



**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	25,681,426		25,681,426	26,056,138
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....185,234), cash equivalents (\$.....0) and short-term investments (\$....1,668,924).....	1,854,158		1,854,158	1,230,208
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	27,535,584	0	27,535,584	27,286,346
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	366,114		366,114	331,470
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	669,984	216,556	453,428	459,378
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	28,571,682	216,556	28,355,126	28,077,194
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	28,571,682	216,556	28,355,126	28,077,194

**DETAILS OF WRITE-INS**

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501.....			0	
2502.....			0	
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0	0

**Oklahoma Surety Company**  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$....1,025,875).....	6,630,849	7,032,621
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	3,132,866	3,558,404
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	177,797	190,626
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	73,679	84,846
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	60,726	2,145
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$....3,532,385 and including warranty reserves of \$.....0).....	1,729,950	1,779,952
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....		
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	160,786	89,366
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.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	11,966,653	12,737,960
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	11,966,653	12,737,960
29. Aggregate write-ins for special surplus funds.....	15,882	194,561
30. Common capital stock.....	2,500,000	2,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	1,400,000	1,400,000
35. Unassigned funds (surplus).....	12,472,591	11,244,673
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	16,388,473	15,339,234
38. Totals.....	28,355,126	28,077,194

## DETAILS OF WRITE-INS

2501. Rounding.....		
2502. .....		
2503. .....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0
2901. Additional admitted deferred taxes assets - SSAP 10R.....	15,882	194,561
2902. .....		
2903. .....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	15,882	194,561
3201. .....		
3202. .....		
3203. .....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$....7,354,168).....	8,131,500	10,921,649	13,948,768
1.2 Assumed..... (written \$....2,939,904).....	2,989,906	3,432,441	4,480,945
1.3 Ceded..... (written \$....7,354,168).....	8,131,500	10,921,649	13,948,768
1.4 Net..... (written \$....2,939,904).....	2,989,906	3,432,441	4,480,945
DEDUCTIONS:			
2. Losses incurred (current accident year \$....1,211,929):			
2.1 Direct.....	907,588	540,664	106,142
2.2 Assumed.....	682,865	(95,210)	104,970
2.3 Ceded.....	907,588	540,664	106,142
2.4 Net.....	682,865	(95,210)	104,970
3. Loss adjustment expenses incurred.....	537,446	1,517,057	1,609,705
4. Other underwriting expenses incurred.....	1,040,609	1,182,012	1,520,832
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	2,260,920	2,603,859	3,235,507
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	728,986	828,582	1,245,438
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	769,131	763,135	1,021,376
10. Net realized capital gains (losses) less capital gains tax of \$....800.....	1,486	137,525	136,718
11. Net investment gain (loss) (Lines 9 + 10).....	770,617	900,660	1,158,094
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0		
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	213	(1,743)	(2,373)
15. Total other income (Lines 12 through 14).....	213	(1,743)	(2,373)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	1,499,816	1,727,499	2,401,159
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).....	1,499,816	1,727,499	2,401,159
19. Federal and foreign income taxes incurred.....	378,901	440,288	586,553
20. Net income (Line 18 minus Line 19) (to Line 22).....	1,120,915	1,287,211	1,814,606
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	15,339,234	13,754,832	13,754,832
22. Net income (from Line 20).....	1,120,915	1,287,211	1,814,606
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(35,391).....	(65,727)	8,012	(45,321)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(57,402)	(143,650)	(193,170)
27. Change in nonadmitted assets.....	35,570	17,202	38,527
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			1,500,000
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	15,883	(15,531)	(1,530,240)
38. Change in surplus as regards policyholders (Lines 22 through 37).....	1,049,239	1,153,244	1,584,402
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	16,388,473	14,908,076	15,339,234

**DETAILS OF WRITE-INS**

0501.....			
0502.....			
0503.....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Miscellaneous Income.....	.213	(1,743)	(2,372)
1402. Rounding.....			(1)
1403.....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	.213	(1,743)	(2,373)
3701. Rounding.....	1	(1)	1
3702. Change in non-admitted assets - additional admitted deferred taxes assets -SSAP No. 10R.....	15,882	(15,530)	(30,241)
3703. Unassigned Surplus transferred to Paid in Capital.....			(1,500,000)
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	15,883	(15,531)	(1,530,240)

**CASH FLOW**

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	2,939,904	3,283,153	4,137,721
2. Net investment income.....	900,357	859,622	1,212,761
3. Miscellaneous income.....	213	(1,743)	(2,373)
4. Total (Lines 1 through 3).....	3,840,474	4,141,032	5,348,109
5. Benefit and loss related payments.....	1,084,637	890,188	1,433,814
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,027,589	2,199,709	2,888,848
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$....800 tax on capital gains (losses).....	321,120	173,324	308,324
10. Total (Lines 5 through 9).....	3,433,346	3,263,221	4,630,986
11. Net cash from operations (Line 4 minus Line 10).....	407,128	877,811	717,123
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	1,471,695	5,496,112	5,684,804
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).....	1,471,695	5,496,112	5,684,804
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	1,326,289	6,715,770	7,287,140
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).....	1,326,289	6,715,770	7,287,140
14. Net increase (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	145,406	(1,219,658)	(1,602,336)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	71,416	(18,641)	(5,064)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	71,416	(18,641)	(5,064)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	623,950	(360,488)	(890,277)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	1,230,208	2,120,485	2,120,485
19.2 End of period (Line 18 plus Line 19.1).....	1,854,158	1,759,997	1,230,208

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

20.0001 .....	.....	.....	.....
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**NOTES TO FINANCIAL STATEMENTS****Note 1 - Summary of Significant Accounting Policies****A. Accounting Practices**

The financial statements of Oklahoma Surety Company ("the Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for purposes of determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* has been adopted as a component of prescribed or permitted practices by the state of Ohio. The Company has no prescribed or permitted practices that would result in differences between NAIC SAP and the state of Ohio basis, as shown below:

		2011	2010
(1)	Net Income Ohio basis	\$ 1,120,915	\$ 1,814,606
(2)	State Prescribed Practices	0	0
(3)	State Permitted Practices	0	0
(4)	Net Income, NAIC SAP	\$ 1,120,915	\$ 1,814,606
(5)	Statutory Surplus Ohio basis	\$16,388,473	\$15,339,234
(6)	State Prescribed Practices	0	0
(7)	State Permitted Practices	0	0
(8)	Statutory Surplus, NAIC SAP	\$16,388,473	\$15,339,234

B. No significant change.

C. No significant change.

**Note 2 - Accounting Changes and Corrections of Errors**

No significant change.

**Note 3 - Business Combinations and Goodwill**

No significant change.

**Note 4 - Discontinued Operations**

No significant change.

**Note 5 - Investments**

A. No significant change.

B. No significant change.

C. No significant change.

D. Loan-Backed Securities

1. The Company uses dealer-modeled prepayment assumptions for mortgage-backed and asset-backed securities at the date of purchase to determine effective yields; significant changes in estimated cash flows from the original purchase assumptions are accounted for on a prospective basis.
2. The Company had no loan-backed securities with an other-than-temporary impairment recognized during 2011.
3. The Company had no loan-backed securities with a credit-related other-than-temporary impairment recognized during 2011.
4. The following table shows all loan-backed securities with an unrealized loss:

<b>Less than 12 months</b>		<b>12 months or more</b>	
<b>Fair Value</b>	<b>Unrealized Loss</b>	<b>Fair Value</b>	<b>Unrealized Loss</b>
<u>\$ 1,209,267</u>	<u>\$ (119,582)</u>	\$ _____	\$ _____

**NOTES TO FINANCIAL STATEMENTS**

5. Based on cash flow projections received from independent sources (which reflect loan to collateral values, subordination, vintage and geographic concentration), implied cash flows inherent in security ratings and analysis of historical payment data, management believes that the Company will recover its cost basis in all securities with unrealized losses at September 30, 2011. The Company has the intent to hold such securities until they recover in value or mature.

- E. No significant change.
- F. No significant change.
- G. No significant change.

**Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**

No significant change.

**Note 7 - Investment Income**

No significant change.

**Note 8 - Derivative Instruments**

No significant change.

**Note 9 - Income Taxes**

No significant change.

**Note 10 - Information Concerning Parent, Subsidiaries and Affiliates**

- A. No significant change.
- B. Detail of Transactions Greater than 1/2% of Admitted Assets  
The Company had no transactions with any affiliate exceeding 1/2 of 1% of its total admitted assets during 2011.
- C. No significant change.
- D. No significant change.
- E. No significant change.
- F. No significant change.
- G. No significant change.
- H. No significant change.
- I. No significant change.
- J. No significant change.
- K. No significant change.
- L. No significant change.

**Note 11 - Debt**

No significant change.

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

No significant change.

**Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

No significant change.

**NOTES TO FINANCIAL STATEMENTS****Note 14 - Contingencies**

- A. No significant change.
  - B. No significant change.
  - C. No significant change.
  - D. No significant change.
  - E. All Other Contingencies
- No significant change.

**Note 15 - Leases**

No significant change.

**Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

The Company does not have any financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk.

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

- A. Not applicable.
- B. Not applicable.
- C. The Company was not involved in any wash sale transactions during 2011.

**Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

No significant change.

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

No significant change.

**Note 20 - Fair Value**

## 1. Fair Value Measurements at Reporting Date

The Company has categorized its assets and liabilities measured at fair value into the three-level fair value hierarchy as reflected in the following table. See item 4 below for a discussion of each of these three levels.

	Description	Level 1	Level 2	Level 3	Total
Assets:					
Bonds:					
U.S. Government and government agencies	-	-	-	-	-
States, municipalities and political subdivisions	-	-	-	-	-
Foreign government	-	-	-	-	-
Residential MBS	-	880,940	-	-	880,940
Commercial MBS	-	-	-	-	-
All other Bonds	-----	-----	-----	-----	-----
Total Bonds	-	880,940	-	-	880,940
Non-affiliated common stock	-	-	-	-	-
Non-affiliated preferred stock	-	-	-	-	-
Other investments	-----	-----	-----	-----	-----
Total assets accounted for at fair value	-	880,940	-	-	880,940

## 2. The Company does not have any Level 3 securities carried at fair value.

## 3. Fair Value Recognition of Transfers Between Levels

The Company recognizes and records the transfer of securities into and out of Level 3 due to changes in availability of market observable inputs. All transfers are reflected in the table above at fair value as of the end of the reporting period.

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**NOTES TO FINANCIAL STATEMENTS**

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**4. Inputs and Techniques Used in Estimating Fair Value**

Level 1 - Quoted prices for identical assets or liabilities in active markets (markets in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis). The Company's Level 1 financial instruments consist primarily of publicly traded equity securities and highly liquid government bonds for which quoted market prices in active markets are available.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar assets or liabilities in inactive markets (markets in which there are few transactions, the prices are not current, price quotations vary substantially over time or among market makers, or in which little information is released publicly); and valuations based on other significant inputs that are observable in active markets. The Company's Level 2 financial instruments include corporate and municipal fixed maturity securities and MBS priced using observable inputs. Level 2 inputs include benchmark yields, reported trades, corroborated broker/dealer quotes, issuer spreads and benchmark securities. When non-binding broker quotes can be corroborated by comparison to similar securities priced using observable inputs, they are classified as Level 2.

Level 3 - Valuations derived from market valuation techniques generally consistent with those used to estimate the fair value of Level 2 financial instruments in which one or more significant inputs are unobservable. The unobservable inputs may include management's own assumptions about the assumptions market participants would use based on the best information available in the circumstances. The Company's Level 3 is comprised of financial instruments whose fair value is estimated based on non-binding broker quotes or internally developed using significant inputs not based on, or corroborated by, observable market information.

The Company's investment managers, American Money Management Corporation (an affiliate) is responsible for the valuation process and uses data from outside sources (including nationally recognized pricing services and broker/dealers) in establishing fair value. Valuation techniques utilized by pricing services and prices obtained from external sources are reviewed by AMMC's internal investment professionals who are familiar with the securities being priced and the markets in which they trade to ensure the fair value determination is representative of an exit price. To validate the appropriateness of the prices obtained, these investment managers consider widely published indices (as benchmarks), recent trades, changes in interest rates, general economic conditions and the credit quality of the specific issuers.

**Note 21 - Other Items**

- A. Not applicable.
- B. Not applicable.
- C. Other Disclosures not applicable.
- D. Not applicable.
- E. Not applicable.
- F. Not applicable.
- G. Not applicable.

**Note 22 - Events Subsequent**

There have not been any events subsequent to September 30, 2011 which may have a material effect on the financial condition of the company.

**Note 23 - Reinsurance**

No significant change.

**Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination**

No significant change.

**Note 25 - Change in Incurred Losses and Loss Adjustment Expenses**

Reserves as of December 31, 2010 were \$10.6 million. As of September 30, 2011, \$1,834,000 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$8.5 million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on General Liability and Commercial Auto lines of insurance. Therefore, there has been \$231,000 in favorable prior-year development since December 31, 2010 to September 30, 2011. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

**Note 26 - Intercompany Pooling Arrangements**

No significant change.

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## **NOTES TO FINANCIAL STATEMENTS**

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### **Note 27 - Structured Settlements**

No significant change.

### **Note 28 - Health Care Receivables**

No significant change.

### **Note 29 - Participating Policies**

No significant change.

### **Note 30 - Premium Deficiency Reserves**

The Company does not have any premium deficiency reserves.

### **Note 31 - High Deductibles**

No significant change.

### **Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

No significant change.

### **Note 33 - Asbestos/Environmental Reserves**

No significant change.

### **Note 34 - Subscriber Savings Accounts**

No significant change.

### **Note 35 - Multiple Peril Crop Insurance**

No significant change.

### **Note 36 - Financial Guaranty Insurance**

The Company does not write financial guaranty insurance.

# Oklahoma Surety Company

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

#### GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [ X ]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]

2.2 If yes, date of change: \_\_\_\_\_

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [ X ]  
If yes, complete the Schedule Y-Part 1 - Organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [ X ] N/A [ ]  
If yes, attach an explanation.

\_\_\_\_\_

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008.....

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008.....

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 5/25/2010.....

6.4 By what department or departments?

Ohio

\_\_\_\_\_

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [ X ]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [ X ]

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

7.2 If yes, give full information:

\_\_\_\_\_

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

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

\_\_\_\_\_

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

8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), 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 OTS	6 FDIC	7 SEC

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ X ] No [ ]

- (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.

9.11 If the response to 9.1 is No, please explain:

\_\_\_\_\_

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

\_\_\_\_\_

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

# Oklahoma Surety Company

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

#### GENERAL

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

---

### FINANCIAL

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

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

### INVESTMENT

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

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

---

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.....0

13. Amount of real estate and mortgages held in short-term investments: \$.....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds.....	\$ .....0	\$ .....0
14.22 Preferred Stock.....	\$ .....0	\$ .....0
14.23 Common Stock.....	\$ .....0	\$ .....0
14.24 Short-Term Investments.....	\$ .....0	\$ .....0
14.25 Mortgage Loans on Real Estate.....	\$ .....0	\$ .....0
14.26 All Other.....	\$ .....0	\$ .....0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....0	\$ .....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$ .....0	\$ .....0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

---

16. 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 3, III. Conducting Examinations, F-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
The Bank of New York Mellon	One Wall Street, New York, New York 10286

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [X]

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

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

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
Not Applicable	American Money Management Corporation	One East Fourth Street, Cincinnati, Ohio 45202

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

17.2 If no, list exceptions:

---

**Oklahoma Surety Company**  
**GENERAL INTERROGATORIES (continued)**

**PART 2**

**PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [X] N/A [ ]  
 If yes, attach an explanation.
- 

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [ ] No [X]  
 If yes, attach an explanation.
- 

- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]  
 3.2 If yes, give full and complete information thereto:
- 

- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [ ] No [X]

- 4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
Total.....	....XXX...	....XXX.....	....0	....0	....0	....0	....0	....0	....0	....0

5. Operating Percentages:

5.1 A&H loss percent 0.0 %  
 5.2 A&H cost containment percent 0.0 %

5.3 A&H expense percent excluding cost containment expenses 0.0 %

- 6.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]  
 6.2 If yes, please provide the amount of custodial funds held as of the reporting date. 0  
 6.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]  
 6.4 If yes, please provide the amount of funds administered as of the reporting date. 0

**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (YES or NO)
------------------------------	------------------------------	------------------------	-------------------------------	---

**NONE**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....	..AL	.....N.....					
2. Alaska.....	..AK	.....N.....					
3. Arizona.....	..AZ	.....N.....					
4. Arkansas.....	..AR	.....L.....	239,602	.....250,773	.....36,528	.....156,424	.....182,901
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	.....L.....	1,015,006	.....1,114,203	.....110,962	.....257,461	.....1,427,072
18. Kentucky.....	..KY	.....N.....					
19. Louisiana.....	..LA	.....L.....	8,370	.....11,094	.....1,940	.....483,761	.....1,348,296
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	.....L.....					
37. Oklahoma.....	..OK	.....L.....	3,890,221	.....6,755,689	.....1,827,091	.....2,061,397	.....9,932,564
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.....	2,200,969	.....2,227,038	.....803,519	.....653,585	.....3,226,683
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. US Virgin Islands.....	..VI	.....N.....					
56. Northern Mariana Islands.....	..MP	.....N.....					
57. Canada.....	..CN	.....N.....					
58. Aggregate Other Alien.....	..OT	....XXX....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....
59. Totals.....		(a).....6	.....7,354,168	.....10,358,797	.....2,780,040	.....2,972,443	.....15,226,504
							.....18,297,212

**DETAILS OF WRITE-INS**

5801. ....	....XXX....						
5802. ....	....XXX....						
5803. ....	....XXX....						
5898. Summary of remaining write-ins for Line 58 from overflow page.....	....XXX....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....
5899. Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above).....	....XXX....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....	.....0.....

(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.

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

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
PART 1 – ORGANIZATIONAL CHART

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**NONE**

# Oklahoma Surety Company

## PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....			0.0	
2. Allied lines.....			0.0	
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....			0.0	
5. Commercial multiple peril.....			0.0	
6. Mortgage guaranty.....			0.0	
8. Ocean marine.....			0.0	
9. Inland marine.....			0.0	
10. Financial guaranty.....			0.0	
11.1 Medical professional liability - occurrence.....			0.0	
11.2 Medical professional liability - claims-made.....			0.0	
12. Earthquake.....			0.0	
13. Group accident and health.....			0.0	
14. Credit accident and health.....			0.0	
15. Other accident and health.....			0.0	
16. Workers' compensation.....			0.0	
17.1 Other liability-occurrence.....	3,413,873	121,117	3.5	11.1
17.2 Other liability-claims made.....			0.0	
17.3 Excess workers' compensation.....			0.0	
18.1 Products liability-occurrence.....	1,570,863	301,885	19.2	36.9
18.2 Products liability-claims made.....			0.0	
19.1, 19.2 Private passenger auto liability.....	181,593	10,604	5.8	76.8
19.3, 19.4 Commercial auto liability.....	1,114,809	456,779	41.0	(220.6)
21. Auto physical damage.....	619,810	154,546	24.9	71.1
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....	1,230,552	(137,343)	(11.2)	15.3
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			0.0	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.0	
35. Totals.....	8,131,500	907,588	11.2	5.0

### DETAILS OF WRITE-INS

3401. ....			0.0	
3402. ....			0.0	
3403. ....			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0.0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0.0	0.0	

## PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
			4 Current Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1 Medical professional liability - occurrence.....			
11.2 Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1 Other liability-occurrence.....	999,590	3,136,863	3,427,469
17.2 Other liability-claims made.....			
17.3 Excess workers' compensation.....			
18.1 Products liability-occurrence.....	435,667	1,427,794	1,458,850
18.2 Products liability-claims made.....			
19.1 19.2 Private passenger auto liability.....	(16)	.510	1,340,691
19.3 19.4 Commercial auto liability.....	225,040	1,057,286	1,204,747
21. Auto physical damage.....	130,946	478,063	1,583,621
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....	471,432	1,253,652	1,343,419
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0.0	0.0
35. Totals.....	2,262,659	7,354,168	10,358,797

### DETAILS OF WRITE-INS

3401. ....			
3402. ....			
3403. ....			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0.0	0.0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0.0	0.0

**PART 3 (000 omitted)****LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

Years in Which Losses Occurred	1	2	3	4	5	6	7	8	9	10	11	12	13
	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2011 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2008 + Prior	3,482	3,060	6,542	1,051	173	1,224	2,604	394	2,107	5,105	173	(386)	(213)
2. 2009	1,161	803	1,964	144	63	207	943	163	638	1,744	(74)	61	(13)
3. Subtotals 2009 + Prior	4,643	3,863	8,506	1,195	236	1,431	3,547	557	2,745	6,849	99	(325)	(226)
4. 2010	1,003	1,082	2,085	268	135	403	666	133	878	1,677	(69)	64	(5)
5. Subtotals 2010 + Prior	5,646	4,945	10,591	1,463	371	1,834	4,213	690	3,623	8,526	30	(261)	(231)
6. 2011	XXX	XXX	XXX	XXX	214	214	XXX	395	842	1,237	XXX	XXX	XXX
7. Totals	5,646	4,945	10,591	1,463	585	2,048	4,213	1,085	4,465	9,763	30	(261)	(231)
8. Prior Year-End's Surplus As Regards Policyholders											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. 0.5 %	2. (5.3)%	3. (2.2)%
												Col. 13, Line 7 Line 8	
												4. (1.5)%	

**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

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

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO _____
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO _____
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO _____
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	NO _____

**Explanation:**

- 1.
- 2.
- 3.
- 4.

**Bar Code:**

**Oklahoma Surety Company**  
**Overflow Page for Write-Ins**

**NONE**

**Oklahoma Surety Company**  
**SCHEDULE A - VERIFICATION**

## Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

**SCHEDULE B - VERIFICATION**

## Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

**SCHEDULE BA - VERIFICATION**

## Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

**SCHEDULE D - VERIFICATION**

## Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	26,056,138	24,641,039
2. Cost of bonds and stocks acquired.....	1,326,289	7,287,141
3. Accrual of discount.....	6,352	8,344
4. Unrealized valuation increase (decrease).....	(65,727)	(40,771)
5. Total gain (loss) on disposals.....	2,286	47,184
6. Deduct consideration for bonds and stocks disposed of.....	1,471,694	5,684,804
7. Deduct amortization of premium.....	172,222	201,997
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).....	25,681,424	26,056,138
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	25,681,424	26,056,138

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	23,594,911	383,265	124,714	(25,899)	23,634,677	23,594,911	23,827,563	23,363,321
2. Class 2 (a).....	3,528,495			(5,708)	3,534,151	3,528,495	3,522,787	3,539,736
3. Class 3 (a).....								
4. Class 4 (a).....								
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds.....	27,123,406	383,265	124,714	(31,607)	27,168,828	27,123,406	27,350,350	26,903,057
<b>PREFERRED STOCK</b>								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	27,123,406	383,265	124,714	(31,607)	27,168,828	27,123,406	27,350,350	26,903,057

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$....1,668,924; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**SCHEDULE DA - PART 1**

## Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals.....	1,668,924	XXX.....	1,668,924	.180	

**SCHEDULE DA - VERIFICATION**

## Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.846,919	1,743,069
2. Cost of short-term investments acquired.....	2,392,060	7,369,480
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	1,570,055	8,265,630
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).....	1,668,924	.846,919
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	1,668,924	.846,919

**Sch. DB-Pt A-Verification**  
**NONE**

**Sch. DB-Pt B-Verification**  
**NONE**

**Sch. DB-Pt C-Sn 1**  
**NONE**

**Sch. DB-Pt C-Sn 2**  
**NONE**

**Sch. DB-Verification**  
**NONE**

**Sch. E-Verification**  
**NONE**

**Sch. A-Pt 2**  
**NONE**

**Sch. A-Pt 3**  
**NONE**

**Sch. B-Pt 2**  
**NONE**

**Sch. B-Pt 3**  
**NONE**

**Sch. BA-Pt 2**  
**NONE**

**Sch. BA-Pt 3**  
**NONE**

**Sch. D-Pt 3**  
**NONE**

**SCHEDULE D - PART 4**

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Design- ation or Market Indicator (a)
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Other Than Temporary Impairment	14 Total Change in B./A.C.V. (11+12-13)	15 Change in B./A.C.V. Recognized							

**Bonds - U.S. Special Revenue and Special Assessment**

454622 PZ 8	INDIANA BD BK 5.05 011519 C14@100A15.....	07/15/2011	SINKING FUND PAYMENT.....		35,000	35,000	33,796	34,089		.50		50		34,139		.861	.861	1,768	01/15/2019	1FE.....
3199999.	Total - Bonds - U.S. Special Revenue & Assessment.....				35,000	35,000	33,796	34,089	.0	.50	0	50	0	34,139	.0	.861	.861	1,768	XXX...	XXX....

**Bonds - Industrial and Miscellaneous**

36242D W5 8	GSR 2005-4F 4A2 PAC 5.50 5-25-35.....	09/26/2011	PAYDOWNS.....		88,975	88,975	89,990	89,172		(197)		(197)		88,975		0	3,414	05/25/2035	1Z*.....	
3899999.	Total - Bonds - Industrial & Miscellaneous.....				88,975	88,975	89,990	89,172	0	(197)	0	(197)	0	88,975	0	0	0	3,414	XXX...	XXX....
8399997.	Total - Bonds - Part 4.....				123,975	123,975	123,786	123,261	0	(147)	0	(147)	0	123,114	0	.861	.861	5,182	XXX...	XXX....
8399999.	Total - Bonds.....				123,975	123,975	123,786	123,261	0	(147)	0	(147)	0	123,114	0	.861	.861	5,182	XXX...	XXX....
9999999.	Total - Bonds, Preferred and Common Stocks.....				123,975	XXX.....	123,786	123,261	0	(147)	0	(147)	0	123,114	0	.861	.861	5,182	XXX...	XXX....

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

**Sch. DB-Pt A-Sn 1**  
**NONE**

**Sch. DB-Pt A-Sn 1-Footnote**  
**NONE**

**Sch. DB-Pt B-Sn 1**  
**NONE**

**Sch. DB-Pt B-Sn 1-Footnote**  
**NONE**

**Sch. DB-Pt B-Sn 1B-Broker List**  
**NONE**

**Sch. DB-Pt D**  
**NONE**

**Sch. DL-Pt. 1**  
**NONE**

**Sch. DL-Pt. 2**  
**NONE**

**SCHEDULE E - PART 1 - CASH**

## Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	

**Open Depositories**

F & M Bank & Trust Company.....	Tulsa, Oklahoma.....	.....	0.300	.....	.....	379,717	.....	180,045	.....	180,045	XXX..
The Bank of New York Mellon.....	New York, New York.....	.....	0.010	.....	.....	503	.....	500	.....	5,189	XXX..
0199999. Total Open Depositories.....	.....	....XXX.....	....XXX.....	.....	0	0	.....	380,220	.....	180,545	.....
0399999. Total Cash on Deposit.....	.....	....XXX.....	....XXX.....	.....	0	0	.....	380,220	.....	180,545	.....
0599999. Total Cash.....	.....	....XXX.....	....XXX.....	.....	0	0	.....	380,220	.....	180,545	.....
								.....	180,545	.....	185,234
											XXX..

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

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
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**NONE**

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