

**QUARTERLY STATEMENT**

**OF THE**

**DEALERS ASSURANCE COMPANY**

of \_\_\_\_\_ **Columbus**

in the state of \_\_\_\_\_ **OHIO**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**FOR THE QUARTER ENDED**

**June 30, 2014**

**PROPERTY AND CASUALTY**

**2014**



**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	67,082,964		67,082,964	62,186,960
2. Stocks:				
2.1 Preferred stocks		7,147,845	7,147,845	5,191,700
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
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 (\$ 3,062,696), cash equivalents (\$ 0), and short-term investments (\$ 2,969,802)	6,032,498		6,032,498	10,463,217
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	80,263,307		80,263,307	77,841,877
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	483,290		483,290	494,357
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection		3,715,246	3,715,246	1,467,716
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				
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	103,743		103,743	106,828
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	625,458	32,554	592,904	803,937
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	85,191,044	32,554	85,158,490	80,714,715
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	85,191,044	32,554	85,158,490	80,714,715

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. Accounts Receivable	612,104	25,269	586,835	797,767
2502. Prepaid Expense	7,285	7,285		
2503. Dividends Receivable	6,069		6,069	6,170
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	625,458	32,554	592,904	803,937

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 39,141)	42,141	39,779
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	1,779	1,209
4. Commissions payable, contingent commissions and other similar charges	398,708	447,018
5. Other expenses (excluding taxes, licenses and fees)	302,948	551,740
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	446,588	827,302
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	819,896	784,411
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 13,058	13,058	
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 193,404,980 and including warranty reserves of \$ 16,167,120 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	17,974,430	15,997,529
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	993,070	349,843
13. Funds held by company under reinsurance treaties	5,276,134	5,892,176
14. Amounts withheld or retained by company for account of others	4,837,912	5,045,632
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified)		
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	605,544	
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		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	31,712,208	29,936,639
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	31,712,208	29,936,639
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	4,200,990	4,200,990
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes	3,000,000	3,000,000
34. Gross paid in and contributed surplus	9,732,810	9,732,810
35. Unassigned funds (surplus)	36,512,482	33,844,276
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)	53,446,282	50,778,076
38. Totals (Page 2, Line 28, Col. 3)	85,158,490	80,714,715

DETAILS OF WRITE-IN LINES		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

**STATEMENT OF INCOME**

	1 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 \$ 75,649,133)	60,381,646	51,634,993	111,131,951
1.2 Assumed (written \$ (376,998))	644,602	1,020,772	2,756,311
1.3 Ceded (written \$ 66,738,272)	54,444,501	47,009,289	101,458,842
1.4 Net (written \$ 8,533,863)	6,581,747	5,646,476	12,429,420
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 149,312):			
2.1 Direct	35,107,824	31,362,974	67,149,934
2.2 Assumed	136,728	265,048	745,233
2.3 Ceded	35,075,938	31,348,373	67,264,022
2.4 Net	168,614	279,649	631,145
3. Loss adjustment expenses incurred	200,805	181,221	384,978
4. Other underwriting expenses incurred	2,875,893	2,110,737	4,800,591
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	3,245,312	2,571,607	5,816,714
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	3,336,435	3,074,869	6,612,706
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	382,296	587,458	1,107,603
10. Net realized capital gains (losses) less capital gains tax of \$ 0	389,149	24,825	75,116
11. Net investment gain (loss) (Lines 9 + 10)	771,445	612,283	1,182,719
<b>OTHER INCOME</b>			
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	100,928	40,289	36,254
15. Total other income (Lines 12 through 14)	100,928	40,289	36,254
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	4,208,808	3,727,441	7,831,679
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)	4,208,808	3,727,441	7,831,679
19. Federal and foreign income taxes incurred	1,500,701	1,340,761	2,718,440
20. Net income (Line 18 minus Line 19) (to Line 22)	2,708,107	2,386,680	5,113,239
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	50,778,076	45,952,659	45,952,659
22. Net income (from Line 20)	2,708,107	2,386,680	5,113,239
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(6,580)	395,579	860,596
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(3,085)	(107,436)	(293,350)
27. Change in nonadmitted assets	(30,236)	(7,046)	1,144,932
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			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			500,000
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			(2,500,000)
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	2,668,206	2,667,777	4,825,417
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	53,446,282	48,620,436	50,778,076

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page	<b>NONE</b>		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Miscellaneous Income	99,972	4,744	27,747
1402. Roadside Commission	956	35,445	8,357
1403. Transfer Fee Income		100	150
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	100,928	40,289	36,254
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	<b>NONE</b>		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

**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	6,954,345	7,049,794	14,782,857
2. Net investment income	714,095	879,920	1,649,427
3. Miscellaneous income	100,928	40,286	36,258
4. Total (Lines 1 to 3)	7,769,368	7,970,000	16,468,542
5. Benefit and loss related payments	166,252	273,673	622,783
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	3,762,566	2,584,578	4,841,911
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	1,465,216	1,413,465	2,705,946
10. Total (Lines 5 through 9)	5,394,034	4,271,716	8,170,640
11. Net cash from operations (Line 4 minus Line 10)	2,375,334	3,698,284	8,297,902
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	6,146,993	5,562,762	20,390,234
12.2 Stocks	3,360,722	9,943,416	2,952,935
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		395,579	860,596
12.7 Miscellaneous proceeds	612,196		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	10,119,911	15,901,757	24,203,765
13. Cost of investments acquired (long-term only):			
13.1 Bonds	11,389,848	10,602,891	26,665,154
13.2 Stocks	4,899,629	9,947,717	2,996,467
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications		841,049	1,772,194
13.7 Total investments acquired (Lines 13.1 to 13.6)	16,289,477	21,391,657	31,433,815
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(6,169,566)	(5,489,900)	(7,230,050)
<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			500,000
16.3 Borrowed funds	13,058		
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			2,500,000
16.6 Other cash provided (applied)	(649,545)	240,760	1,702,208
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(636,487)	240,760	(297,792)
<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 Lines 15 and 17)	(4,430,719)	(1,550,856)	770,060
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	10,463,217	9,693,157	9,693,157
19.2 End of period (Line 18 plus Line 19.1)	6,032,498	8,142,301	10,463,217

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

20.0001			
20.0002			
20.0003			

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### a. Accounting Practices

The accompanying financial statements of Dealers Assurance Company have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the State of Ohio. The company adopted codification as of 01/01/01.

	State of Domicile	6/30/14	12/31/13
Net Income			
(1) Dealers Assurance Company	Ohio	2,708,107	\$ 5,113,239
(2) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(3) State Permitted Practices that Increase/(decrease) NAIC SAP	Ohio	-	-
(4) NAIC SAP	Ohio	2,708,107	\$ 5,113,239
Surplus			
(5) Dealers Assurance Company state basis	Ohio	53,446,282	\$ 50,778,076
(6) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(8) NAIC SAP	Ohio	53,446,282	\$ 50,778,076

**1b. – 5c.** No changes to note

#### 5d. Loan-Backed Securities

1. Bloomberg is used as a source for the prepayment factors.
2. – 4. Not applicable, no permanently impaired bonds.
5. No impairments exist other than interest rate related declines classified as temporary.

**e.** The Company has no Working Capital Finance Investments

**6.-8** No changes to note

### 9. Income Taxes

A. The components of the net deferred tax assets/(liability) at March 31, 2014 are as follows:

1.

	6/30/14		12/31/13			Change			
	(1) Ordinary	(2) Capital	(3) (Col 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col 4 + 5) Total	(7) (Col 1 – 4) Ordinary	(8) (Col 2 – 5) Capital	(9) (Col 7 + 8) Total
a Gross Deferred Tax Assets	1,234,782	-	1,234,782	1,106,791	45,219	1,152,010	127,991	(45,219)	82,772
b Statutory Valuation allowance adjustment									
c Adjusted Gross Deferred Tax Asset (1a -1d)	1,234,782	-	1,234,782	1,106,791	45,219	1,152,010	127,991	(45,219)	82,772
d Deferred Tax Assets Nonadmitted	794,470	-	794,470	707,091	0	707,091	87,379	-	87,379
e Subtotal Net Admitted Deferred Tax Assets (1c-1f)	440,312	-	440,312	399,700	45,219	444,919	40,612	(45,219)	(4,607)
f Deferred Tax Liabilities	336,569	-	336,569	338,091	0	338,091	(1,522)	-	(1,522)
g Net Admitted Deferred Tax Asset (Net Deferred Tax Liability)	103,743	-	103,743	61,609	45,219	106,828	42,134	(45,219)	(3,085)

**NOTES TO FINANCIAL STATEMENTS**

2.

	6/30/14			12/31/13			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col 4 + 5) Total	(7) (Col 1 – 4) Ordinary	(8) (Col 2 – 5) Capital	(9) (Col 7 + 8) Total

Admission Calculation Components SSAP No. 101

## a Federal Income Taxes Paid in Prior

Years Recoverable Through Loss  
Carrybacksb Adjusted Gross Deferred Tax Asset  
Expected To Be Realized  
(Excluding the Amount of Deferred  
Tax Assets From 2(a) above). After  
Application of the Threshold  
Limitation. (The Lesser of 2(b)1 and  
2(b)2 Below)1 Adjusted Gross Deferred Tax  
Assets Expected to be Realized  
Following the Balance Sheet  
Date2. Adjusted Gross Deferred Tax  
Assets (Excluding the Amount of  
Deferred Tax Allowed per Limitation  
Threshold)c Adjusted Gross Deferred Tax  
Assets (Excluding the Amount of  
Deferred Tax Assets from 2(a) and  
2 (b) above) Offset by Gross  
Deferred Tax Liabilitiesd Deferred Tax Assets Admitted as  
the result of application of SSAP  
101.

Total )2(a) + 2(b) + 2 (c))

103,743 - 103,743 61,609 45,219 106,828 42,134 (45,219) (3,085)

103,743 - 103,743 61,609 45,219 106,828 42,134 (45,219) (3,085)

xxxxxx xxxx 8,001,381 xxxxxx xxxxxxxx 7,600,687 xxxxxxxxx xxxxxxxx 400,694

3

2014	2013
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(a) Ratio Percentage Used to Determine  
Recovery Period and Threshold  
Limitation Amount

570% 542%

(b) Amount of Adjusted Capital and  
Surplus Used to Determine  
Recovery Period and Threshold  
Limitation in 1(b) above

53,446,282 50,778,076

4.

	6/30/14			12/31/2013			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col 4 + 5) Total	(7) (Col 1 – 4) Ordinary	(8) (Col 2 – 5) Capital	(9) (Col 7 + 8) Total

Impact of Tax Planning Strategies

a Adjusted Gross DTA's  
(% of Total Adjusted  
Gross DTA's)

0% 0% 0% 0% 4% 4% 0% -4% -4%

b Net Admitted Adjusted  
Gross DTA's (% of  
Total Net Admitted  
Adjusted Gross DTA's)

0% 0% 0% 0% 42% 42% 0% -42% -42%

c Does the Company's tax-planning strategies include the use of Reinsurance? Yes X No \_\_\_\_\_

B Deferred tax liabilities not recognized at June 30, 2014 and December 31, 2013 are as follows:

N/A-All Deferred Tax Liabilities have been recognized

## NOTES TO FINANCIAL STATEMENTS

C Current income taxes incurred consist of the following major components

	(1) 6/30/14	(2) 12/31/2013	(3) (Col 1 + 2) Change
<b>1. Current Income Tax</b>			
(a) Federal	1,401,820	2,718,440	(1,316,620)
(b) Foreign	-	-	-
(c) Subtotal	1,401,820	2,718,440	(1,316,620)
(d) Federal Income tax on net capital gains	144,100	25,990	118,110
(e) Utilization of capital loss carry-forwards	(45,219)	(25,990)	(19,229)
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	1,500,701	2,718,440	(1,217,739)
<b>2. Deferred Tax Assets</b>			
(a) Ordinary			
(1) Discounting of Unpaid Losses	2,240	8,679	(6,439)
(2) Unearned Premium Reserve	1,222,261	1,087,832	134,429
(3) Policyholder Reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred Acquisition Costs	-	-	-
(6) Policyholder Dividends Accrual	-	-	-
(7) Fixed Assets	-	-	-
(8) Compensation and Benefits Accrual	10,281	10,281	-
(9) Pension Accrual	-	-	-
(10) Receivables-Nonadmitted	-	-	-
(11) Net Operating Loss Carry-forward	-	-	-
(12) Tax Credit Carry-forward	-	-	-
(13) Other (including items <5% of total Capital Assets)	-	-	-
(99) Subtotal	1,234,782	1,106,792	127,990
(b) Statutory Valuation Allowance Adjustment	-	-	-
(c) Nonadmitted	794,470	707,091	87,379
(d) Admitted Ordinary Deferred tax Asset (2a99 – 2f – 2g)	440,312	399,701	40,611
(e) Capital:			
(1) Investments	-	-	-
(2) Net Capital less Carry-forward	-	45,219	(45,219)
(3) Real Estate	-	-	-
(4) Other (including items <5% of total Capital Assets)	-	-	-
(99) Subtotal	-	45,219	(45,219)
(f) Statutory Valuation Allowance Adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted Capital Deferred Tax Assets (2a99 – 2f -2g)	-	45,219	(45,219)
(i) Admitted Deferred Tax Asset (2d + 22h)	440,312	444,920	(4,608)
	(1) 6/30/14	(2) 12/31/2013	(3) (Col 1 + 2) Change
<b>3. Deferred Tax Liabilities</b>			
(a) Ordinary			
(1) Investments	-	-	-
(2) Fixed Assets	-	-	-
(3) Deferred and Uncollected premium	-	-	-
(4) Policyholder Reserves	-	-	-
(5) Other (including items <5% of ordinary Tax Liabilities)	1,526	3,048	(1,522)
(99) Subtotal	1,526	3,048	(1,522)
(b) Capital			
(1) Investments	335,043	335,043	-
(2) Real Estate	-	-	-
(3) Other (including items <5% of ordinary Tax Liabilities)	-	-	-
(99) Subtotal	335,043	335,043	-
(c) Deferred Tax Liabilities (3a99 + 3b99)	336,569	338,091	(1,522)
<b>4. Net Deferred Tax Assets/Liabilities (2i – 3c)</b>			
	103,743	106,829	(3,086)

## NOTES TO FINANCIAL STATEMENTS

D Among the more significant book to tax adjustments were the following:

	Amount	Tax Effect	%
Income before taxes	4,208,813	1,430,996	34%
Unearned Premium Adjustment	395,379	134,429	3%
Compensation and Benefits Accrual	-	-	0%
Loss Reserve Discounting	(18,937)	(6,439)	0%
Dividends Received Deduction	(50,482)	(17,164))	0%
Capital Loss Carry-Forward	(132,997)	(45,219)	-1%
Other, net	12,049	4,097	0%
Total	4,413,825	1,500,701	36%

E At June 30, 2014, the Company has no net capital carry-loss forward available for recoupment against future capital gains

F. The Company is included in a consolidated federal income tax return with its parent company, DAC Financial Holdings, Inc.

The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

**10. Information Concerning Parent, Subsidiaries and Affiliates and Other Related Parties**

A-F No changes to Note

G The parent company, Dealers Alliance Corporation, is a non-insurance entity. The Company had no transactions other than cost allocation with its parent company. Through 09/30/10 (and prior years) Dealers Assurance Company provided funds for federal income tax deposits (on a consolidated basis). In prior years other companies included in consolidated tax return reimbursed their portion of federal income tax deposits on a quarterly basis

H-L Dealers Assurance Company holds no investments in its parent company or affiliates.

**11. - 16.**

No changes to note.

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

The Company does not have any sales or transfers to report.

**18. - 19.**

No changes to note

**20. Fair Value Measurements**

A.

(1) Assets Measured at Fair Value on a Recurring Basis

(1)	(2)	(3)	(4)	(5)
Description	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Preferred Stock				
Bonds				
Common Stock (Ind & Misc)	\$ 7,147,845			\$ 7,147,845
Derivative assets				
Separate account assets				
Total assets at fair value	\$ 7,147,845	-	-	\$ 7,147,845
b. Liabilities at fair value	\$			\$
Total liabilities at fair value	\$			\$

(2) There have been no significant transfers between level 1 and 2.

(3-4) Assets measured at Fair Value on a recurring basis with significant unobservable inputs (level 3)

NONE

**21 A-F** No changes to note.

G The Company has no offsetting and netting of Assets and Liabilities

H The Company has no Joint and Severable Liabilities

I The Company has no risk sharing involving the Affordable Care Act

**22 -24** No changes to Note

## NOTES TO FINANCIAL STATEMENTS

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### **25. Change in Incurred Losses and Loss Adjustment Expenses**

Reserves as of December 31, 2013 were \$40,988. As of June 30, 2014, \$53,900 (net of reinsured prior year claims) was paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves for prior year are now \$3,000. There has been a \$15,912 negative prior year development.

There was no re-estimation of unpaid claims and claim adjustment expenses. Business written by DAC is related to service contracts issued on an assortment of consumer goods, but primarily, automobile service contracts. Historically, losses on this coverage are settled within 90 days of incurred date (98.7%); and the balance is settled within 180 days of incurred date

**26. – 35.** No changes to note.

### **36. Financial Guaranty Insurance**

The company does not write financial guaranty insurance.

# 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 [X] No [ ]

2.2 If yes, date of change: 04/21/2014

3.1 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 [X] No [ ]

If yes, complete Schedule Y, Parts 1, and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

.....

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 the 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 [ ] N/A [X]

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. 12/31/2013

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. 12/31/2009

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). 02/15/2011

6.4 By what department or departments?  
Ohio Department of Insurance  
.....

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]

## GENERAL INTERROGATORIES

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes [X] No [ ]

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]

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]

## GENERAL INTERROGATORIES

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: \$ \_\_\_\_\_

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

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

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. For the reporting entity's security lending program, state the amount of the following as current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.3 Total payable for securities lending reported on the liability page	\$ _____

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No [ ]

17.1 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
Fifth Third Bank .....	Cincinnati, Ohio .....
US Bank .....	Winston Salem, NC .....
Sun Trust .....	Richmond, VA .....
First National Bankers Bank .....	Little Rock, AR .....
Citibank, NA .....	NY, NY .....
Century Bank .....	Sante Fe, NM .....
RBS Citizens, NA .....	Providence, RI .....
Xerox State & Local Solutions, Inc	Quincy, MA

17.2 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)
.....	.....	.....
.....	.....	.....

## GENERAL INTERROGATORIES

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes [ ] No [X]

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

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

17.5 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
104650	ClearArc Capital, Inc.	Cincinnati, Ohio
.....	.....	.....

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No [ ]

18.2 If no, list exceptions:

.....

.....

## GENERAL INTERROGATORIES

### 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  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 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 Discount 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										

5. Operating Percentages:

5.1. A&H loss percent  %

5.2. A&H cost containment percent  %

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

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. \$

6.3 Do you act as an administrator for health savings accounts?  Yes  No  X

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

## **SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
		All Other Insurers				
00000	AA-0055303	E & A Invenstment Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0054996	EJB Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055007	KAD Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055006	Penult Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055212	Repent Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055005	Suzart Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055826	Axiom Warranty Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055574	Bedford Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055609	Direct Response Reinsurance Company	TCA	Unauthorized		
00000	AA-0055576	DJRR Reinsurance Company	TCA	Unauthorized		
00000	AA-0055652	Majors Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055490	RDN II Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0053966	RDN Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055670	Springs Automotive Group Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055573	Stables Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055669	Stoops ESC Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0053860	Twenty Twelve Reinsurance Company	TCA	Unauthorized		
00000	AA-0055673	Windot Reinsurance Company, Ltd	TCA	Unauthorized		

**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	L	1,010,970	1,157,218	553,821	577,262	66,990	47,451
2. Alaska	AK	L			83,346			
3. Arizona	AZ	L	324,393	451,140	146,456	290,784	28,607	14,178
4. Arkansas	AR	L	1,317,300	1,362,221	703,600	648,348	79,090	40,610
5. California	CA	L	8,091,646	7,553,796	2,301,394	2,426,268	238,653	281,629
6. Colorado	CO	L	3,139,341	2,397,290	2,133,810	2,565,046	196,952	253,176
7. Connecticut	CT	L	747,870	926,488	847,895	721,431	50,376	43,111
8. Delaware	DE	L	480,806	520,770	258,674	141,380	24,889	11,218
9. District of Columbia	DC	L						
10. Florida	FL	L	2,298,207	2,171,499	1,083,018	1,150,389	93,540	121,166
11. Georgia	GA	L	5,334,815	3,175,820	1,438,668	1,587,110	217,912	164,166
12. Hawaii	HI	N						
13. Idaho	ID	L	1,336	10,752	17,460	4,150	1,138	296
14. Illinois	IL	L	564,920	714,675	403,249	327,953	52,229	35,124
15. Indiana	IN	L	593,471	428,304	317,379	198,838	28,572	7,176
16. Iowa	IA	L	132,469	169,952	83,821	85,372	9,744	3,669
17. Kansas	KS	L	16,143	55,987	17,764	33,589	3,067	4,615
18. Kentucky	KY	L	303,498	226,519	122,931	96,776	18,622	6,896
19. Louisiana	LA	L	893,655	896,244	560,427	593,327	53,508	41,250
20. Maine	ME	L	166,740	193,359	109,677	135,248	11,651	7,700
21. Maryland	MD	L	719,286	907,081	662,044	485,389	53,018	34,429
22. Massachusetts	MA	L	700,542	838,810	616,421	526,694	46,576	28,678
23. Michigan	MI	L	3,382,835	3,627,091	4,848,656	3,778,186	205,432	281,146
24. Minnesota	MN	L	422,459	362,381	252,196	231,945	22,713	13,697
25. Mississippi	MS	L	1,101,937	1,259,409	648,367	557,966	72,779	44,709
26. Missouri	MO	L	374,442	584,051	326,989	409,924	34,807	37,669
27. Montana	MT	L	83,781	140,861	72,702	83,160	8,773	3,395
28. Nebraska	NE	L	175,354	178,259	104,687	140,233	10,580	19,132
29. Nevada	NV	L	159,309	181,736	132,878	153,665	11,328	11,113
30. New Hampshire	NH	L	182,408	277,223	128,756	110,003	13,221	6,116
31. New Jersey	NJ	L	913,409	1,027,319	637,296	419,308	44,023	22,747
32. New Mexico	NM	L	1,249,397	1,556,346	152,979	120,809	30,934	10,639
33. New York	NY	L	2,733,135	3,199,098	3,089,142	2,392,637	166,119	175,258
34. North Carolina	NC	L	4,250,114	2,664,626	1,576,334	820,209	80,626	69,621
35. North Dakota	ND	L	84,601	94,079	57,177	45,756	5,327	2,081
36. Ohio	OH	L	1,715,853	1,438,380	859,656	805,633	90,186	74,530
37. Oklahoma	OK	L	122,020	664,334	110,429	101,873	12,632	7,301
38. Oregon	OR	L	28,595	18,020	18,467	8,517	8,099	4,293
39. Pennsylvania	PA	L	2,404,019	2,023,708	1,087,780	1,055,475	94,447	70,450
40. Rhode Island	RI	L	39,328	59,127	30,281	28,852	2,543	129
41. South Carolina	SC	L	192,400	219,297	136,952	88,685	13,743	7,582
42. South Dakota	SD	L	12,311	30,592	6,343	16,225	1,202	416
43. Tennessee	TN	L	844,702	1,219,248	479,663	478,667	58,302	40,615
44. Texas	TX	L	19,965,179	16,627,210	4,617,669	3,756,136	855,660	449,317
45. Utah	UT	L	(138)	513		1,032	143	123
46. Vermont	VT	L	155,549	201,455	110,788	117,313	11,072	8,044
47. Virginia	VA	L	636,130	826,978	455,870	399,622	42,569	21,540
48. Washington	WA	L	6,994,044	3,999,388	2,409,504	2,315,795	194,069	220,639
49. West Virginia	WV	L	189,758	230,348	124,132	157,078	16,649	8,534
50. Wisconsin	WI	L	343,897	242,667	147,271	135,906	16,106	9,838
51. Wyoming	WY	L	54,897	60,812	33,466	31,029	4,222	2,327
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	XXX						
59. Totals	(a)	50	75,649,133	67,172,481	35,118,285	31,356,993	3,403,440	2,769,539

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

**NONE**

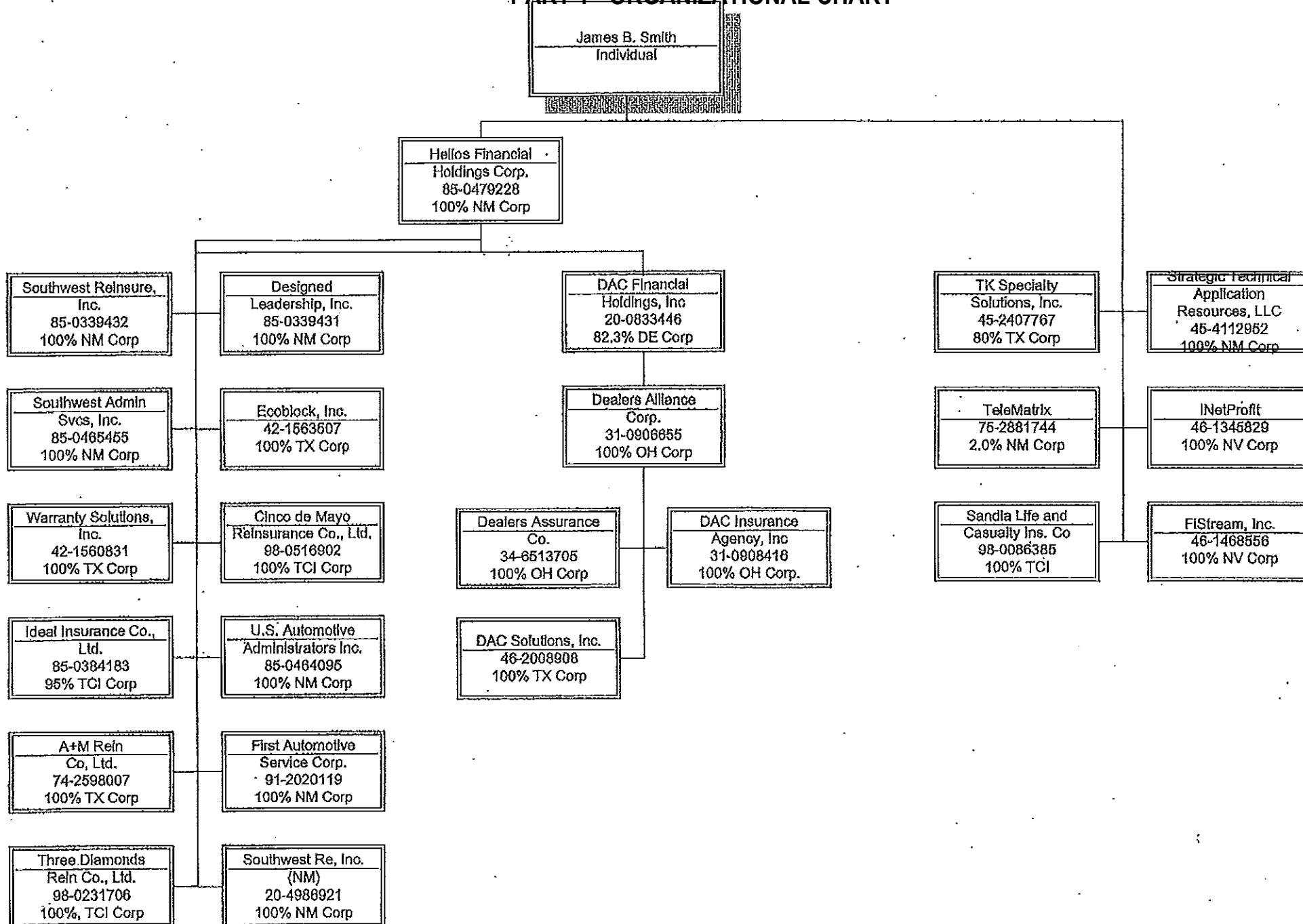
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG: (R) Registered - Non-domiciled RRGs: (Q) Qualified - Qualified or Accredited Reinsurer:

(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.

(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



## 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
Group Code	Group Name	NAIC Company Code	Federal 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)	*
0		00000	85-0479228	0	0		Helios Financial Holdings, Inc	NM	UIP	James B. Smith	Ownership	100.0	James B. Smith	0
0		00000	20-0833446	0	0		DAC Financial Holdings, Inc	DE	UIP	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
0		00000	31-0906655	0	0		Dealers Alliance Corp	OH	UDP	DAC Financial Holdings, Inc	Ownership	100.0	James B. Smith	0
0		16705	34-6513705	0	0		Dealers Assurance Company	OH	RC	Dealers Alliance Corp.	Ownership	100.0	James B. Smith	0
0		00000	31-0908416	0	0		DAC Insurance Agency, Inc	OH	IA	Dealers Alliance Corp.	Ownership	100.0	James B. Smith	0
0		00000	43-2008908	0	0		DAC Solutions, Inc	TX	NIA	Dealers Alliance Corp.	Ownership	100.0	James B. Smith	0
0		00000	85-0339432	0	0		Southwest Reinsure, Inc	NM	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
0		00000	85-0465455	0	0		Southwest Administrative Svcs, Inc	NM	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
0		00000	42-1560831	0	0		Warranty Solutions, Inc	TX	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
0		00000	85-0384183	0	0		Ideal Insurance Co., LTD	TCI	IA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
0		00000	74-2598007	0	0		A+M Reinsurance Co., LTD	TX	IA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
0		00000	98-0231706	0	0		Three Diamonds Reinsurance Co	TCA	IA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
0		00000	85-0339431	0	0		Design Leadership, Inc	NM	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
0		00000	42-1563507	0	0		Ecoblock, Inc	TX	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
0		00000	98-0516902	0	0		Cinco de Mayo Reinsurance Co, LTD	TCI	IA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
0		00000	850464095	0	0		US Automotive Administrators Inc	NM	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
0		00000	91-2020119	0	0		First Automotive Service Corp	NM	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
0		00000	20-4986921	0	0		Southwest Re, Inc.	NM	IA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
0		00000	98-0086385	0	0		Sandia Life and Casualty Co	TCI	IA	James B. Smith	Ownership	100.0	James B. Smith	0
0		00000	45-2407767	0	0		TK Specialty Solutions, Inc	TX	NIA	James B. Smith	Ownership	80.0	James B. Smith	0
0		00000	75-2881744	0	0		TeleMatrix	TX	NIA	James B. Smith	Ownership	2.0	James B. Smith	0
0		00000	45-4112952	0	0		Strategic Technical Application Resources, LLC	NM	NIA	James B. Smith	Ownership	100.0	James B. Smith	0
0		00000	46-1345829	0	0		INetProfit	NV	NIA	James B. Smith	Ownership	100.0	James B. Smith	0
0		00000	46-1468556	0	0		FiStream, Inc	NV	NIA	James B. Smith	Ownership	100.0	James B. Smith	0

## **SCHEDULE Y**

### **PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

Asterik	Explanation
12.1	<b>NONE</b>

**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				
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	429,422	19,273	4.5	2.9
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	468,581	401,514	85.7	84.2
29. International				
30. Warranty	59,483,643	34,687,045	58.3	61.1
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				
35. TOTALS	60,381,646	35,107,832	58.1	60.7

DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page	<b>NONE</b>		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

**PART 2 – DIRECT PREMIUMS WRITTEN**

	1 Current Quarter	2 Current Year to Date	3 Prior Year 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	269,644	641,796	486,786
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	237,317	476,681	745,788
29. International			
30. Warranty	36,920,793	74,530,656	65,939,911
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			
35. TOTALS	37,427,754	75,649,133	67,172,485

DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page	<b>NONE</b>		
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

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

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2014 Loss and LAE Payments on Unreported Claims as of Prior Year-End	6 Total 2014 Loss and LAE Payments (Cols 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss & LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2011 + prior													
2. 2012													
3. Subtotals 2012 + prior													
4. 2013	15	26	41	13	41	54			3	3	(2)	18	16
5. Subtotals 2013 + prior	15	26	41	13	41	54			3	3	(2)	18	16
6. 2014	XXX	XXX	XXX	XXX	312	312	XXX	4	37	41	XXX	XXX	XXX
7. Totals	15	26	41	13	353	366		4	40	44	(2)	18	16

## 8. Prior Year-End Surplus As

Regards Policyholders	50,778,076	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
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1. -13,333 2. 69,231 3. 39,024

Col. 13, Line 7

Line 8

4. \_\_\_\_\_

## 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.

	<u>Response</u>
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 Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

**Explanation:**

Question 1: Not Applicable  
.....  
.....

Question 2: Not Applicable  
.....  
.....

Question 3: Not Applicable  
.....  
.....

Question 4: Not Applicable  
.....  
.....

**Bar Code:**



16705201436500020

16705201450500020

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**OVERFLOW PAGE FOR WRITE-INS**

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**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		
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 the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

**NONE****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		
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)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

**NONE****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		
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)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

**NONE****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	67,378,650	60,604,295
2. Cost of bonds and stocks acquired	16,289,475	29,661,621
3. Accrual of discount	4,487	8,964
4. Unrealized valuation increase (decrease)	(6,580)	860,596
5. Total gain (loss) on disposals	389,080	76,439
6. Deduct consideration for bonds and stocks disposed of	9,507,712	23,343,168
7. Deduct amortization of premium	316,591	490,097
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)	74,230,809	67,378,650
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	74,230,809	67,378,650

**SCHEDULE D - PART 1B**

## Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	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. NAIC 1 (a)	64,285,249	8,848,711	7,934,381	351,619	64,285,249	65,551,198		64,738,414
2. NAIC 2 (a)	4,852,866	503,420	339,898	(514,821)	4,852,866	4,501,567		4,840,749
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	69,138,115	9,352,131	8,274,279	(163,202)	69,138,115	70,052,765		69,579,163
<b>PREFERRED STOCK</b>								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	69,138,115	9,352,131	8,274,279	(163,202)	69,138,115	70,052,765		69,579,163

(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 \$ 0; 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	2,969,802	XXX	2,990,341	8,461	710

**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	2,574,673	5,667,115
2. Cost of short-term investments acquired	14,329,523	41,780,382
3. Accrual of discount	270	
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	69	
6. Deduct consideration received on disposals	13,919,189	44,867,829
7. Deduct amortization of premium	15,544	4,995
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)	2,969,802	2,574,673
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,969,802	2,574,673

**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**

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	4,817,537	
2. Cost of cash equivalents acquired		4,818,924
3. Accrual of discount	161	103
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	4,816,000	
7. Deduct amortization of premium	1,698	1,490
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)		4,817,537
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		4,817,537

**NONE    Schedule A - Part 2 and 3**

**NONE    Schedule B - Part 2 and 3**

**NONE    Schedule BA - Part 2 and 3**

**SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
912828-SS-0	US TREASURY N/B		05/06/2014	VARIOUS		649,578	650,000.00	84	1
0599999	Total Bonds U. S. Government				XXX	649,578	650,000.00	84	XXX
3135G0-JA-2	FANNIE MAE		06/30/2014	Wachovia Capital Markets	604,344	600,000.00		1,200	1
31331X-LG-5	FEDERAL FARM CREDIT BANK		05/06/2014	BANC / AMERICA SECUR. LLC, MONT.	110,810	100,000.00		1,490	1
3130A1-CR-7	FEDERAL HOME LOAN BANK		04/02/2014	GOLDMAN SACHS & CO, NY	505,750	500,000.00		135	1
3130A1-NN-4	FEDERAL HOME LOAN BANK		04/10/2014	DEUTSCHE BANK SECURITIES, INC.	514,006	515,000.00		1	
313379-FW-4	FEDERAL HOME LOAN BANK		05/29/2014	MORGAN STANLEY & CO INC, NY	150,794	150,000.00		721	1
3199999	U.S. Total Bonds Special Revenue and Special Assessment and all Non-Guaranteed Obligations				XXX	1,885,704	1,865,000.00	3,546	XXX
037833-AM-2	APPLE INC		05/01/2014	Adjustment	399,788	400,000.00		1FE	
377373-AC-9	GLAXOSMITHKLINE CAPITAL	R	04/14/2014	JP MORGAN SECURITIES LLC	303,255	300,000.00		1,988	1FE
446438-RF-2	HUNTINGTON NATIONAL BANK		05/14/2014	UBS WARBURG LLC	503,420	500,000.00		3,232	2FE
44841A-AA-6	HUTCHISON WHAM INT 09/16	R	06/06/2014	PERSHING LLC	366,944	350,000.00		4,047	1FE
69353R-CG-1	PNC BANK NA		04/02/2014	CITIGROUP GLOBAL MARKETS INC.	498,660	500,000.00		1,078	1FE
842400-GB-3	SOUTHERN CAL EDISON		05/06/2014	BARCLAYS CAPITAL INC	299,904	300,000.00		1FE	
8672EM-2A-1	SUNCORP-METWAY LTD	R	05/20/2014	RBC CAPITAL MARKETS	326,940	325,000.00		844	1FE
961214-CH-4	WESTPAC BANKING CORP	R	05/14/2014	BANC / AMERICA SECUR. LLC, MONT.	249,738	250,000.00		1FE	
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				XXX	2,948,649	2,925,000.00	11,189	XXX
8399997	Total Bonds Part 3				XXX	5,483,931	5,440,000.00	14,819	XXX
8399998	Summary Item from Part 5 for Bonds				XXX	XXX	XXX	XXX	XXX
8399999	Total Bonds				XXX	5,483,931	5,440,000.00	14,819	XXX
00287Y-10-9	ABBVIE INC		06/03/2014	VARIOUS	2,944,000	157,475		U	
037833-10-0	APPLE INC		06/03/2014	VARIOUS	115,000	70,347		L	
075887-10-9	BECTON DICKINSON AND CO		06/09/2014	Stifel Nicolaus & Co.	289,000	34,763		L	
231021-10-6	CUMMINS INC		05/29/2014	VARIOUS	555,000	83,892		L	
277432-10-0	EASTMAN CHEMICAL CO		06/04/2014	Stifel Nicolaus & Co.	414,000	37,237		L	
30231G-10-2	EXXON MOBIL CORP		04/28/2014	VARIOUS	1,032,000	102,619		L	
370334-10-4	GENERAL MILLS INC		05/29/2014	VARIOUS	3,043,000	160,358		L	
37045V-10-0	GENERAL MOTORS CO		04/03/2014	Stifel Nicolaus & Co.	993,000	34,984		L	
38259P-50-8	GOOGLE INC-CL A		04/03/2014	Unknown	173,000	83,357		L	
38259P-70-6	GOOGLE INC-CL C		04/03/2014	Unknown	173,000	83,147		L	
423452-10-1	HELMERICH & PAYNE		04/11/2014	KEYBANC CAPITAL MARKETS INC	321,000	34,218		L	
428236-10-3	HEWLETT-PACKARD CO	R	05/29/2014	VARIOUS	4,111,000	136,816		L	
G491BT-10-8	INVESCO LTD		06/03/2014	Merrill Lynch	1,481,000	54,561		L	

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

1.

**SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
46625H-10-0	JPMORGAN CHASE & CO		04/03/2014	Stifel Nicolaus & Co.	470,000	28,449			L
501044-10-1	KROGER CO		05/15/2014	JP MORGAN SECURITIES INC.	739,000	34,193			L
544147-10-1	LORILLARD INC		05/09/2014	VARIOUS	2,465,000	134,431			L
571903-20-2	MARRIOTT INTERNATIONAL -CL A		04/21/2014	Stifel Nicolaus & Co.	603,000	34,044			L
585055-10-6	MEDTRONIC INC		04/03/2014	Stifel Nicolaus & Co.	850,000	52,752			L
59156R-10-8	METLIFE INC		04/03/2014	Stifel Nicolaus & Co.	1,044,000	56,063			L
594918-10-4	MICROSOFT CORP		04/28/2014	VARIOUS	1,655,000	66,459			L
65339F-10-1	NEXTERA ENERGY INC		05/15/2014	JP MORGAN SECURITIES INC.	708,000	68,203			L
N6596X-10-9	NXP SEMICONDUCTORS NV	R	06/17/2014	Stifel Nicolaus & Co.	1,420,000	88,541			L
68389X-10-5	ORACLE CORP		06/09/2014	Stifel Nicolaus & Co.	1,615,000	69,039			L
713448-10-8	PEPSICO INC		05/15/2014	VARIOUS	2,004,000	173,577			L
693475-10-5	PNC FINANCIAL SERVICES GROUP		06/17/2014	VARIOUS	1,485,000	125,271			L
776696-10-6	ROPER INDUSTRIES INC		05/29/2014	CITATION GROUP	413,000	58,428			L
806857-10-8	SCHLUMBERGER LTD	R	06/17/2014	VARIOUS	1,596,000	165,348			L
882508-10-4	TEXAS INSTRUMENTS INC		06/17/2014	Stifel Nicolaus & Co.	3,389,000	161,396			L
949746-10-1	WELLS FARGO & CO		06/03/2014	Merrill Lynch	705,000	35,968			L
963320-10-6	WHIRLPOOL CORP		04/21/2014	Stifel Nicolaus & Co.	336,000	51,765			L
9099999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				XXX	2,477,701	XXX		XXX
9799997	Total Common Stock Part 3				XXX	2,477,701	XXX		XXX
9799998	Summary Item from Part 5 for Common Stocks				XXX	XXX	XXX	XXX	XXX
9799999	Total Common Stock				XXX	2,477,701	XXX		XXX
9899999	Total Preferred and Common Stock				XXX	2,477,701	XXX		XXX
9999999	Totals				XXX	7,961,632	XXX	14,819	XXX

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

**SCHEDULE D - PART 4**

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 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 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)		
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amor- tization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.									
31359M-UT-8	FANNIE MAE		04/15/2014	Maturity		500,000	500,000.00	501,919	500,103		(103)		(103)		500,000				10,313	04/15/2014	1		
312945-ZD-3	RMBS - FG A97040		06/16/2014	Direct		26,740	26,739.85	28,193	28,396		(40)		(40)		28,356				(1,616)	(1,616)	450	02/01/2041	1
3128M7-4G-8	RMBS - FG G05923		06/16/2014	Direct		14,105	14,104.60	15,352	15,792		(1)		(1)		15,791				(1,686)	(1,686)	323	02/01/2040	1
31368H-MY-6	RMBS - FN 190375		06/25/2014	Direct		12,072	12,071.91	13,207	13,579		15		15		13,595				(1,523)	(1,523)	278	11/01/2036	1
31368H-M4-2	RMBS - FN 190379		06/25/2014	Direct		2,098	2,097.53	2,246	2,293		1		1		2,294				(196)	(196)	48	05/01/2037	1
31385W-SB-6	RMBS - FN 555014		06/25/2014	Direct		15,867	15,867.30	17,300	16,856		(85)		(85)		16,772				(904)	(904)	362	11/01/2017	1
31402C-PL-0	RMBS - FN 725027		06/25/2014	Direct		15,447	15,446.51	16,645	16,809		(38)		(38)		16,771				(1,324)	(1,324)	321	11/01/2033	1
31403C-6L-0	RMBS - FN 745275		06/25/2014	Direct		12,547	12,546.66	13,594	13,857		(18)		(18)		13,840				(1,293)	(1,293)	263	02/01/2036	1
31403D-DX-4	RMBS - FN 745418		06/25/2014	Direct		23,072	23,072.41	25,125	25,556		10		10		25,567				(2,494)	(2,494)	525	04/01/2036	1
31410F-VW-2	RMBS - FN 888129		06/25/2014	Direct		2,130	2,130.19	2,281	2,322		1		1		2,323				(193)	(193)	49	02/01/2037	1
31410K-JY-1	RMBS - FN 889579		06/25/2014	Direct		14,373	14,373.08	15,780	16,229		34		34		16,263				(1,890)	(1,890)	357	05/01/2038	1
31412P-RQ-6	RMBS - FN 931195		06/25/2014	Direct		1,388	1,388.16	1,471	1,481		(3)		(3)		1,478				(90)	(90)	26	05/01/2024	1
31416B-QD-3	RMBS - FN 995152		06/25/2014	Direct		25,107	25,106.93	27,461	27,011		(117)		(117)		26,893				(1,786)	(1,786)	578	01/01/2021	1
31416B-TW-8	RMBS - FN 995265		06/25/2014	Direct		1,738	1,737.55	1,887	1,886		(3)		(3)		1,883				(145)	(145)	40	01/01/2024	1
31417V-N6-6	RMBS - FN AC8512		06/25/2014	Direct		1,322	1,321.48	1,401	1,418		(2)		(2)		1,416				(95)	(95)	25	12/01/2039	1
31418N-YK-0	RMBS - FN AD1613		06/25/2014	Direct		14,243	14,243.27	15,258	15,341		(21)		(21)		15,320				(1,077)	(1,077)	268	02/01/2025	1
31418R-GS-4	RMBS - FN AD3808		06/25/2014	Direct		3,887	3,886.53	4,072	4,114		(4)		(4)		4,110				(224)	(224)	72	04/01/2040	1
3138A4-Y5-8	RMBS - FN AH3431		06/25/2014	Direct		10,057	10,056.86	10,535	10,537		(18)		(18)		10,520				(463)	(463)	147	01/01/2026	1
3138AM-UJ-2	RMBS - FN AI7784		06/25/2014	Direct		20,108	20,107.50	21,427	21,692		(37)		(37)		21,655				(1,548)	(1,548)	391	07/01/2041	1
3138EG-FA-7	RMBS - FN AL0160		06/25/2014	Direct		9,799	9,798.65	10,463	10,531		(14)		(14)		10,517				(718)	(718)	184	05/01/2041	1
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obl		XXX		726,100	726,096.97	745,617	745,803		(443)		(443)		745,364				(19,265)	(19,265)	15,020	XXX	XXX	
05565Q-BL-1	BP CAPITAL MARKETS PLC	R	05/08/2014	Maturity		350,000	350,000.00	367,084	353,752		(3,752)		(3,752)		350,000						6,344	05/08/2014	1FE
377372-AA-5	GLAXOSMITHKLINE CAP INC	R	04/15/2014	Maturity		500,000	500,000.00	498,045	499,905		95		95		500,000						10,938	04/15/2014	1FE
38259P-AA-0	GOOGLE INC		05/19/2014	Maturity		505,000	505,000.00	510,176	506,819		(1,819)		(1,819)		505,000						3,156	05/19/2014	1FE
459200-GW-5	IBM CORP		05/12/2014	Maturity		250,000	250,000.00	252,768	250,000					250,000						1,563	05/12/2014	1FE	
59156R-AH-1	METLIFE INC		06/16/2014	Maturity		250,000	250,000.00	249,470	249,965		35		35		250,000						6,875	06/15/2014	1FE
50075N-BB-9	MONDELEZ INTERNATIONAL		05/13/2014	BARCLAYS CAPITAL I		344,204	325,000.00	356,749	343,040		(3,142)		(3,142)		339,898				4,306	4,306	10,315	02/09/2016	2FE
665859-AK-0	NORTHERN TRUST CORP		05/01/2014	Maturity		600,000	600,000.00	633,504	608,162		(8,162)		(8,162)		600,000						13,875	05/01/2014	1FE
69349L-AH-1	PNC BANK NA		04/02/2014	PERSHING LLC		300,801	300,000.00	299,937	299,956		6		6		299,962				839	839	1,660	01/28/2016	1FE
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)		XXX		3,100,005	3,080,000.00	3,167,733	3,111,599		(16,739)		(16,739)		3,094,860				5,145	5,145	54,726	XXX	XXX	
8399997	Total - Bonds - Part 4		XXX		3,826,105	3,806,096.97	3,913,350	3,857,402		(17,182)		(17,182)		3,840,224				(14,120)	(14,120)	69,746	XXX	XXX	
8399998	Summary Item from Part 5 for Bonds		XXX		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX								

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

## **SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A.C.V. (11+12-13)	Total Foreign Exchange Change in B/A.C.V.	Book/ Adjusted Carrying Value at Disposal	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designa- tion or Market Indicator (a)
CUSIP Ident- ification	Description	Disposal Date	For- eign	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A.C.V. (11+12-13)	Total Foreign Exchange Change in B/A.C.V.	Book/ Adjusted Carrying Value at Disposal	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designa- tion or Market Indicator (a)	
8399999	Total Bonds				XXX	3,826,105	3,806,096.97	3,913,350	3,857,402		(17,182)		(17,182)		3,840,224		(14,120)	(14,120)	69,746	XXX	XXX	
G1151C-10-1	ACCENTURE PLC-CL A	R	05/15/2014	JP MORGAN SECURIT	435.00	33,427		32,532	27,708	(3,105)			(3,105)		32,532		895	895	405	L		
H0023R-10-5	ACE LTD	R	04/17/2014	Stifel Nicolaus & Co.	862.00	85,293		73,198	69,158	(14,547)			(14,547)		73,198		12,095	12,095	1,004	L		
009158-10-6	AIR PRODUCTS & CHEMICALS INC		06/04/2014	Stifel Nicolaus & Co.	302.00	36,539		32,752	21,462	(780)			(780)		32,752		3,786	3,786	369	L		
03076C-10-6	AMERIPRISE FINANCIAL INC		06/03/2014	VARIOUS	1,288.00	135,742		80,484	148,184	(67,701)			(67,701)		80,484		55,259	55,259	847	L		
03073E-10-5	AMERISOURCEBERGEN CORP		04/03/2014	Stifel Nicolaus & Co.	809.00	53,058		49,513	56,881	(7,368)			(7,368)		49,513		3,546	3,546	190	L		
031162-10-0	AMGEN INC		05/09/2014	JP MORGAN SECURIT	315.00	34,515		26,978	35,935	(8,957)			(8,957)		26,978		7,537	7,537	192	L		
032654-10-5	ANALOG DEVICES INC		04/03/2014	CITATION GROUP	2,622.00	141,521		117,863	103,490	(14,579)			(14,579)		117,863		23,658	23,658	897	L		
053015-10-3	AUTOMATIC DATA PROCESSING		04/21/2014	Stifel Nicolaus & Co.	455.00	34,642		25,831	36,764	(10,932)			(10,932)		25,831		8,811	8,811	437	L		
172967-42-4	CITIGROUP INC		05/23/2014	VARIOUS	2,713.00	126,018		129,125	106,617	(10,969)			(10,969)		129,125		(3,107)	(3,107)	43	L		
20030N-10-1	COMCAST CORP-CLASS A		05/29/2014	CITATION GROUP	1,023.00	53,020		48,369	53,160	(4,791)			(4,791)		48,369		4,651	4,651	430	L		
22160K-10-5	COSTCO WHOLESALE CORP		04/03/2014	CITATION GROUP	540.00	60,440		54,619	49,869	(9,094)			(9,094)		54,619		5,821	5,821	155	L		
126650-10-0	CVS CAREMARK CORP		05/02/2014	SG COWEN SECURIT	471.00	34,202		17,760	33,709	(15,949)			(15,949)		17,760		16,442	16,442	259	L		
G29183-10-3	EATON CORP PLC	R	05/29/2014	VARIOUS	1,152.00	83,851		61,429	87,690	(26,261)			(26,261)		61,429		22,422	22,422	1,129	L		
369604-10-3	GENERAL ELECTRIC CO		04/25/2014	CITATION GROUP	1,353.00	35,220		27,899	37,925	(10,025)			(10,025)		27,899		7,321	7,321	595	L		
37045V-10-0	GENERAL MOTORS CO		05/22/2014	VARIOUS	1,550.00	51,158		56,390	63,349	(6,958)			(6,958)		56,390		(5,232)	(5,232)	465	L		
38259P-50-8	GOOGLE INC-CL A		05/15/2014	VARIOUS	346.00	258,474		249,860	124,399	(29,208)			(29,208)		249,860		8,614	8,614	5,575	L		
38259P-70-6	GOOGLE INC-CL C		05/07/2014	VARIOUS	173.00	88,722		83,147						83,147		5,575	5,575	5,575	L			
438516-10-6	HONEYWELL INTERNATIONAL INC		06/10/2014	CITATION GROUP	633.00	58,582		47,429	57,837	(10,409)			(10,409)		47,429		11,153	11,153	570	L		
46625H-10-0	JPMORGAN CHASE & CO		06/03/2014	VARIOUS	2,713.00	150,618		135,299	101,580	(23,310)			(23,310)		135,299		15,320	15,320	1,512	L		
501044-10-1	KROGER CO		06/17/2014	Stifel Nicolaus & Co.	1,528.00	71,815		60,208	60,402	(194)			(194)		60,208		11,607	11,607	504	L		
55616P-10-4	MACY'S INC		05/15/2014	Stifel Nicolaus & Co.	589.00	33,490		30,577	31,453	(875)			(875)		30,577		2,913	2,913	295	L		
585055-10-6	MEDTRONIC INC		06/03/2014	VARIOUS	1,383.00	82,609		80,030	79,370	659			659		80,030		2,580	2,580	774	L		
65339F-10-1	NEXTERA ENERGY INC		06/16/2014	Stifel Nicolaus & Co.	431.00	41,546		29,624	36,902	(7,278)			(7,278)		29,624		11,922	11,922	625	L		
717081-10-3	PFIZER INC		06/09/2014	VARIOUS	3,095.00	91,616		67,870	94,800	(26,930)			(26,930)		67,870		23,746	23,746	1,319	L		
742718-10-9	PROCTER & GAMBLE CO/THE		05/29/2014	CITATION GROUP	812.00	65,104		62,611	51,207	(2,872)			(2,872)		62,611		2,493	2,493	937	L		
747525-10-3	QUALCOMM INC		04/28/2014	SG COWEN SECURIT	891.00	69,290		54,595	66,157	(11,562)			(11,562)		54,595		14,695	14,695	312	L		
771195-10-4	ROCHE HOLDINGS LTD-SPONS ADR	R	05/09/2014	VARIOUS	1,923.00	68,852		46,063	67,354	(21,291)			(21,291)		46,063		22,789	22,789	1,348	U		
857477-10-3	STATE STREET CORP		04/28/2014	INSTINET	1,142.00	72,396		80,098	38,310	(1,964)			(1,964)		80,098		(7,702)	(7,702)	433	L		
872540-10-9	T.J.X COMPANIES INC		06/05/2014	CITATION GROUP	1,286.00	69,880		59,021	63,475	(21,939)			(21,939)		59,021		10,859	10,859	397	L		
931142-10-3	WAL-MART STORES INC		06/02/2014	Stifel Nicolaus & Co.	918.00	70,528		71,215	52,486	(118)			(118)		71,215		(687)	(687)	1,195	L		
963320-10-6	WHIRLPOOL CORP		06/16/2014	CITATION GROUP	336.00	48,157		51,765						51,765		(3,608)	(3,608)	252	L			
983919-10-1	XILINX INC		06/04/2014	JP MORGAN SECURIT	1,690.00	78,099		84,692						84,692		(6,593)	(6,593)	652	L			

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**SCHEDULE D - PART 4**

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

1 CUSIP Ident- ification	2 Description	3 F o r e i n g	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 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 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's Other Than Temporary Impairment Recognized	13 Current Year's (Amort- ization)/ Accretion	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
9099999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				XXX	2,418,424		2,128,846	1,857,633	(369,307)			(369,307)		2,128,846		289,581	289,581	18,542	XXX	XXX	
9799997	Total - Common Stock - Part 4				XXX	2,418,424	XXX	2,128,846	1,857,633	(369,307)			(369,307)		2,128,846		289,581	289,581	18,542	XXX	XXX	
9799998	Summary Item from Part 5 for Common Stocks				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
9799999	Total Common Stocks				XXX	2,418,424	XXX	2,128,846	1,857,633	(369,307)			(369,307)		2,128,846		289,581	289,581	18,542	XXX	XXX	
9899999	Total Preferred and Common Stocks				XXX	2,418,424	XXX	2,128,846	1,857,633	(369,307)			(369,307)		2,128,846		289,581	289,581	18,542	XXX	XXX	
E05.2																						
9999999	Totals						6,244,529	XXX	6,042,196	5,715,035	(369,307)	(17,182)		(386,489)		5,969,070		275,461	275,461	88,288	XXX	XXX

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

1.

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

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

**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**

## 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								
Bank of Oklahoma	Tulsa, OK	0.080	18		91,687	91,694	91,700	
Fifth Third Bank	Cincinnati, OH				3,298,284	2,602,560	1,676,379	
Fifth Third Bank	Cincinnati, OH				26,384	15,430	2,347	
Fifth Third Bank	Cincinnati, OH				616	616	616	
Fifth Third Bank	Cincinnati, OH	0.050	18		142,652	142,658	142,664	
Fifth Third Bank	Cincinnati, OH				100,000	100,000	100,000	
Fifth Third Bank	Cincinnati, OH	0.050	56		449,874	449,893	449,912	
Fifth Third Bank	Cincinnati, OH	0.050	9		71,099	71,102	71,105	
Century Bank	Sante Fe, NM	0.150	197		527,841	527,908	527,973	
0199998 Deposits in ( 0 ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total - Open Depositories	XXX	XXX	298		4,708,437	4,001,861	3,062,696	XXX
Suspended Depositories								
0299998 Deposits in ( 0 ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	XXX	XXX						XXX
0299999 Total Suspended Depositories	XXX	XXX						XXX
0399999 Total Cash on Deposit	XXX	XXX	298		4,708,437	4,001,861	3,062,696	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total	XXX	XXX	298		4,708,437	4,001,861	3,062,696	XXX

**NONE      Schedule E - Part 2**