65,885							
9999999		Totals						X X X	4,180		65,885							

1. Amounts in dispute totaling \$ 0 are included in Column 6.
 2. Amounts in dispute totaling \$ 0 are excluded from Column 15.

(a)

Issuing or Confirming Bank Reference Number	Letters of Credit Code	American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Letters of Credit Amount
			NONE	

- NONE** **Schedule F - Part 6 - Section 1**
- NONE** **Schedule F - Part 6 - Section 2**
- NONE** **Schedule F - Part 7**
- NONE** **Schedule F - Part 8 Overdue Reinsurance**

SCHEDULE F – PART 9

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)	970,529,915		970,529,915
2. Premiums and considerations (Line 15)	204,394		204,394
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1)			
4. Funds held by or deposited with reinsured companies (Line 16.2)			
5. Other assets	1,973,591		1,973,591
6. Net amount recoverable from reinsurers		29,316,162	29,316,162
7. Protected cell assets (Line 27)			
8. Totals (Line 28)	972,707,900	29,316,162	1,002,024,062
LIABILITIES (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3)	53,458,562		53,458,562
10. Taxes, expenses, and other obligations (Lines 4 through 8)	486,933,229		486,933,229
11. Unearned premiums (Line 9)	237,725,520		237,725,520
12. Advance premiums (Line 10)	7,108,831		7,108,831
13. Dividends declared and unpaid (Line 11.1 and 11.2)			
14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12)	27,496,977	(27,496,977)	
15. Funds held by company under reinsurance treaties (Line 13)	1,819,185	(1,819,185)	
16. Amounts withheld or retained by company for account of others (Line 14)			
17. Provision for reinsurance (Line 16)			
18. Other liabilities	158,165,596		158,165,596
19. Total liabilities excluding protected cell business (Line 26)	972,707,900	(29,316,162)	943,391,738
20. Protected cell liabilities (Line 27)			
21. Surplus as regards policyholders (Line 37)		X X X	
22. Totals (Line 38)	972,707,900	(29,316,162)	943,391,738

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	6		111		22		139	X X X	
2. 2007	264,890	129,047	135,843	15,745		2,489		2,452	21	20,686	X X X	
3. 2008	321,937	460,497	(138,560)	2,562,629	1,322,865	94,872	50,495	246,369	123,640	2,691	1,406,870	X X X
4. 2009	357,906	(31,694)	389,600	10,388		223		1,991			12,602	X X X
5. 2010	383,424	31,694	351,730	18,005		323		3,951	14		22,279	X X X
6. 2011	385,000	63,219	321,781	95,797		696		14,344	48		110,837	X X X
7. 2012	429,594	108,472	321,122	65,575		724		14,797	69		81,096	X X X
8. 2013	456,630	161,499	295,131	70,793		790		12,905	72		84,488	X X X
9. 2014	484,049	116,493	367,556	7,002		704		5,749	5		13,455	X X X
10. 2015	501,722	124,128	377,594	137,152		1,136		36,666			174,954	X X X
11. 2016	496,457	126,053	370,404	24,610		55		12,935	1		37,599	X X X
12. Totals	X X X	X X X	X X X	3,007,702	1,322,865	102,123	50,495	352,181	123,641	2,920	1,965,005	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	19				2					1		22	X X X
2. 2007												22	X X X
3. 2008	2,571		28,938		855			2,587		2,552		37,503	X X X
4. 2009			9							2		11	X X X
5. 2010			15							4		19	X X X
6. 2011	90		77		38			11		35		251	X X X
7. 2012	707		46		187			6		64		1,010	X X X
8. 2013	46		984		78			221		37		1,366	X X X
9. 2014	226		70		366			15		24		701	X X X
10. 2015	1,766		1,037		638			44		472		3,957	X X X
11. 2016	1,321	29	5,361	6	277			80		1,622	8	8,618	X X X
12. Totals	6,746	29	36,537	6	2,441			2,964		4,813	8	53,458	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	19	3
2. 2007	20,686		20,686	7,809		15,228					
3. 2008	2,941,373	1,497,000	1,444,373	913,649	325,084	(1042,417)				31,509	5,994
4. 2009	12,613		12,613	3,524		3,237				9	2
5. 2010	22,298		22,298	5,815		6,340				15	4
6. 2011	111,088		111,088	28,854		34,523				167	84
7. 2012	82,106		82,106	19,112		25,568				753	257
8. 2013	85,854		85,854	18,802		29,090				1,030	336
9. 2014	14,156		14,156	2,924		3,851				296	405
10. 2015	178,911		178,911	35,659		47,382				2,803	1,154
11. 2016	46,261	44	46,217	9,318	0.035	12,477				6,647	1,971
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	43,248	10,210

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	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	One Year	Two Year	
1. Prior	5,424	3,102	4,041	4,375	4,444	4,452	4,431	4,432	4,339	4,446	107	14	
2. 2007	19,106	18,324	18,003	18,353	18,364	18,240	18,234	18,234	18,235	18,234	(1)		
3. 2008	XXX	981,079	825,578	1,046,901	1,147,063	1,452,204	1,351,790	1,326,477	1,319,814	1,319,092	(722)	(7,385)	
4. 2009	XXX	XXX	8,259	11,184	10,807	10,963	10,677	10,630	10,607	10,620	13	(10)	
5. 2010	XXX	XXX	XXX	15,605	18,477	18,495	18,844	18,696	18,591	18,343	(248)	(353)	
6. 2011	XXX	XXX	XXX	XXX	95,386	97,559	98,106	97,510	96,893	96,709	(184)	(801)	
7. 2012	XXX	XXX	XXX	XXX	XXX	63,238	70,390	68,006	67,357	67,245	(112)	(761)	
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	77,923	76,010	73,574	72,912	(662)	(3,098)	
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,255	8,346	8,383	37	1,128	
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	148,901	141,773	(7,128)	XXX	
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	31,669	XXX	XXX	
											12. Totals	(8,900)	(11,266)

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
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
1. Prior	000	1,340	3,684	4,209	4,308	4,308	4,308	4,308	4,308	4,425	XXX	XXX
2. 2007	13,953	16,327	17,250	18,034	18,043	18,214	18,234	18,234	18,234	18,234	XXX	XXX
3. 2008	XXX	738,299	802,184	832,985	929,040	1,116,080	1,251,903	1,274,072	1,280,060	1,284,141	XXX	XXX
4. 2009	XXX	XXX	4,838	8,876	9,772	10,342	10,558	10,581	10,605	10,611	XXX	XXX
5. 2010	XXX	XXX	XXX	10,706	14,827	16,987	18,413	18,437	18,572	18,328	XXX	XXX
6. 2011	XXX	XXX	XXX	XXX	77,392	88,433	95,197	95,726	96,316	96,493	XXX	XXX
7. 2012	XXX	XXX	XXX	XXX	XXX	47,906	63,347	65,653	66,047	66,299	XXX	XXX
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	67,645	71,138	71,467	71,583	XXX	XXX
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,880	7,312	7,706	XXX	XXX
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	127,928	138,288	XXX	XXX
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24,665	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		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
1. Prior	2,066	43		47	8							
2. 2007	80	48	4	269	42	2				1		
3. 2008	XXX	153,745	3,776	93,979	107,485	220,181	89,344	46,210	35,157	31,525		
4. 2009	XXX	XXX	457	199	35	127	77	24	3	9		
5. 2010	XXX	XXX	XXX	832	83	81	219	36	11	15		
6. 2011	XXX	XXX	XXX	XXX	4,424	2,912	1,826	917	483	88		
7. 2012	XXX	XXX	XXX	XXX	XXX	7,378	4,349	1,467	622	52		
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX	8,794	4,270	1,875	1,205		
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,536	232	85		
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,183	1,081		
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,435		

- 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	2,255		2,646		2,081			6,982	X X X
2. 2015	501,722	124,128	377,594	137,152		1,136		36,666			174,954	X X X
3. 2016	496,457	126,053	370,404	24,610		55		12,935	1		37,599	X X X
4. Totals	X X X	X X X	X X X	164,017		3,837		51,682	1		219,535	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	3,659		30,139		1,526		2,840		2,719			40,883	52
2. 2015	1,766		1,037		638		44		472			3,957	83
3. 2016	1,321	29	5,361	6	277		80		1,622	8		8,618	314
4. Totals	6,746	29	36,537	6	2,441		2,964		4,813	8		53,458	449

	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	33,798	7,085
2. 2015	178,911		178,911	35.659		47.382				2,803	1,154
3. 2016	46,261	44	46,217	9.318	0.035	12.477				6,647	1,971
4. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	43,248	10,210

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

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

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	One Year	Two Year
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	64,221	54,727	52,956	(1,771)	(11,265)
2. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	148,901	141,773	(7,128)	XXX
3. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	31,669	XXX	XXX
4. Totals											(8,899)	(11,265)

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
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	One Year	Two Year
1. Prior	XXX	XXX	XXX	XXX	XXX	NONE						
2. 2015	XXX	XXX	XXX	XXX	XXX	NONE		XXX				XXX
3. 2016	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
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	One Year	Two Year
1. Prior	XXX	XXX	XXX	XXX	XXX	NONE						
2. 2015	XXX	XXX	XXX	XXX	XXX	NONE		XXX				XXX
3. 2016	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
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	One Year	Two Year
1. Prior	XXX	XXX	XXX	XXX	XXX	NONE						
2. 2015	XXX	XXX	XXX	XXX	XXX	NONE		XXX				XXX
3. 2016	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
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	One Year	Two Year
1. Prior												
2. 2007												
3. 2008	XXX											
4. 2009	XXX	XXX										
5. 2010	XXX	XXX	XXX									
6. 2011	XXX	XXX	XXX	XXX								
7. 2012	XXX	XXX	XXX	XXX	XXX							
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2016	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 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016		
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X	X X X	000	9,891	14,792	X X X	X X X
2. 2015	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	127,928	138,288	X X X	X X X
3. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	24,665	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 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016		
1. Prior	X X X	X X X	X X X	X X X	X X X	NONE		000				
2. 2015	X X X	X X X	X X X	X X X	X X X	NONE		X X X				
3. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X			

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 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016		
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. 2015	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. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		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 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016		
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. 2015	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. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		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 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016		
1. Prior	000										X X X	X X X
2. 2007											X X X	X X X
3. 2008	X X X										X X X	X X X
4. 2009	X X X	X X X									X X X	X X X
5. 2010	X X X	X X X	X X X								X X X	X X X
6. 2011	X X X	X X X	X X X	X X X							X X X	X X X
7. 2012	X X X	X X X	X X X	X X X	X X X						X X X	X X X
8. 2013	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. 2014	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. 2015	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X			X X X	X X X
11. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		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
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	54,460	38,384	32,979
2. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,183	1,081
3. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,435

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
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P – PART 4K – FIDELITY/SURETY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P – PART 4M – INTERNATIONAL

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Prior										
2. 2007										
3. 2008	XXX									
4. 2009	XXX	XXX								
5. 2010	XXX	XXX	XXX							
6. 2011	XXX	XXX	XXX	XXX						
7. 2012	XXX	XXX	XXX	XXX	XXX					
8. 2013	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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

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

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

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

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

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

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

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

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

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

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

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

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

NONE Schedule P - Part 5T - Warranty

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

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

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

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

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

NONE Schedule P - Part 7A

NONE Schedule P - Part 7A (Continued)

NONE Schedule P - Part 7B

NONE Schedule P - Part 7B (Continued)

SCHEDULE P INTERROGATORIES

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

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

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

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

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

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

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

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

Years in Which Premiums Were Earned and Losses Were Incurred	DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid	
	1 Section 1: Occurrence	2 Section 2: Claims-Made
1.601 Prior		
1.602 2007		
1.603 2008		
1.604 2009		
1.605 2010		
1.606 2011		
1.607 2012		
1.608 2013		
1.609 2014		
1.610 2015		
1.611 2016		
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 [] No [X]

7.2 An extended statement may be attached

.....

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

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
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	487,353,537	496,456,941	36,786,677	19,003,892	43,283,593		
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		487,353,537	496,456,941	36,786,677	19,003,892	43,283,593		

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

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

Texas Windstorm Insurance Association only writes policies in Texas.

(a) Insert the number of L responses except for Canada and Other Alien.

NONE **Schedule T - Part 2**

NONE **Schedule Y - Part 1**

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

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

97

Asterik	Explanation
	NONE

SCHEDULE Y

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

1 NAIC Company Code	2 ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred Under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
30040 11543	74-6189303 43-1982873	Texas Windstorm Insurance Association Texas FAIR Plan Association						10,533,789 (10,533,789)			10,533,789 (10,533,789)	
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?	YES
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. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

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

Explanation:

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

- Explanation 8: Not applicable
- Explanation 9: The Association is required to file by June 30th.
- Explanation 10: The Association is required to file by June 30th.
- Explanation 13: Not applicable
- Explanation 14: Not applicable
- Explanation 15: Not applicable
- Explanation 16: Not applicable
- Explanation 17: Not applicable
- Explanation 19: Not applicable
- Explanation 20: Not applicable
- Explanation 22: Not applicable
- Explanation 23: Not applicable
- Explanation 24: Not applicable
- Explanation 25: Not applicable
- Explanation 26: Not applicable
- Explanation 27: Not applicable
- Explanation 28: Not applicable
- Explanation 29: Not applicable
- Explanation 30: Not applicable
- Explanation 31: Not applicable
- Explanation 32: Not applicable
- Explanation 33: Not applicable
- Explanation 34: Not applicable

Bar Code:

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES



30040201620100000



30040201622000000



30040201622100000



30040201642000000



30040201624000000



30040201636000000



30040201645500000



30040201649000000



30040201638500000



30040201636500000



30040201644100000



30040201640000000



30040201650000000



30040201650500000



30040201622400000



30040201622500000



30040201622600000



30040201623000000



30040201630600000



30040201621000000



30040201621600000



30040201621700000



30040201655000000



30040201622300000

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	755,072	880,918
2505. Deferred rent liability	575,389	434,364
2506. Surcharge payable	354,818	401,775
2597. Totals (Lines 2504 through 2596) (Page 3, Line 2598)	1,685,279	1,717,057

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. Miscellaneous Expense		5,263		5,263
2497. Totals (Lines 2404 through 2496) (Page 11, Line 24)		5,263		5,263

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities						
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies						
1.22 Issued by U.S. government sponsored agencies						
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations						
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations						
1.43 Revenue and assessment obligations						
1.44 Industrial development and similar obligations						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA						
1.512 Issued or guaranteed by FNMA and FHLMC						
1.513 All other						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA						
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521						
1.523 All other						
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)						
2.2 Unaffiliated non-U.S. securities (including Canada)						
2.3 Affiliated securities						
3. Equity interests:						
3.1 Investments in mutual funds						
3.2 Preferred stocks:						
3.21 Affiliated						
3.22 Unaffiliated						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated						
3.32 Unaffiliated						
3.4 Other equity securities:						
3.41 Affiliated						
3.42 Unaffiliated						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated						
3.52 Unaffiliated						
4. Mortgage loans:						
4.1 Construction and land development						
4.2 Agricultural						
4.3 Single family residential properties						
4.4 Multifamily residential properties						
4.5 Commercial loans						
4.6 Mezzanine real estate loans						
5. Real estate investments:						
5.1 Property occupied by company						
5.2 Property held for production of income (including \$ _____ of property acquired in satisfaction of debt)						
5.3 Property held for sale (including \$ _____ of property acquired in satisfaction of debt)						
6. Contract loans						
7. Derivatives						
8. Receivables for securities						
9. Securities Lending (Line 10, Asset Page reinvested collateral)				X X X	X X X	X X X
10. Cash, cash equivalents and short-term investments	1,029,690,286	100.00	970,529,915		970,529,915	100.00
11. Other invested assets						
12. Total invested assets	1,029,690,286	100.00	970,529,915		970,529,915	100.00

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

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-Term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year					
2. Cost of short-term investments acquired	26,095,768			26,095,768	
3. Accrual of discount					
4. Unrealized valuation increase (decrease)					
5. Total gain (loss) on disposals					
6. Deduct consideration received on disposals					
7. Deduct amortization of premium					
8. Total foreign exchange change in book/adjusted carrying value					
9. Deduct current year's other-than-temporary impairment recognized					
10. Book adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	26,095,768			26,095,768	
11. Deduct total nonadmitted amounts					
12. Statement value at end of current period (Line 10 minus Line 11)	26,095,768			26,095,768	

(a) Indicate the category of such assets, for exam

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 - VERIFICATION BETWEEN YEARS

(Cash Equivalents)

	1	2	3
	Total	Bonds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year	534,432,876		534,432,876
2. Cost of cash equivalents acquired	1,369,070		1,369,070
3. Accrual of discount			
4. Unrealized valuation increase (decrease)			
5. Total gain (loss) on disposals			
6. Deduct consideration received on disposals			
7. Deduct amortization of premium			
8. Total foreign exchange change in book/adjusted carrying value			
9. Deduct current year's other-than-temporary impairment recognized			
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	535,801,946		535,801,946
11. Deduct total nonadmitted amounts	59,160,372		59,160,372
12. Statement value at end of current period (Line 10 minus Line 11)	476,641,574		476,641,574

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

- NONE Schedule A - Part 1**
- NONE Schedule A - Part 2**
- NONE Schedule A - Part 3**
- NONE Schedule B - Part 1**
- NONE Schedule B - Part 2**
- NONE Schedule B - Part 3**
- NONE Schedule BA - Part 1**
- NONE Schedule BA - Part 2**
- NONE Schedule BA - Part 3**
- NONE Schedule D - Part 1**
- NONE Schedule D - Part 2 - Section 1**
- NONE Schedule D - Part 2 - Section 2**
- NONE Schedule D - Part 3**
- NONE Schedule D - Part 4**
- NONE Schedule D - Part 5**
- NONE Schedule D - Part 6 - Section 1 and 2**

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Date Acquired	6 Name of Vendor	7 Maturity Date	8 Book / Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				13 Par Value	14 Actual Cost	Interest					21 Paid for Accrued Interest	
		3 Code	4 F o r e i g n					9 Unrealized Valuation Increase / (Decrease)	10 Current Year's (Amortization) / Accretion	11 Current Year's Other -Than- Temporary Impairment Recognized	12 Total Foreign Exchange Change in B./A.C.V.			15 Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default	16 Non-Admitted Due And Accrued	17 Rate of	18 Effective Rate of	19 When Paid		20 Amount Received During Year
	BlackRock Money Market Fund			12/31/2017	Bank of Amercia	01/02/2017	26,095,768					26,095,768				0.009	01/02/			
9099999	Other Short-Term Invested Assets						26,095,768					X X X	26,095,768			X X X	X X X	X X X		
9199999	TOTALS						26,095,768					X X X	26,095,768			X X X	X X X	X X X		

E17

- NONE** **Schedule DB - Part A - Section 1**
- NONE** **Schedule DB - Part A - Section 2**
- NONE** **Schedule DB - Part B - Section 1**
- NONE** **Schedule DB - Part B - Section 2**
- NONE** **Schedule DB - Part D - Section 1**
- NONE** **Schedule DB - Part D - Section 2**
- NONE** **Schedule DL - Part 1**
- NONE** **Schedule DL - Part 2**

SCHEDULE E - PART 1 - CASH

1	2	3	4	5	6	7
Depository	Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
OPEN DEPOSITORIES						
Bank of America N.A.	Austin, TX				28,522,430	
Bank of America N.A. - Certificate of Deposit	Due 01/26/2016	0.310	38,750			
Bank of America N.A. - Certificate of Deposit	Due 03/21/2016	0.400	50,000			
Bank of America N.A. - Certificate of Deposit	Due 04/27/2016	0.340	51,283			
Bank of America N.A. - Certificate of Deposit	Due 06/21/2016	0.500	12,778			
Bank of America N.A. - Certificate of Deposit	Due 08/25/2016	0.550	27,500			
Bank of America N.A. - Certificate of Deposit	Due 09/21/2016	0.700	53,667			
Bank of America N.A. - Certificate of Deposit	Due 10/25/2016	0.700	52,972			
Bank of America N.A. - Certificate of Deposit	Due 12/21/2016	0.750	38,125			
Bank of America N.A. - Certificate of Deposit	Due 01/23/2017	0.750		82,812	25,000,000	
Bank of America N.A. - Certificate of Deposit	Due 02/21/2017	0.870		46,400	15,000,000	
Bank of America N.A. - Certificate of Deposit	Due 03/14/2017	0.870		25,858	10,000,000	
Bank of America N.A. - Certificate of Deposit	Due 03/15/2017	0.870		47,488	15,000,000	
Bank of America N.A. - Certificate of Deposit	Due 03/20/2017	0.870		40,021	15,000,000	
Bank of America N.A. - Certificate of Deposit	Due 03/30/2017	0.840		32,925	15,000,000	
Bank of America N.A. - Certificate of Deposit	Due 04/24/2017	0.820		23,051	15,104,255	
Bank of America N.A. - Certificate of Deposit	Due 06/19/2017	1.050		2,917	10,000,000	
Citibank, N.A.	Dallas, TX				2,159	
Citibank, N.A. - MMDA	Dallas, TX	0.150	23,056		893,168	
Citibank, N.A. - MMDA	Dallas, TX	0.150	17		11,097	
Citibank, N.A. - MMTD	San Antonio, TX	0.490	394,283		90,424,866	
JP Morgan Chase Bank, N.A.	San Antonio, TX				305,236	
JP Morgan Chase Bank, N.A.	San Antonio, TX				1,478,737	
JP Morgan Chase Bank, N.A. - MMDA	San Antonio, TX	0.150	15,731			
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 03/23/2016	0.330	12,346			
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 04/23/2016	0.370	18,562			
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 05/23/2016	0.400	25,007			
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 06/23/2016	0.440	33,127			
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 07/23/2016	0.470	54,930			
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 07/25/2016	0.700	87,500			
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 08/23/2016	0.490	65,619			
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 09/23/2016	0.560	40,922			
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 10/23/2016	0.540	39,995			
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 11/23/2016	0.540	40,901			
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 12/23/2016	0.510	38,440			
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 01/23/2017	0.470		41,934	20,054,930	
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 02/19/2017	0.680		36,329	15,000,000	
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 02/23/2017	0.680		48,597	20,065,619	
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 03/15/2017	0.720		21,107	10,000,000	
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 03/23/2017	0.720		29,397	15,053,268	
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 04/23/2017	0.710		19,920	15,059,278	
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 05/23/2017	0.740		11,527	15,366,511	
JP Morgan Chase Bank, N.A. - Certificate of Deposit	Due 06/23/2017	0.820		2,746	15,071,615	
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 03/29/2016	0.120	4,490			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 04/27/2016	0.200	25,054			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 04/29/2016	0.120	2,019			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 05/27/2016	0.100	2,135			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 05/29/2016	0.100	422			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 05/29/2016	0.120	7,501			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 06/27/2016	0.200	3,351			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 06/28/2016	0.200	414			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 06/29/2016	0.200	2,369			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 06/29/2016	0.190	14,301			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 07/29/2016	0.120	6,021			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 09/28/2016	0.280	8,801			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 09/28/2016	0.280	10,597			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 10/28/2016	0.290	14,474			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 11/28/2016	0.310	19,559			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 12/28/2016	0.360	22,562			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 12/29/2016	0.360	27,183			
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 01/29/2017	0.500		31,971	15,057,199	
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 02/28/2017	0.480		15,298	12,508,801	
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 03/28/2017	0.500		19,395	15,062,159	
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 03/29/2017	0.700		880	15,087,344	
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 04/28/2017	0.510		13,477	15,070,300	
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 05/28/2017	0.540		7,138	15,071,080	
Wells Fargo Bank, N.A. - Certificate of Deposit	Due 06/28/2017	0.740		772	12,522,520	
0199998 Deposits in () depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories	X X X	X X X				X X X
0199999 Totals - Open Depositories	X X X	X X X	1,386,764	601,960	467,792,572	X X X
SUSPENDED DEPOSITORIES						

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

1. January	970,243,968	4. April	914,422,035	7. July	936,689,220	10. October	955,144,799
2. February	988,323,690	5. May	941,523,644	8. August	950,853,411	11. November	970,887,646
3. March	903,176,438	6. June	967,635,478	9. September	952,654,101	12. December	970,529,915

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Assets Subject to Reverse Repurchase Agreement at Texas Treasury Safekeeping Tru		12/31/2016	0.701	01/02/2017	535,801,946	10,426	1,361,070
8599999 Other Cash Equivalents					535,801,946	10,426	1,361,070
8699999 Total Cash Equivalents					535,801,946	10,426	1,361,070

E27

NONE Schedule E - Part 3

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

Assets	2	Schedule E – Part 3 – Special Deposits	E28
Cash Flow	5	Schedule E – Verification Between Years	SI15
Exhibit of Capital Gains (Losses)	12	Schedule F – Part 1	20
Exhibit of Net Investment Income	12	Schedule F – Part 2	21
Exhibit of Nonadmitted Assets	13	Schedule F – Part 3	22
Exhibit of Premiums and Losses (State Page)	19	Schedule F – Part 4	23
Five-Year Historical Data	17	Schedule F – Part 5	24
General Interrogatories	15	Schedule F – Part 6 - Section 1	25
Jurat Page	1	Schedule F – Part 6 - Section 2	26
Liabilities, Surplus and Other Funds	3	Schedule F – Part 7	27
Notes To Financial Statements	14	Schedule F – Part 8	28
Overflow Page For Write-ins	100	Schedule F – Part 9	29
Schedule A – Part 1	E01	Schedule H – Accident and Health Exhibit – Part 1	30
Schedule A – Part 2	E02	Schedule H – Part 2, Part 3 and Part 4	31
Schedule A – Part 3	E03	Schedule H – Part 5 – Health Claims	32
Schedule A – Verification Between Years	SI02	Schedule P – Part 1 – Summary	33
Schedule B – Part 1	E04	Schedule P – Part 1A – Homeowners/Farmowners	35
Schedule B – Part 2	E05	Schedule P – Part 1B – Private Passenger Auto Liability/Medical	36
Schedule B – Part 3	E06	Schedule P – Part 1C – Commercial Auto/Truck Liability/Medical	37
Schedule B – Verification Between Years	SI02	Schedule P – Part 1D – Workers' Comp (Excluding Excess Workers' Comp)	38
Schedule BA – Part 1	E07	Schedule P – Part 1E – Commercial Multiple Peril	39
Schedule BA – Part 2	E08	Schedule P – Part 1F – Section 1 – Medical Professional Liability	
Schedule BA – Part 3	E09	– Occurrence	40
Schedule BA – Verification Between Years	SI03	Schedule P – Part 1F – Section 2 – Medical Professional Liability	
Schedule D – Part 1	E10	– Claims-Made	41
Schedule D – Part 1A – Section 1	SI05	Schedule P – Part 1G – Special Liability (Ocean, Marine, Aircraft (All	
Schedule D – Part 1A – Section 2	SI08	Perils), Boiler and Machinery)	42
Schedule D – Part 2 – Section 1	E11	Schedule P – Part 1H – Section 1 – Other Liability – Occurrence	43
Schedule D – Part 2 – Section 2	E12	Schedule P – Part 1H – Section 2 – Other Liability – Claims-Made	44
Schedule D – Part 3	E13	Schedule P – Part 1I – Special Property (Fire, Allied Lines, Inland Marine,	
Schedule D – Part 4	E14	Earthquake, Burglary & Theft)	45
Schedule D – Part 5	E15	Schedule P – Part 1J – Auto Physical Damage	46
Schedule D – Part 6 – Section 1	E16	Schedule P – Part 1K – Fidelity/Surety	47
Schedule D – Part 6 – Section 2	E16	Schedule P – Part 1L – Other (Including Credit, Accident and Health)	48
Schedule D – Summary By Country	SI04	Schedule P – Part 1M – International	49
Schedule D – Verification Between Years	SI03	Schedule P – Part 1N – Reinsurance - Nonproportional Assumed Property	50
Schedule DA – Part 1	E17	Schedule P – Part 1O – Reinsurance - Nonproportional Assumed Liability	51
Schedule DA – Verification Between Years	SI10	Schedule P – Part 1P – Reinsurance - Nonproportional Assumed Financial Lines	52
Schedule DB – Part A – Section 1	E18	Schedule P – Part 1R – Section 1 – Products Liability – Occurrence	53
Schedule DB – Part A – Section 2	E19	Schedule P – Part 1R – Section 2 – Products Liability – Claims – Made	54
Schedule DB – Part A – Verification Between Years	SI11	Schedule P – Part 1S – Financial Guaranty/Mortgage Guaranty	55
Schedule DB – Part B – Section 1	E20	Schedule P – Part 1T – Warranty	56
Schedule DB – Part B – Section 2	E21	Schedule P – Part 2, Part 3 and Part 4 - Summary	34
Schedule DB – Part B – Verification Between Years	SI11	Schedule P – Part 2A – Homeowners/Farmowners	57
Schedule DB – Part C – Section 1	SI12	Schedule P – Part 2B – Private Passenger Auto Liability/Medical	57
Schedule DB – Part C – Section 2	SI13	Schedule P – Part 2C – Commercial Auto/Truck Liability/Medical	57
Schedule DB - Part D - Section 1	E22	Schedule P – Part 2D – Workers' Comp (Excluding Excess Workers' Comp)	57
Schedule DB - Part D - Section 2	E23	Schedule P – Part 2E – Commercial Multiple Peril	57
Schedule DB - Verification	SI14	Schedule P – Part 2F – Section 1 – Medical Professional Liability	
Schedule DL - Part 1	E24	– Occurrence	58
Schedule DL - Part 2	E25	Schedule P - Part 2F - Medical Professional Liability - Claims - Made	58
Schedule E – Part 1 – Cash	E26	Schedule P – Part 2G – Special Liability (Ocean Marine, Aircraft (All Perils),	
Schedule E – Part 2 – Cash Equivalents	E27	Boiler and Machinery)	58

ALPHABETICAL INDEX TO PROPERTY ANNUAL STATEMENT

Schedule P – Part 2H – Section 1 – Other Liability – Occurrence	58	Schedule P – Part 4I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	69
Schedule P – Part 2H – Section 2 – Other Liability – Claims – Made	58	Schedule P – Part 4J – Auto Physical Damage	69
Schedule P – Part 2I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	59	Schedule P – Part 4K – Fidelity/Surety	69
Schedule P – Part 2J – Auto Physical Damage	59	Schedule P – Part 4L – Other (Including Credit, Accident and Health)	69
Schedule P – Part 2K – Fidelity, Surety	59	Schedule P – Part 4M – International	69
Schedule P – Part 2L – Other (Including Credit, Accident and Health)	59	Schedule P – Part 4N – Reinsurance - Nonproportional Assumed Property	70
Schedule P – Part 2M – International	59	Schedule P – Part 4O – Reinsurance - Nonproportional Assumed Liability	70
Schedule P – Part 2N – Reinsurance - Nonproportional Assumed Property	60	Schedule P – Part 4P – Reinsurance - Nonproportional Assumed Financial Lines	70
Schedule P – Part 2O – Reinsurance - Nonproportional Assumed Liability	60	Schedule P – Part 4R – Section 1 – Products Liability – Occurrence	71
Schedule P – Part 2P – Reinsurance - Nonproportional Assumed Financial Lines	60	Schedule P – Part 4R – Section 2 – Products Liability – Claims-Made	71
Schedule P – Part 2R – Section 1 – Products Liability – Occurrence	61	Schedule P – Part 4S – Financial Guaranty/Mortgage Guaranty	71
Schedule P – Part 2R – Section 2 – Products Liability – Claims-Made	61	Schedule P – Part 4T – Warranty	71
Schedule P – Part 2S – Financial Guaranty/Mortgage Guaranty	61	Schedule P – Part 5A – Homeowners/Farmowners	72
Schedule P – Part 2T – Warranty	61	Schedule P – Part 5B – Private Passenger Auto Liability/Medical	73
Schedule P – Part 3A – Homeowners/Farmowners	62	Schedule P – Part 5C – Commercial Auto/Truck Liability/Medical	74
Schedule P – Part 3B – Private Passenger Auto Liability/Medical	62	Schedule P – Part 5D – Workers' Comp (Excluding Excess Workers' Comp)	75
Schedule P – Part 3C – Commercial Auto/Truck Liability/Medical	62	Schedule P – Part 5E – Commercial Multiple Peril	76
Schedule P – Part 3D – Workers' Comp (Excluding Excess Workers' Comp)	62	Schedule P – Part 5F – Medical Professional Liability – Claims-Made	78
Schedule P – Part 3E – Commercial Multiple Peril	62	Schedule P – Part 5F – Medical Professional Liability – Occurrence	77
Schedule P – Part 3F – Section 1 – Medical Professional Liability – Occurrence	63	Schedule P – Part 5H – Other Liability – Claims-Made	80
Schedule P – Part 3F – Section 2 – Medical Professional Liability – Claims-Made	63	Schedule P – Part 5H – Other Liability – Occurrence	79
Schedule P – Part 3G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	63	Schedule P – Part 5R – Products Liability – Claims-Made	82
Schedule P – Part 3H – Section 1 – Other Liability – Occurrence	63	Schedule P – Part 5R – Products Liability – Occurrence	81
Schedule P – Part 3H – Section 2 – Other Liability – Claims-Made	63	Schedule P – Part 5T – Warranty	83
Schedule P – Part 3I – Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	63	Schedule P – Part 6C – Commercial Auto/Truck Liability/Medical	84
Schedule P – Part 3J – Auto Physical Damage	63	Schedule P – Part 6D – Workers' Comp (Excluding Excess Workers' Comp)	84
Schedule P – Part 3K – Fidelity/Surety	63	Schedule P – Part 6E – Commercial Multiple Peril	85
Schedule P – Part 3L – Other (Including Credit, Accident and Health)	63	Schedule P – Part 6H – Other Liability – Claims-Made	86
Schedule P – Part 3M – International	63	Schedule P – Part 6H – Other Liability – Occurrence	85
Schedule P – Part 3N – Reinsurance - Nonproportional Assumed Property	64	Schedule P – Part 6M – International	86
Schedule P – Part 3O – Reinsurance - Nonproportional Assumed Liability	64	Schedule P – Part 6N – Reinsurance - Nonproportional Assumed Property	87
Schedule P – Part 3P – Reinsurance - Nonproportional Assumed Financial Lines	64	Schedule P – Part 6O – Reinsurance - Nonproportional Assumed Liability	87
Schedule P – Part 3R – Section 1 – Products Liability – Occurrence	65	Schedule P – Part 6R – Products Liability – Claims-Made	88
Schedule P – Part 3R – Section 2 – Products Liability – Claims-Made	65	Schedule P – Part 6R – Products Liability – Occurrence	88
Schedule P – Part 3S – Financial Guaranty/Mortgage Guaranty	65	Schedule P – Part 7A – Primary Loss Sensitive Contracts	89
Schedule P – Part 3T – Warranty	65	Schedule P – Part 7B – Reinsurance Loss Sensitive Contracts	91
Schedule P – Part 4A – Homeowners/Farmowners	66	Schedule P Interrogatories	93
Schedule P – Part 4B – Private Passenger Auto Liability/Medical	66	Schedule T – Exhibit of Premiums Written	94
Schedule P – Part 4C – Commercial Auto/Truck Liability/Medical	66	Schedule T – Part 2 – Interstate Compact	95
Schedule P – Part 4D – Workers' Comp (Excluding Excess Workers' Comp)	66	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	96
Schedule P – Part 4E – Commercial Multiple Peril	66	Schedule Y - Part 1A - Detail of Insurance Holding Company System	97
Schedule P – Part 4F – Section 1 – Medical Professional Liability – Occurrence	67	Schedule Y – Part 2 – Summary of Insurer's Transactions With Any Affiliates	98
Schedule P – Part 4F – Section 2 – Medical Professional Liability – Claims-Made	67	Statement of Income	4
Schedule P – Part 4G – Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	67	Summary Investment Schedule	SI01
Schedule P – Part 4H – Section 1 – Other Liability – Occurrence	67	Supplemental Exhibits and Schedules Interrogatories	99
Schedule P – Part 4H – Section 2 – Other Liability – Claims-Made	67	Underwriting and Investment Exhibit Part 1	6
		Underwriting and Investment Exhibit Part 1A	7
		Underwriting and Investment Exhibit Part 1B	8
		Underwriting and Investment Exhibit Part 2	9
		Underwriting and Investment Exhibit Part 2A	10
		Underwriting and Investment Exhibit Part 3	11