*36951201420100102*

# QUARTERLY STATEMENT

**As of June 30, 2014**

of the Condition and Affairs of the

# Century Surety Company

NAIC Group Code.....0748, 0748 (Current Period) (Prior Period) NAIC Company Code..... 36951 Employer's ID Number..... 31-0936702

Organized under the Laws of Ohio State of Domicile or Port of Entry Ohio Country of Domicile US

Incorporated/Organized..... June 22, 1978 Commenced Business..... August 11, 1978

| | | |
|---|---|---|
| Statutory Home Office | 550 Polaris Parkway….. Westerville ..... OH ..... US ..... 43082<br>*(Street and Number) (City or Town, State, Country and Zip Code)* | |
| Main Administrative Office | 550 Polaris Parkway….. Westerville ..... OH ..... US ..... 43082<br>*(Street and Number) (City or Town, State, Country and Zip Code)* | 614-895-2000<br>*(Area Code) (Telephone Number)* |
| Mail Address | 550 Polaris Parkway….. Westerville ..... OH ..... US ..... 43082<br>*(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)* | |
| Primary Location of Books and Records | 26255 American Drive….. Southfield ..... MI ..... US ..... 48034<br>*(Street and Number) (City or Town, State, Country and Zip Code)* | 248-358-1100<br>*(Area Code) (Telephone Number)* |
| Internet Web Site Address | www.meadowbrook.com | |
| Statutory Statement Contact | Kimberlee A. Arnold<br>*(Name)* | 248-358-1100-8102<br>*(Area Code) (Telephone Number) (Extension)* |
| | karnold@meadowbrook.com<br>*(E-Mail Address)* | 248-358-1614<br>*(Fax Number)* |

## OFFICERS

| Name | Title | Name | Title |
|---|---|---|---|
| 1. Christopher John Timm | President | 2. Michael Gerard Costello | Secretary |
| 3. Steven Christopher Divine | Treasurer | 4. | |

## OTHER

| | | | |
|---|---|---|---|
| Michael Gerard Costello | Sr. VP & General Counsel | Robert Samuel Cubbin | Chairman |
| Steven Christopher Divine | Vice President | Randolph Witt Fort | Vice President |
| Karen Marwell Spaun | Vice President | Nathan Karl Voorhis | Vice President |
| Roger Scott Walleck # | Vice President | | |

## DIRECTORS OR TRUSTEES

| | | | |
|---|---|---|---|
| Robert Samuel Cubbin-Chairman | James Michael Mahoney | Archie Stephen McIntyre | Karen Marwell Spaun |
| Christopher John Timm | Nathan Karl Voorhis | Roger Scott Walleck # | |

State of........ Michigan
County of..... Oakland

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

| | | |
|---|---|---|
| (Signature) | (Signature) | (Signature) |
| Christopher John Timm | Michael Gerard Costello | Steven Christopher Divine |
| 1. (Printed Name) | 2. (Printed Name) | 3. (Printed Name) |
| President | Secretary | Treasurer |
| (Title) | (Title) | (Title) |

Subscribed and sworn to before me
This ________ day of ________________________

a. Is this an original filing? Yes [ X ] No [ ]
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

# ASSETS

| | Current Statement Date 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | 4 December 31 Prior Year Net Admitted Assets |
|---|---|---|---|---|
| 1. Bonds | 383,695,878 | | 383,695,878 | 396,246,887 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | 0 | | 0 | 8,455 |
| 2.2 Common stocks | 114,152,726 | | 114,152,726 | 119,562,058 |
| 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 $..........0 encumbrances) | | | 0 | |
| 5. Cash ($.....4,108,122), cash equivalents ($..........0) and short-term investments ($.....13,657,922) | 17,766,044 | | 17,766,044 | 13,790,953 |
| 6. Contract loans (including $..........0 premium notes) | | | 0 | |
| 7. Derivatives | | | 0 | |
| 8. Other invested assets | 8,126,572 | | 8,126,572 | 6,901,251 |
| 9. Receivables for securities | | | 0 | 11,331 |
| 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) | 523,741,219 | 0 | 523,741,219 | 536,520,934 |
| 13. Title plants less $..........0 charged off (for Title insurers only) | | | 0 | |
| 14. Investment income due and accrued | 3,677,181 | | 3,677,181 | 3,879,157 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 50,651,815 | 337,851 | 50,313,964 | 42,935,550 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums) | 1,974 | | 1,974 | |
| 15.3 Accrued retrospective premiums | | | 0 | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 37,180,872 | | 37,180,872 | 35,609,672 |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 | |
| 16.3 Other amounts receivable under reinsurance contracts | | | 0 | |
| 17. Amounts receivable relating to uninsured plans | | | 0 | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 2,980,336 | | 2,980,336 | 5,465,417 |
| 18.2 Net deferred tax asset | 14,596,167 | | 14,596,167 | 15,479,625 |
| 19. Guaranty funds receivable or on deposit | 311 | | 311 | 446 |
| 20. Electronic data processing equipment and software | | | 0 | 7 |
| 21. Furniture and equipment, including health care delivery assets ($..........0) | 2,871 | 2,871 | 0 | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | |
| 23. Receivables from parent, subsidiaries and affiliates | 740 | | 740 | 9,776 |
| 24. Health care ($..........0) and other amounts receivable | | | 0 | |
| 25. Aggregate write-ins for other than invested assets | 1,983,361 | 30,000 | 1,953,361 | 2,181,345 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25) | 634,816,847 | 370,722 | 634,446,125 | 642,081,930 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 | |
| 28. Total (Lines 26 and 27) | 634,816,847 | 370,722 | 634,446,125 | 642,081,930 |

## 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. Miscellaneous Receivables | 1,703,361 | | 1,703,361 | 1,931,345 |
| 2502. Security Deposits | 280,000 | 30,000 | 250,000 | 250,000 |
| 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) | 1,983,361 | 30,000 | 1,953,361 | 2,181,345 |

# LIABILITIES, SURPLUS AND OTHER FUNDS

| | | 1<br>Current<br>Statement Date | 2<br>December 31<br>Prior Year |
|---|---|---|---|
| 1. | Losses (current accident year $.....41,200,681) | 245,814,427 | 250,134,542 |
| 2. | Reinsurance payable on paid losses and loss adjustment expenses | 35,225,533 | 38,051,914 |
| 3. | Loss adjustment expenses | 69,402,364 | 71,164,831 |
| 4. | Commissions payable, contingent commissions and other similar charges | 44,452 | 266,077 |
| 5. | Other expenses (excluding taxes, licenses and fees) | 207,976 | 78,054 |
| 6. | Taxes, licenses and fees (excluding federal and foreign income taxes) | 813,699 | 804,179 |
| 7.1 | Current federal and foreign income taxes (including $.........0 on realized capital gains (losses)) | | |
| 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 $.....81,724,093 and including warranty reserves of $.........0 and accrued accident and health experience rating refunds including $.........0 for medical loss ratio rebate per the Public Health Service Act | 78,247,411 | 83,841,858 |
| 10. | Advance premium | | |
| 11. | Dividends declared and unpaid: | | |
| | 11.1 Stockholders | | |
| | 11.2 Policyholders | | |
| 12. | Ceded reinsurance premiums payable (net of ceding commissions) | 14,657,927 | 17,913,044 |
| 13. | Funds held by company under reinsurance treaties | 0 | 0 |
| 14. | Amounts withheld or retained by company for account of others | 346,202 | 346,202 |
| 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 | 360,748 | 324,732 |
| 20. | Derivatives | | |
| 21. | Payable for securities | 991,700 | |
| 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 | 768,953 | 527,921 |
| 26. | Total liabilities excluding protected cell liabilities (Lines 1 through 25) | 446,881,392 | 463,453,354 |
| 27. | Protected cell liabilities | | |
| 28. | Total liabilities (Lines 26 and 27) | 446,881,392 | 463,453,354 |
| 29. | Aggregate write-ins for special surplus funds | 0 | 0 |
| 30. | Common capital stock | 3,000,000 | 3,000,000 |
| 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 | 119,914,779 | 119,914,779 |
| 35. | Unassigned funds (surplus) | 64,649,954 | 55,713,798 |
| 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) | 187,564,733 | 178,628,576 |
| 38. | Totals (Page 2, Line 28, Col. 3) | 634,446,125 | 642,081,930 |

**DETAILS OF WRITE-INS**

| | | | |
|---|---|---|---|
| 2501. | Miscellaneous payable | 655,295 | 416,476 |
| 2502. | Escheat claims | 83,658 | 111,445 |
| 2503. | Deferred Income | 30,000 | |
| 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) | 768,953 | 527,921 |
| 2901. | | | |
| 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) | 0 | 0 |
| 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<br>Current Year<br>to Date | 2<br>Prior Year<br>to Date | 3<br>Prior Year Ended<br>December 31 |
|---|---|---|---|
| **UNDERWRITING INCOME** | | | |
| 1. Premiums earned: | | | |
| 1.1 Direct (written $.....5,246,284) | 28,521,527 | 107,237,558 | 177,616,095 |
| 1.2 Assumed (written $.....142,163,028) | 143,655,734 | 100,326,726 | 227,241,002 |
| 1.3 Ceded (written $.....59,270,203) | 78,443,705 | 107,237,558 | 203,235,593 |
| 1.4 Net (written $.....88,139,109) | 93,733,556 | 100,326,726 | 201,621,503 |
| DEDUCTIONS: | | | |
| 2. Losses incurred (current accident year $.....48,126,567): | | | |
| 2.1 Direct | 21,047,914 | 48,381,226 | 93,514,531 |
| 2.2 Assumed | 70,835,190 | 60,447,976 | 134,891,546 |
| 2.3 Ceded | 44,425,060 | 48,362,558 | 105,921,470 |
| 2.4 Net | 47,458,044 | 60,466,644 | 122,484,607 |
| 3. Loss adjustment expenses incurred | 14,417,357 | 17,204,583 | 37,120,649 |
| 4. Other underwriting expenses incurred | 32,800,035 | 33,181,094 | 67,925,825 |
| 5. Aggregate write-ins for underwriting deductions | 0 | 0 | 0 |
| 6. Total underwriting deductions (Lines 2 through 5) | 94,675,436 | 110,852,320 | 227,531,081 |
| 7. Net income of protected cells | | | |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7) | (941,879) | (10,525,594) | (25,909,578) |
| **INVESTMENT INCOME** | | | |
| 9. Net investment income earned | 6,390,468 | 6,840,075 | 13,951,577 |
| 10. Net realized capital gains (losses) less capital gains tax of $.....1,085,348 | 2,015,645 | 1,473,778 | 2,282,159 |
| 11. Net investment gain (loss) (Lines 9 + 10) | 8,406,113 | 8,313,853 | 16,233,736 |
| **OTHER INCOME** | | | |
| 12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $..........0 amount charged off $.....410,502) | (410,502) | (428,768) | (854,733) |
| 13. Finance and service charges not included in premiums | | | |
| 14. Aggregate write-ins for miscellaneous income | 30,000 | 30,910 | 60,495 |
| 15. Total other income (Lines 12 through 14) | (380,502) | (397,858) | (794,238) |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) | 7,083,731 | (2,609,600) | (10,470,080) |
| 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) | 7,083,731 | (2,609,600) | (10,470,080) |
| 19. Federal and foreign income taxes incurred | (313,945) | (1,920,731) | (6,694,272) |
| 20. Net income (Line 18 minus Line 19) (to Line 22) | 7,397,676 | (688,869) | (3,775,808) |
| **CAPITAL AND SURPLUS ACCOUNT** | | | |
| 21. Surplus as regards policyholders, December 31 prior year | 178,628,576 | 163,161,584 | 163,161,584 |
| 22. Net income (from Line 20) | 7,397,676 | (688,869) | (3,775,808) |
| 23. Net transfers (to) from Protected Cell accounts | | | |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of $.....528,288 | 1,778,832 | 2,104,657 | 5,704,870 |
| 25. Change in net unrealized foreign exchange capital gain (loss) | | | |
| 26. Change in net deferred income tax | (1,029,838) | 545,174 | 98,140 |
| 27. Change in nonadmitted assets | 789,485 | 1,586,519 | 5,439,790 |
| 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 | | 15,000,000 | 15,000,000 |
| 33.2 Transferred to capital (Stock Dividend) | | | |
| 33.3 Transferred from capital | | | |
| 34. Net remittances from or (to) Home Office | | | |
| 35. Dividends to stockholders | | | (7,000,000) |
| 36. Change in treasury stock | | | |
| 37. Aggregate write-ins for gains and losses in surplus | 0 | 0 | 0 |
| 38. Change in surplus as regards policyholders (Lines 22 through 37) | 8,936,156 | 18,547,482 | 15,466,992 |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38) | 187,564,733 | 181,709,066 | 178,628,576 |

**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 | 30,000 | 30,910 | 60,495 |
| 1402. | | | |
| 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) | 30,000 | 30,910 | 60,495 |
| 3701. | | | |
| 3702. | | | |
| 3703. | | | |
| 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) | 0 | 0 | 0 |

# CASH FLOW

| | | 1<br>Current Year<br>to Date | 2<br>Prior Year<br>To Date | 3<br>Prior Year Ended<br>December 31 |
|---|---|---|---|---|
| | **CASH FROM OPERATIONS** | | | |
| 1. | Premiums collected net of reinsurance | 77,616,626 | 111,591,243 | 210,955,124 |
| 2. | Net investment income | 8,300,046 | 7,379,850 | 16,105,757 |
| 3. | Miscellaneous income | (380,502) | (397,858) | (794,238) |
| 4. | Total (Lines 1 through 3) | 85,536,170 | 118,573,235 | 226,266,643 |
| 5. | Benefit and loss related payments | 56,175,740 | 56,988,324 | 113,564,864 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 49,061,906 | 50,585,234 | 103,052,554 |
| 8. | Dividends paid to policyholders | | | |
| 9. | Federal and foreign income taxes paid (recovered) net of $.....1,085,348 tax on capital gains (losses) | (1,713,678) | (950,000) | (3,555,580) |
| 10. | Total (Lines 5 through 9) | 103,523,968 | 106,623,557 | 213,061,838 |
| 11. | Net cash from operations (Line 4 minus Line 10) | (17,987,798) | 11,949,677 | 13,204,805 |
| | **CASH FROM INVESTMENTS** | | | |
| 12. | Proceeds from investments sold, matured or repaid: | | | |
| | 12.1 Bonds | 14,763,936 | 28,966,359 | 46,704,638 |
| | 12.2 Stocks | 21,585,330 | 12,025,596 | 35,225,887 |
| | 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 | 1,003,030 | | |
| | 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 37,352,296 | 40,991,955 | 81,930,525 |
| 13. | Cost of investments acquired (long-term only): | | | |
| | 13.1 Bonds | 3,701,695 | 95,767,168 | 118,505,314 |
| | 13.2 Stocks | 12,203,589 | 60,418,311 | 71,663,686 |
| | 13.3 Mortgage loans | | | |
| | 13.4 Real estate | | | |
| | 13.5 Other invested assets | | 1,380,609 | 2,898,268 |
| | 13.6 Miscellaneous applications | | | 11,331 |
| | 13.7 Total investments acquired (Lines 13.1 to 13.6) | 15,905,284 | 157,566,088 | 193,078,599 |
| 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) | 21,447,012 | (116,574,133) | (111,148,074) |
| | **CASH FROM FINANCING AND MISCELLANEOUS SOURCES** | | | |
| 16. | Cash provided (applied): | | | |
| | 16.1 Surplus notes, capital notes | | | |
| | 16.2 Capital and paid in surplus, less treasury stock | | 5,000,000 | 5,000,000 |
| | 16.3 Borrowed funds | | | |
| | 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | | |
| | 16.5 Dividends to stockholders | | | 7,000,000 |
| | 16.6 Other cash provided (applied) | 515,876 | 347,127 | (2,411,366) |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) | 515,876 | 5,347,127 | (4,411,366) |
| | **RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS** | | | |
| 18. | Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17) | 3,975,090 | (99,277,329) | (102,354,634) |
| 19. | Cash, cash equivalents and short-term investments: | | | |
| | 19.1 Beginning of year | 13,790,953 | 116,145,587 | 116,145,587 |
| | 19.2 End of period (Line 18 plus Line 19.1) | 17,766,043 | 16,868,258 | 13,790,953 |

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

| | | | |
|---|---|---|---|
| 20.0001 | | | |

# NOTES TO FINANCIAL STATEMENTS

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Accounting Practices**

The accompanying financial statements of Century Surety Company ("Company") have been completed in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual except to the extent that Ohio state laws and regulations differ. Effective January 1, 2001, the state of Ohio required that insurance companies domiciled in the state of Ohio prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures manual – Effective January 1, 2001* (NAIC SAP), subject to any deviations prescribed or permitted by the state of Ohio Insurance Commissioner. The Company has no such deviations as of June 30, 2014.

A reconciliation of the Company's surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio is shown below.

| | State of Domicile | June 30, 2014 | December 31, 2013 |
|---|---|---|---|
| 1. Net Income/(Loss), Ohio Basis | OH | $ 7,397,676 | $ (3,775,808) |
| 2. State Prescribed Practices: NONE | | 0 | 0 |
| 3. State Permitted Practices: NONE | | 0 | 0 |
| 4. Net Income/(Loss), NAIC SAP basis (1-2-3=4) | OH | $ 7,397,676 | $ (3,775,808) |
| 5. Policyholders surplus, Ohio basis | OH | $ 187,564,733 | $ 178,628,576 |
| 6. State Prescribed Practice: NONE | | 0 | 0 |
| 7. State Permitted Practice: NONE | | 0 | 0 |
| 8. Policyholders surplus, NAIC SAP basis (5-6-7=8) | OH | $ 187,564,733 | $ 178,628,576 |

**B. Use of Estimates in the Preparation of the Financial Statements**

No significant change.

**C. Accounting Policy**

No significant change.

**2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS**

No significant change.

**3. BUSINESS COMBINATIONS AND GOODWILL**

Not applicable.

**4. DISCONTINUED OPERATIONS**

Not applicable.

**5. INVESTMENTS**

A. No significant change.
B. No significant change.
C. No significant change.
D. Loan-backed securities

1. Our asset manager uses a proprietary model for loss assumptions and widely accepted models for prepayment assumptions in valuing mortgage-backed and asset-backed securities; inputs come from major third party data providers. The effect of interest rates, volatility, and prepayment speeds are derived using Monte Carlo simulation. Credit loss analysis, resulting effective analytics (spreads, duration, convexity) and cash-flows are reported to clients on a monthly basis. Model assumptions are specific to asset class and collateral types and are regularly evaluated and adjusted where appropriate.
2. Securities where the Company has either the intent to sell or lacks the ability to retain the securities - Not applicable.
3. Loan-backed securities with a historical or current period other-than-temporary ("OTTI"), currently held by the reporting entity where the present value of the discounted cash flows was/is less than the amortized cost basis of the securities. - Not applicable.
4. All impaired securities for which an OTTI has not been recognized in earnings as a realized loss including securities with a recognized OTTI for non-interest related declines when a non-recognized interest related impairment remains:

| | |
|---|---|
| a. Aggregate amount of unrealized loss | |
| 1. Less than twelve month | $ 10,668 |
| 2. Twelve months or longer | 1,737,134 |
| 3. Total | $ 1,747,802 |
| B. Aggregate fair value of securities with unrealized loss | |
| 1. Less than twelve months | $ 3,179,943 |
| 2. Twelve months or longer | 27,571,051 |
| 3. Total | $ 30,750,994 |

5. There are a number of factors that are considered in determining if there is not an OTTI on an investment, including but not limited to, debt burden, credit ratings, sector, liquidity, financial flexibility, company management, expected earnings and cash flow stream, and economic prospects associated with the investment.

E. The Company has no repurchase agreements, reverse repurchase agreements and/or security lending transactions.
F. No significant change.
G. No significant change.

# NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

1. Restricted Assets (including Pledged)

| | Gross Restricted | | | | | | | | Percentage | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Current Year | | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | Total General Account (G/A) | G/A Support S/A Activity (a) | Total Separate Account (S/A) Restricted Assets | b/A Assets Support G/A Activity (b) | Total (1 plus 3) | Total From Prior Year | Increase/ (Decrease) (5 minus 6) | Total Current Year Admitted Restricted | Gross Restricted to Total Assets | Additional Restricted to Total Admitted Assets |
| a. Subject to contractual obligation for which liability is not shown | | | | | 0 | | 0 | | 0% | 0% |
| b. Collateral held under security lending agreements | | | | | 0 | | 0 | | 0% | 0% |
| c. Subject to repurchase agreements | | | | | 0 | | 0 | | 0% | 0% |
| d. Subject to reverse repurchase agreements | | | | | 0 | | 0 | | 0% | 0% |
| e. Subject to dollar repurchase agreements | | | | | 0 | | 0 | | 0% | 0% |
| f. Subject to dollar reverse repurchase agreements | | | | | 0 | | 0 | | 0% | 0% |
| g. Placed under option contracts | | | | | 0 | | 0 | | 0% | 0% |
| h. Letter stock or securities restricted as to sale | | | | | 0 | | 0 | | 0% | 0% |
| i. FHLB capital stock | | | | | 0 | | 0 | | 0% | 0% |
| j. On deposit with states | 6,682,927 | | | | 6,682,927 | 7,091,454 | (408,527) | 6,682,927 | 1.053% | 1.053% |
| k. On deposit with other regulatory bodies | | | | | 0 | | 0 | | 0% | 0% |
| l. Pledged as collateral FHLB (including assets backing funding agreements) | | | | | 0 | | 0 | | 0% | 0% |
| m. Pledged as collateral not captured in other categories | 130,022,605 | | | | 130,022,605 | 108,188,636 | 21,833,969 | 130,022,605 | 20.482% | 20.494% |
| n. Other restricted assets | | | | | 0 | | 0 | | 0% | 0% |
| o. Total Restricted Assets | 136,705,532 | 0 | 0 | 0 | 136,705,532 | 115,280,090 | 21,425,442 | 136,705,532 | 21.535% | 21.547% |

(a) Subset of column 1

(b) Subset of column 3

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that share similar characteristics, such as Reinsurance and Derivatives are reported in the aggregate)

| | Gross Restricted | | | | | | | | Percentage | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Current Year | | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Description of Assets | Total General Account (G/A) | G/A Support S/A Activity (a) | Total Separate Account (S/A) Restricted Assets | S/A Assets Support G/A Activity (b) | Total (1 plus 3) | Total From Prior Year | Increase/ (Decrease) (5 minus 6) | Total Current Year Admitted Restricted | Gross Restricted to Total Assets | Additional Restricted to Total Admitted Assets |
| ReinsuranceAgreement | 130,022,605 | | | | 130,022,605 | 108,188,636 | 21,833,969 | 130,022,605 | 20.482% | 20.494% |
| | 130,022,605 | 0 | 0 | 0 | 130,022,605 | 108,188,636 | 21,833,969 | 130,022,605 | 20.482% | 20.494% |

(a) Subset of column 1

(b) Subset of column 3

# NOTES TO FINANCIAL STATEMENTS

3. Detail of Other Restricted Assets (Contracts that share similar characteristics, such as Reinsurance and Derivatives, are reported in the aggregate)

| | Gross Restricted | | | | | | | | Percentage | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Current Year | | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Description of Assets | Total General Account (G/A) | G/A Support S/A Activity (a) | Total Separate Account (S/A) Restricted Assets | S/A Assets Support G/A Activity (b) | Total (1 plus 3) | Total From Prior Year | Increase/ (Decrease) (5 minus 6) | Total Current Year Admitted Restricted | Gross Restricted to Total Assets | Additional Restricted to Total Admitted Assets |
| | | | NONE | | | | | | 0% | 0% |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 0% |

I. Working Capital Finance Investments - Not applicable.
J. Offsetting and Netting of Assets and Liabilities - Not applicable.

**6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**
Not applicable.

**7. INVESTMENT INCOME**
No significant change.

**8. DERIVATIVE INSTRUMENTS**
No significant change.

**9. INCOME TAXES**
No significant change.

**10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES**
A. No significant change.
B. No significant change.
C. The Management Services Agreement ("Agreement") currently is effective July 1, 2011 through June 30, 2014. If the Agreement is not terminated by the parties, it automatically extends for additional three (3) year periods thereafter.
D. At June 30, 2014 and 2013, the Company reported $740 and $873,342, respectively due from parent, subsidiaries and affiliates and $360,748 and $2,815,067 respectively due to parent, subsidiaries and affiliates pursuant to the Intercompany Loan Agreement. Intercompany balances between parent, subsidiaries and affiliates are settled on a monthly basis.
E. Guarantees or Undertakings for Related Parties - Not applicable.
F. The Company does not directly hire employees. Rather, the Company entered into the Agreement with Meadowbrook, Inc. and affiliates, which provides the accounting, financial reporting, underwriting, compliance, reinsurance, sales, claims, loss prevention, and general management services for the Company. Fees paid to Meadowbrook, Inc. and affiliates are determined on a monthly basis, based on the actual costs associated with overall administration of all programs. On a pre-pooled basis, the Company directly incurred $10,403,017 and $13,769,158 of such expenses as of June 30, 2014 and 2013, respectively.

   Effective October 1, 2009 the Company entered into an Agency Agreement with Meadowbrook, Inc. and its affiliates or subsidiaries (the "Agent") whereby the Company pays the Agent a commission for the production of premium. As of June 30, 2014 and 2013, the Company has paid the Agent $3,610 and $107,944, respectively, in commissions.

   In addition, the Company's federal income tax return is consolidated with the entities referenced in Note 9(F) of the annual statement. Pursuant to the Tax Allocation Agreement, the Company recognized a tax expense of $771,403 and a tax benefit of $1,127,159 as of June 30, 2014 and 2013, respectively, to be received from the ultimate parent, Meadowbrook Insurance Group, Inc. ("MIGI").
G. No significant change.
H. No significant change.
I. No significant change.
J. Investments in Impaired SCA Entities - Not applicable.
K. Investments in Foreign SCA Entities - Not applicable.
L. Valuation of Downstream Holding Companies - Not applicable.

**11. DEBT**
A. Not applicable.
B. Funding Agreements issued to Federal Home Loan Bank (FHLB) - Not applicable.

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**
Not applicable.

**13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS**
1. No significant change.
2. Dividend Rate of Preferred Stock - Not applicable.
3. Dividends on common stock are paid as declared by the Board of Directors of the Company. Without prior approval of its domiciliary commissioner, Ohio law limits dividends to shareholders to the greater of 10% of the prior year policyholders' surplus less dividends paid in the prior twelve months or the prior year net income (excluding realized capital gains) less dividends paid in the prior twelve months. These dividends are further limited by a clause in the Ohio law, which prohibits an insurer from declaring dividends unless the value of assets remaining is at least equal to the aggregate amount of debts and liabilities, including capital.
4. The Company did not make a dividend payment to ProCentury Corporation as of June 30, 2014.
5. Within the limitations of (3) above, the maximum ordinary dividend payment allowed to shareholders as of June 30, 2014, without prior regulatory approval, is $10,862,858 after considering the ordinary dividend payment per (4) above.

# NOTES TO FINANCIAL STATEMENTS

6. No significant change.
7. No significant change.
8. No significant change.
9. No significant change.
10. No significant change.
11. No significant change.
12. No significant change.
13. No significant change.

**14. CONTINGENCIES**

No significant change.

**15. LEASES**

No significant change.

**16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND WITH CONCENTRATIONS OF CREDIT RISK**

Not applicable.

**17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**

A. Transfers of Receivables Reported as Sales - Not applicable.
B. Transfers and Servicing of Financial Assets - Not applicable.
C. There are no wash sales as of June 30, 2014.

**18. GAIN OR LOSS FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**

Not applicable.

**19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS**

Not applicable.

**20. FAIR VALUE MEASUREMENT**

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

**1. Fair Value Measurements at Reporting Date**

The Company has categorized its assets and liabilities that are measured at fair value into the three-level fair value hierarchy as reflected in the following table.

**Level 1** - Valuations that are based on unadjusted quoted market prices in active markets for identical securities. The fair value of exchange-traded equities and mutual funds included in the Level 1 category were based on quoted prices that are readily and regularly available in an active market and are thus classified as Level 1.

**Level 2 -** Valuations that are based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly. The fair value of securities included in the Level 2 category was based on market values obtained from a third-party pricing service. They were evaluated using pricing models that vary by asset class and incorporate available trade, bid and other observable market information. The third-party service monitors market indicators as well as industry and economic events. The Level 2 category includes corporate bonds, government and agency bonds, asset-backed, residential mortgage-backed and commercial mortgage-backed securities and municipal bonds.

**Level 3** - Valuations that are derived from techniques in which one or more of the significant inputs are unobservable and/or involve management judgment and/or are based on non-binding broker quotes.

| Assets at Fair Value | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Bonds - Industrial & Misc. | 0 | 552,000 | 383,772 | 935,772 |
| Bonds - MBS/CMO - Industrial & Misc. | 0 | 26,775 | 296,214 | 322,989 |
| Common Stock - Industrial & Misc. | 67,305,291 | 0 | 0 | 67,305,291 |
| | **$ 67,305,291** | **$ 578,775** | **$ 679,986** | **$ 68,564,052** |

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels. During the current year, there were no transfers into or out of Levels 1 or 2.

**2. Rollforward of Fair Value Measurements in Level 3**

| | Beginning Balance as of 1/1/14 | Transfers into Level 3 | Transfers out of Level 3 | Total gains (losses) included in Net Income | Total gains (losses) included in Surplus | Purchases | Issuances | Sales | Settlements | Ending Balance as of 6/30/14 |
|---|---|---|---|---|---|---|---|---|---|---|
| Bonds - Industrial & Misc. | $ 328,829 | $ 0 | $ 0 | $ 0 | $ 54,943 | $ 0 | $0 | $ 0 | $ 0 | $ 383,772 |
| Bonds - MBS/CMO - Industrial & Misc. | 191,211 | 0 | 0 | 0 | 114,275 | 0 | 0 | (9,272) | 0 | 296,214 |
| **Ending Balance** | **$ 520,040** | **$ 0** | **$ 0** | **$ 0** | **$169,218** | **$ 0** | **$0** | **$(9,272)** | **$ 0** | **$ 679,986** |

**3. Policy on Transfers Into and Out of Level 3**

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, there were no transfers into or out of Level 3.

# NOTES TO FINANCIAL STATEMENTS

4. **Inputs and Techniques Used for Level 2 and Level 3 Fair Values**

The estimated fair values of the Company's investments are based on prices provided by a third party pricing service and a third party investment manager. The prices provided by these services are based on quoted market prices, when available; non-binding broker quotes, or matrix pricing. The Company has not historically adjusted security prices.

For corporate, government and municipal bonds, the third party pricing service utilizes a pricing model with standard inputs that include benchmark yields, reported trades, issuer spreads, two-sided markets, benchmark securities, market bids / offers, and other reference data observable in the marketplace. The model uses the option adjusted spread methodology and is a multi-dimensional relational model. All bonds valued under these techniques are classified as Level 2.

For asset-backed, residential mortgage-backed and commercial mortgage-backed securities, the third party pricing service valuation methodology includes consideration of interest rate movements, new issue data, monthly remittance reports and other pertinent data that is observable in the marketplace. This information is used to determine the cash flows for each tranche and identifies the inputs to be used such as benchmark yields, prepayment assumptions and collateral performance. All asset-backed, residential mortgage-backed and commercial mortgage-backed securities valued under these methods are classified as Level 2.

For all assets where readily observable pricing methods are not available the third party investment manager will price the asset using a combination of non-binding broker / dealer quotes, benchmarking techniques, and sector specific knowledge. All assets priced by using this methodology are classified as Level 3.

5. **Derivative Fair Values -** Not applicable.

B. **Other Fair Value Disclosures -** Not applicable.

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

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, joint ventures and ventures). The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20A.

| Type of Financial Instrument | Fair Value | Admitted Value | Level 1 | Level 2 | Level 3 | Not Practicable (Carrying Value) |
|---|---|---|---|---|---|---|
| Bonds | $ 390,555,485 | $ 383,695,878 | $ 0 | $ 388,823,380 | $ 1,732,105 | $ 0 |
| Common Stocks | 67,305,291 | 67,305,291 | 67,305,291 | 0 | 0 | 0 |
| Cash Equivalents & Short-Term Investments | 13,657,922 | 13,657,922 | 13,657,922 | 0 | 0 | 0 |
| **Total Assets** | $ 471,518,698 | $ 464,659,091 | $ 80,963,213 | $ 388,823,380 | $ 1,732,105 | $ 0 |

D. **Financial Instruments for which Not Practical to Estimate Fair Values** - Not applicable.

21. **OTHER ITEMS**

A. No significant change.
B. No significant change.
C. No significant change.
D. No significant change.
E. State Transferable and Non-Transferable Tax Credits - Not applicable.
F. Subprime Mortgage Related Exposure - Not applicable.
G. Joint and Several Liabilities - Not applicable.
H. Risk Sharing Provisions of the Affordable Care Act - Not applicable.

22. **EVENTS SUBSEQUENT**

A. **Type I - Recognized Subsequent Events**
There were no events occurring subsequent to the end of the current quarter through the date of this filing meriting disclosure.

B. **Type II - Nonrecognized Subsequent Events**
There were no events occurring subsequent to the end of the current quarter through the date of this filing meriting disclosure.

23. **REINSURANCE**

A. **Unsecured Reinsurance Recoverables**
The Company's unsecured reinsurance balance in excess of 3% of policyholder surplus with any one reinsurer is estimated at June 30, 2014 as follows:

| Reinsurer Name | NAIC Code | Federal ID# | Amount |
|---|---|---|---|
| Star Insurance Company | 18023 | 38-2626205 | 323,627,427 |

This amount due from Star is related to the Intercompany Reinsurance Agreement noted in Note 26.

B. **Reinsurance Recoverables in Dispute**
The Company does not have any reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus from an individual reinsurer or 10% of policyholders' surplus in aggregate.

C. **Reinsurance Assumed and Ceded**

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at June 30, 2014.

| | Assumed | | Ceded | | Assumed less Ceded | |
|---|---|---|---|---|---|---|
| | **Unearned Premiums** | **Commission Equity** | **Unearned Premiums** | **Commission Equity** | **Unearned Premiums** | **Commission Equity** |
| a. Affiliates | $ 97,021,000 | $ 0 | $ 81,724,000 | $ 0 | $ 15,297,000 | $ 0 |
| b. All other | $ 46,549,000 | $ 9,868,000 | $ 0 | $ 0 | $ 46,549,000 | $ 9,868,000 |
| c. Totals | $ 143,570,000 | $ 9,868,000 | $ 81,724,000 | $ 0 | $ 61,846,000 | $ 9,868,000 |
| d. Direct Unearned Premium Reserve: $ 16,401,000 | | | | | | |

In 2013, the Insurance Operations subsidiaries of Meadowbrook Insurance Group, Inc. entered into a 100% policy issuance arrangement with State National Insurance Company, and its affiliates, effective July 1, 2013. A 100% quota share reinsurance agreement(s) was executed with State National Insurance Company, National Specialty Insurance Company and United Specialty Insurance Company (collectively, "SNIC"), wherein certain of our business from our six insurance carriers is now written on SNIC and 100% assumed collectively by our six carriers based on agreed upon percentages. The SNIC policy issuance business has a 5.5% fee, which is reflected as assumed commission on the applicable Company's financial statements. As of June 30, 2014 and December 31, 2013, our six insurance companies collectively have assumed $134.9 million and $170.2 million respectively in gross written premium from SNIC of which the Company has a quota share reinsurance 40% share.

# NOTES TO FINANCIAL STATEMENTS

2. The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this quarterly statement as a result of existing contractual arrangements is accrued as follows:

| | Direct | Assumed | Ceded | Net |
|---|---|---|---|---|
| a. Contingent Commission | $ 1,527 | $ 0 | $ 0 | $ 1,527 |
| b. Sliding Scale Commission | $ 0 | $ 0 | $ 0 | $ 0 |
| c. Other Profit Commission Arrangements | $ 10,042 | $ 0 | $ 0 | $ 10,043 |
| d. Total | $ 11,569 | $ 0 | $ 0 | $ 11,569 |

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

**D. Uncollectible Reinsurance**
The Company did not have any uncollectible reinsurance written off during 2014.

**E. Commutation of Ceded Reinsurance**
The Company did not have any commutations of ceded reinsurance as of June 30, 2014.

**F. Retroactive Reinsurance**
The Company does not have any retroactive reinsurance as of June 30, 2014.

**G. Reinsurance Accounted for as a Deposit**
The Company has no reinsurance agreements that have been accounted for as deposits as of June 30, 2014.

**H. Transfer of Property and Casualty Run-off Agreements** - Not applicable.

**I. Certified Reinsurer Downgraded or Status Subject to Revocation -** Not applicable.

**24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION**
No significant change.

**25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**
Net incurred losses and loss adjustment expenses attributable to insured events of prior accident years decreased $0.2 million during calendar year 2014 as a result of re-estimation of unpaid loss and loss adjustment expenses. This decrease recognizes additional paid loss and loss adjustment expenses of $59.1 million, offset by a decrease in reserves on prior accident years of $59.3 million. Original estimates of ultimate losses are increased or decreased as additional information becomes known regarding individual claims.

**26. INTERCOMPANY POOLING ARRANGEMENTS**

A. Effective January 1, 2009, the Company and its United States affiliates (Star Insurance Company ("Star"), Savers Property and Casualty Insurance Company, Williamsburg National Insurance Company, Ameritrust Insurance Corporation, and ProCentury Insurance Company) are participants in an Intercompany Reinsurance Agreement, whereby each participating affiliate cedes 100% of its business to Star. Thereafter, Star cedes to each participating affiliate, which have agreed to reinsure Star for their respective participation. The participants and their respective participations effective January 1, 2009 through current are as follows:

| Name of Insurer | NAIC Code | Percentage Participation |
|---|---|---|
| Star Insurance Co. (Lead insurer) | 18023 | 35.83% |
| Century Surety Co. | 36951 | 29.07% |
| Savers Property and Casualty Ins. Co. | 16551 | 13.04% |
| ProCentury Insurance Co. | 21903 | 9.44% |
| Williamsburg National Ins. Co. | 25780 | 6.72% |
| Ameritrust Insurance Corp. | 10665 | 5.90% |

B. All business written by each participant is subject to the Intercompany Reinsurance Agreement.
C. After pooling and before redistribution, Star has the following reinsurance ceded with nonaffiliated reinsurers:

1. For Liability Lines ($10,000,000 xs of $1,000,000 retention)
2. For Workers Compensation Lines ($99,000,000 xs $1,000,000 retention)
3. For Terrorism Lines ($164,000,000 xs $1,000,000 retention)
4. For Public Entity Liability Lines ($9,000,000 xs $1,000,000 retention)
5. For Property Per Risk Coverage ($9,000,000 xs $1,000,000 retention)
6. For Property Catastrophe Coverage ($59,000,000 xs $5,000,000 retention)
7. For Medical Professional Liability Lines ($700,000 xs $300,000 retention)
8. For Commercial Truck Liability Lines ($1,500,000 xs $500,000 retention)
9. For Other Liability Lines ($750,000 xs $250,000 retention)
10. For Agriculture Lines –Property ($9,500,000 xs $500,000 retention)
11. For Agriculture Lines- Liability ($500,000 xs $500,000 retention)
12. For Awards Lines ($10,000,000 xs $5,000,000 retention)
13. For Clash Lines ($3,000,000 xs $0 retention)
14. For Ocean Marine Lines (Variable quota share maximum retained line $1,000,000 part of $5,000,000)
15. Various quota share treaties all lines
16. Various Facultative agreements all lines
17. Various Umbrella agreements.
18. Multiple Line Quota Share - 50% quota share agreement for a select portion of business subject to certain limitations, effective December 31, 2012 on in force, new and renewal basis; 25% quota share agreement for select direct written premium effective January 1, 2013. Effective September 30, 2013 the multiple line quota share agreement terminated on a run-off basis.

D. Under the Intercompany Reinsurance Agreement, only Star has contractual rights of direct recovery from the excess of loss, catastrophe, quota share, facultative and umbrella agreements noted above.
E. There are no discrepancies between the assumed and ceded reinsurance schedules of the pool participants.
F. Under the Intercompany Reinsurance Agreement, only Star establishes a provision for reinsurance and write-off of uncollectible reinsurance relating to the above noted reinsurance agreements.

# NOTES TO FINANCIAL STATEMENTS

G. Amounts due to/from lead entity and pool participants as of June 30, 2014:

| Name of Insurer | Amounts Receivable | Amounts Payable | Net Receivable/(Payable) |
|---|---|---|---|
| Star Insurance Co. (Lead insurer) | $ 133,353,050 | $ 121,504,828 | $ 11,848,222 |
| Century Surety Co. | $ 63,124,111 | $ 49,897,624 | $ 13,226,487 |
| Savers Property and Casualty Ins. Co. | $ 17,180,911 | $ 26,088,940 | $ (8,908,029) |
| Williamsburg National Ins. Co. | $ 13,402,484 | $ 16,084,021 | $ (2,681,537) |
| ProCentury Insurance Co. | $ 20,209,628 | $ 28,576,621 | $ (8,366,993) |
| Ameritrust Insurance Corp. | $ 7,587,695 | $ 12,705,844 | $ (5,118,149) |

**27. STRUCTURED SETTLEMENTS**
No significant change.

**28. HEALTH CARE RECEIVABLES**
Not applicable.

**29. PARTICIPATING ACCIDENT AND HEALTH POLICIES**
Not applicable.

**30. PREMIUM DEFICIENCY RESERVES**
No significant change.

**31. HIGH DEDUCTIBLES**
No significant change.

**32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES AND UNPAID LOSS ADJUSTMENT EXPENSES**
Not applicable.

**33. ASBESTOS AND ENVIRONMENTAL RESERVES**
No significant change.

**34. SUBSCRIBER SAVINGS ACCOUNTS**
Not applicable.

**35. MULTIPLE PERIL CROP INSURANCE**
Not applicable.

**36. FINANCIAL GUARANTY INSURANCE**
A1. Unrecorded installment premiums and expected earnings - Not applicable.
A2. Recorded non-installment premiums and expected earnings - Not applicable.
A3. Changes in claim liability and discount rate used - Not applicable.
A4. Risk management activities - Not applicable.
B. The Company has no insured financial obligations.

# 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: ........................................

3.1 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 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<br>Name of Entity | 2<br>NAIC<br>Company Code | 3<br>State of<br>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. ..........12/31/2013............

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. ..........12/31/2010............

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). ..........1/31/2012..............

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 ]

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 Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

| 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>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 ]

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES - GENERAL

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

## PART 1 - FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $............................................0

## PART 1 - 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 [ X ] No [ ]

14.2 If yes, please complete the following:

| | | 1<br>Prior Year-End<br>Book/Adjusted Carrying Value | 2<br>Current Quarter<br>Book/Adjusted Carrying Value |
|---|---|---|---|
| 14.21 | Bonds | $ ................................0 | $ ................................0 |
| 14.22 | Preferred Stock | $ ................................0 | $ ................................0 |
| 14.23 | Common Stock | $ .................46,049,711 | $ .................46,847,435 |
| 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) | $ .................46,049,711 | $ .................46,847,435 |
| 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. For the reporting entity's security lending program, state the amount of the following as of current statement date:
16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $................................0
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $................................0
16.3 Total payable for securities lending reported on the liability page: $................................0

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<br>Name of Custodian(s) | 2<br>Custodian Address |
|---|---|
| JPMorgan Chase Bank, N.A. | P.O. Box 710634, Columbus, OH 43271-0634 |

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<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|---|---|---|
| | | |

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<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>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<br>Central Registration Depository | 2<br>Name(s) | 3<br>Address |
|---|---|---|
| 107423 | Conning Inc. | One Financial Plaza, Hartford, CT 06103-2627 |
| 106810 | Munder Capital Management | 480 Pierce Street, Birmingham, MI 48009 |

## PART 1 - INVESTMENT

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 (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 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 | 2 | 3 | Total Discount | | | | Discount Taken During Period | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Line of Business | Maximum Interest | Disc. Rate | Unpaid Losses | Unpaid LAE | IBNR | Total | Unpaid Losses | Unpaid LAE | IBNR | Total |
| | | | | | | 0 | | | | 0 |
| 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<br>NAIC Company Code | 2<br>ID Number | 3<br>Name of Reinsurer | 4<br>Domiciliary Jurisdiction | 5<br>Type of Reinsurer | 6<br>Certified Reinsurer Rating (1 through 6) | 7<br>Effective Date of Certified Reinsurer Rating |
|---|---|---|---|---|---|---|

**NONE**

# SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

| | States, Etc. | 1 Active Status | Direct Premiums Written 2 Current Year to Date | 3 Prior Year to Date | Direct Losses Paid (Deducting Salvage) 4 Current Year to Date | 5 Prior Year to Date | Direct Losses Unpaid 6 Current Year to Date | 7 Prior Year to Date |
|---|---|---|---|---|---|---|---|---|
| 1. | Alabama ... AL | E | 19,121 | 908,515 | 53,891 | 1,332,878 | 1,570,791 | 1,580,974 |
| 2. | Alaska ... AK | E | 218,582 | 477,403 | 25,182 | 232,093 | 1,098,617 | 797,409 |
| 3. | Arizona ... AZ | L | 13,359 | 800,702 | 62,924 | 140,478 | 1,575,189 | 1,556,650 |
| 4. | Arkansas ... AR | E | 4,589 | 601,321 | 193,518 | 138,583 | 542,550 | 1,016,763 |
| 5. | California ... CA | E | 2,466,250 | 20,845,594 | 10,265,495 | 8,100,252 | 34,962,977 | 38,466,526 |
| 6. | Colorado ... CO | E | 90,404 | 1,083,160 | 79,357 | 156,480 | 2,086,845 | 2,462,584 |
| 7. | Connecticut ... CT | E | 2,238 | 645,709 | 1,012,988 | 204,473 | 860,997 | 1,331,613 |
| 8. | Delaware ... DE | E | 47,366 | 93,672 | 200 | (5,777) | 215,433 | 208,135 |
| 9. | District of Columbia ... DC | E | (1,997) | 152,288 | 15,000 | 6,500 | 228,510 | 208,739 |
| 10. | Florida ... FL | E | 502,774 | 18,567,630 | 12,543,179 | 9,268,663 | 28,247,580 | 37,467,519 |
| 11. | Georgia ... GA | E | 105,094 | 2,492,133 | 292,123 | 1,425,861 | 2,449,488 | 3,377,800 |
| 12. | Hawaii ... HI | E | 34,173 | 275,734 | | 177,968 | 375,786 | 472,172 |
| 13. | Idaho ... ID | E | (6,884) | 202,786 | 18,500 | (1,050) | 317,403 | 344,319 |
| 14. | Illinois ... IL | E | 176,623 | 1,552,497 | 332,698 | 726,270 | 2,840,594 | 3,190,622 |
| 15. | Indiana ... IN | L | 26,252 | 250,917 | 57,292 | 76,271 | 253,258 | 319,907 |
| 16. | Iowa ... IA | E | 1,450 | 114,271 | | | 172,586 | 199,765 |
| 17. | Kansas ... KS | E | (31,582) | 331,434 | 112,494 | 21,536 | 712,190 | 859,702 |
| 18. | Kentucky ... KY | E | 5,127 | 589,269 | 187,132 | 47,926 | 1,110,915 | 1,216,704 |
| 19. | Louisiana ... LA | E | 1,856 | 5,752,722 | 972,903 | 2,651,487 | 8,879,008 | 8,774,668 |
| 20. | Maine ... ME | E | (1,384) | 117,709 | 60,000 | 1,782 | 90,785 | 96,760 |
| 21. | Maryland ... MD | E | (19,785) | 661,100 | 235,972 | 118,544 | 1,292,379 | 870,692 |
| 22. | Massachusetts ... MA | E | 48,703 | 567,039 | 285,680 | 154,092 | 1,368,626 | 1,528,198 |
| 23. | Michigan ... MI | E | 41,481 | 1,282,015 | 359,162 | 696,597 | 1,639,707 | 2,285,647 |
| 24. | Minnesota ... MN | E | (20,726) | 641,020 | 23,742 | 341,228 | 538,814 | 617,843 |
| 25. | Mississippi ... MS | E | 11,745 | 1,029,841 | 641,203 | 1,123,936 | 1,139,096 | 2,943,666 |
| 26. | Missouri ... MO | E | 22,356 | 1,390,011 | 120,708 | 298,525 | 2,696,108 | 3,437,750 |
| 27. | Montana ... MT | E | 12,345 | 392,516 | (1,000) | 64,050 | 2,010,436 | 793,029 |
| 28. | Nebraska ... NE | E | (5,650) | 381,698 | | | 612,542 | 625,418 |
| 29. | Nevada ... NV | E | 17,180 | 911,179 | 1,055,084 | 1,528,103 | 1,522,532 | 2,364,800 |
| 30. | New Hampshire ... NH | E | 13,356 | 169,385 | (28,508) | (500) | 147,175 | 198,066 |
| 31. | New Jersey ... NJ | E | 435 | 2,548,560 | 2,354,063 | 631,460 | 6,952,011 | 5,664,254 |
| 32. | New Mexico ... NM | E | 12,073 | 735,872 | 794,689 | 15,506 | 985,881 | 1,612,227 |
| 33. | New York ... NY | E | 25,745 | 11,235,741 | 3,659,368 | 2,196,068 | 21,666,319 | 21,333,903 |
| 34. | North Carolina ... NC | E | 15,809 | 1,410,872 | 135,330 | 274,378 | 2,409,928 | 2,082,673 |
| 35. | North Dakota ... ND | E | 25,302 | 365,839 | 2,595 | | 463,798 | 365,652 |
| 36. | Ohio ... OH | L | 14,576 | 953,971 | 457,015 | 1,350,111 | 578,055 | 2,134,361 |
| 37. | Oklahoma ... OK | E | (7,173) | 1,628,845 | 415,868 | 1,390,929 | 2,207,359 | 3,788,724 |
| 38. | Oregon ... OR | E | 472,340 | 1,649,248 | 279,838 | 62,540 | 2,727,970 | 3,250,399 |
| 39. | Pennsylvania ... PA | E | (2,210) | 2,850,581 | 796,488 | 883,790 | 4,170,537 | 4,264,816 |
| 40. | Rhode Island ... RI | E | | 22,346 | | | 55,668 | 75,215 |
| 41. | South Carolina ... SC | E | 14,985 | 722,112 | 1,041,669 | 328,545 | 3,103,599 | 1,889,733 |
| 42. | South Dakota ... SD | E | 3,366 | 105,564 | 5,495 | 4,347 | 151,852 | 129,409 |
| 43. | Tennessee ... TN | E | 9,737 | 711,080 | 353,310 | 288,564 | 1,093,118 | 1,343,016 |
| 44. | Texas ... TX | E | (93,636) | 11,223,793 | 4,283,026 | 8,919,935 | 16,500,404 | 19,826,188 |
| 45. | Utah ... UT | E | 60,513 | 342,545 | 103,056 | 424,727 | 710,695 | 826,898 |
| 46. | Vermont ... VT | E | (2,189) | 166,760 | 38,002 | 6,227 | 212,782 | 234,294 |
| 47. | Virginia ... VA | E | (18,699) | 766,825 | 197,093 | 41,117 | 879,418 | 1,079,537 |
| 48. | Washington ... WA | E | 911,305 | 2,213,956 | 863,115 | 1,290,898 | 5,509,334 | 6,670,258 |
| 49. | West Virginia ... WV | L | 250 | 673 | 525 | 14,610 | 5,589 | 7,171 |
| 50. | Wisconsin ... WI | L | 1,231 | 82,029 | 15,019 | 121,084 | 135,993 | 185,941 |
| 51. | Wyoming ... WY | E | 8,108 | 188,931 | | 505,704 | 647,043 | 785,082 |
| 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 ... CAN | N | | | | | | |
| 58. | Aggregate Other Alien ... OT | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. | Totals ... | (a) 5 | 5,246,284 | 103,207,413 | 44,772,482 | 47,777,789 | 172,726,271 | 197,164,190 |
| | **DETAILS OF WRITE-INS** | | | | | | | |
| 58001. | | XXX | | | | | | |
| 58002. | | XXX | | | | | | |
| 58003. | | XXX | | | | | | |
| 58998. | Summary of remaining write-ins for Line 58 from overflow page | XXX | 0 | 0 | 0 | 0 | 0 | 0 |
| 58999. | Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above) | XXX | 0 | 0 | 0 | 0 | 0 | 0 |

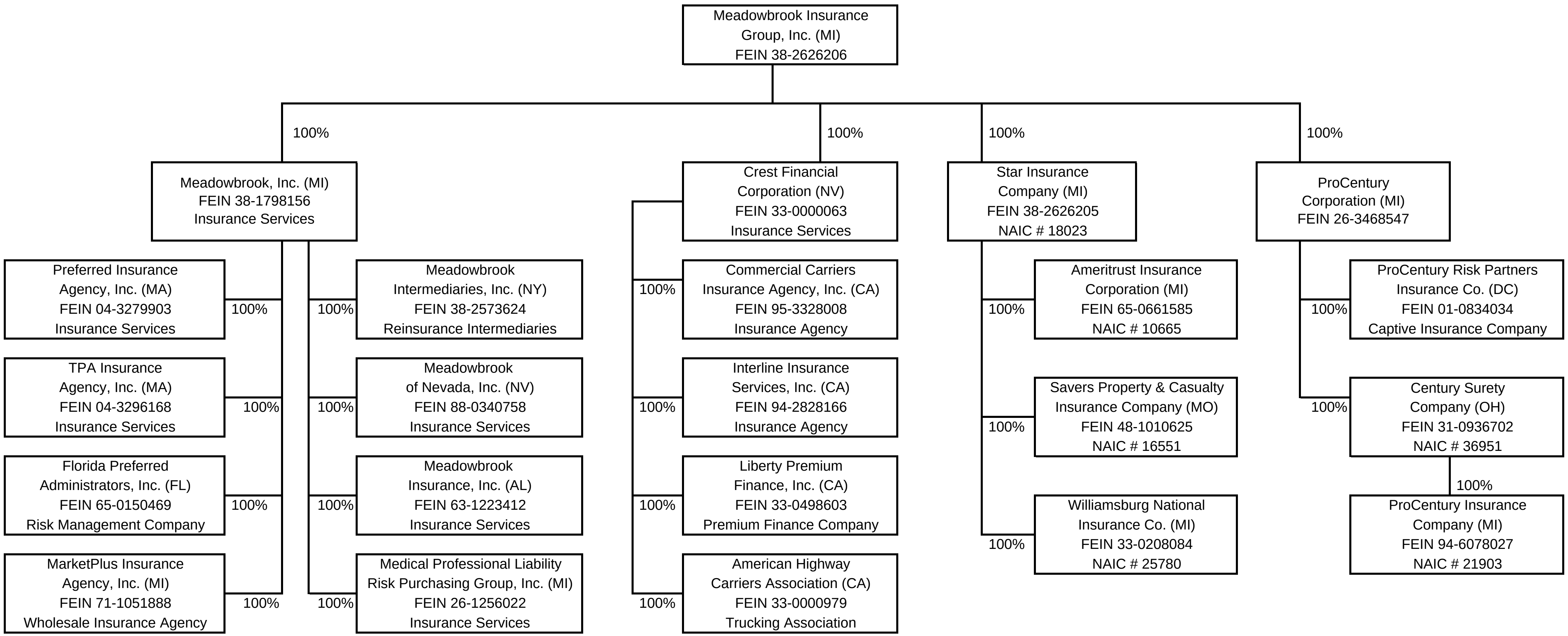
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilied RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(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<br>Group Code | 2<br>Group Name | 3<br>NAIC Company Code | 4<br>Federal ID Number | 5<br>Federal RSSD | 6<br>CIK | 7<br>Name of Securities Exchange if Publicly Traded (U.S. or International) | 8<br>Names of Parent, Subsidiaries or Affiliates | 9<br>Domiciliary Location | 10<br>Relationship to Reporting Entity | 11<br>Directly Controlled by (Name of Entity/Person) | 12<br>Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other) | 13<br>If Control is Ownership Provide Percentage | 14<br>Ultimate Controlling Entity(ies)/Person(s) | 15<br>* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Members** | | | | | | | | | | | | | | |
| | | | 38-2626206 | | 949156 | NYSE | Meadowbrook Insurance Group, Inc. | MI | UIP | | | | | |
| 0748 | | 18023 | 38-2626205 | | | | Star Insurance Company | MI | IA | Meadowbrook Insurance Group, Inc. | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| 0748 | | 16551 | 48-1010625 | | | | Savers Property & Casualty Insurance Company | MO | IA | Star Insurance Company | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| 0748 | | 25780 | 33-0208084 | | | | Williamsburg National Insurance Company | MI | IA | Star Insurance Company | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| 0748 | | 10665 | 65-0661585 | | | | Ameritrust Insurance Corporation | MI | IA | Star Insurance Company | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 26-3468547 | | | | ProCentury Corporation | MI | UDP | Meadowbrook Insurance Group, Inc. | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 01-0834034 | | | | ProCentury Risk Partners Insurance Company | DC | IA | ProCentury Corporation | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| 0748 | | 36951 | 31-0936702 | | | | Century Surety Company | OH | RE | ProCentury Corporation | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| 0748 | | 21903 | 94-6078027 | | | | ProCentury Insurance Company | MI | DS | Century Surety Company | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 33-0000063 | | | | Crest Financial Corporation | NV | NIA | Meadowbrook Insurance Group, Inc. | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 95-3328008 | | | | Commercial Carriers Insurance Agency, Inc. | CA | NIA | Crest Financial Corporation | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 94-2828166 | | | | Interline Insurance Services, Inc. | CA | NIA | Crest Financial Corporation | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 33-0498603 | | | | Liberty Premium Finance, Inc. | CA | NIA | Crest Financial Corporation | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 33-0000979 | | | | American Highway Carriers Association | CA | NIA | Crest Financial Corporation | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 38-1798156 | | | | Meadowbrook, Inc. | MI | NIA | Meadowbrook Insurance Group, Inc. | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 04-3279903 | | | | Preferred Insurance Agency, Inc. | MA | NIA | Meadowbrook, Inc. | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 04-3296168 | | | | TPA Insurance Agency, Inc. | MA | NIA | Meadowbrook, Inc. | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 65-0150469 | | | | Florida Preferred Administrators, Inc. | FL | NIA | Meadowbrook, Inc. | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 71-1051888 | | | | MarketPlus Insurance Agency, Inc. | MI | NIA | Meadowbrook, Inc. | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 38-2573624 | | | | Meadowbrook Intermediaries, Inc. | NY | NIA | Meadowbrook, Inc. | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 88-0340758 | | | | Meadowbrook of Nevada, Inc. | NV | NIA | Meadowbrook, Inc. | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 63-1223412 | | | | Meadowbrook Insurance, Inc. | AL | NIA | Meadowbrook, Inc. | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |
| | | | 26-1256022 | | | | Medical Professional Liability Risk Purchasing Group, Inc. | MI | NIA | Meadowbrook, Inc. | Ownership | 100.000 | Meadowbrook Insurance Group, Inc. | |

| Asterisk | Explanation |
|---|---|
| | |

# NONE

# PART 1 - LOSS EXPERIENCE

| Lines of Business | Current Year to Date 1 Direct Premiums Earned | 2 Direct Losses Incurred | 3 Direct Loss Percentage | 4 Prior Year to Date Direct Loss Percentage |
|---|---|---|---|---|
| 1. Fire | 2,284,078 | 703,698 | 30.8 | 14.9 |
| 2. Allied lines | 526,666 | 459,573 | 87.3 | 75.0 |
| 3. Farmowners multiple peril | | | 0.0 | |
| 4. Homeowners multiple peril | | | 0.0 | |
| 5. Commercial multiple peril | 7,495,879 | 4,616,814 | 61.6 | 64.7 |
| 6. Mortgage guaranty | | | 0.0 | |
| 8. Ocean marine | 350,499 | 169,843 | 48.5 | 12.3 |
| 9. Inland marine | 303,673 | 181,921 | 59.9 | 19.9 |
| 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 | 14,087,959 | 11,790,384 | 83.7 | 42.0 |
| 17.2 Other liability-claims made | 1,205,708 | 3,687,064 | 305.8 | 43.2 |
| 17.3 Excess workers' compensation | | | 0.0 | |
| 18.1 Products liability-occurrence | 207,577 | (219,619) | (105.8) | 5.6 |
| 18.2 Products liability-claims made | 10,197 | (2,838) | (27.8) | 13.2 |
| 19.1, 19.2 Private passenger auto liability | | | 0.0 | |
| 19.3, 19.4 Commercial auto liability | 1,417,222 | (453,297) | (32.0) | 42.7 |
| 21. Auto physical damage | 544,343 | 82,028 | 15.1 | 40.0 |
| 22. Aircraft (all perils) | | | 0.0 | |
| 23. Fidelity | 620 | 245 | 39.5 | (81.3) |
| 24. Surety | 42,186 | 79,612 | 188.7 | (762.6) |
| 26. Burglary and theft | | | 0.0 | |
| 27. Boiler and machinery | 44,920 | (47,513) | (105.8) | 5.0 |
| 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 | 28,521,527 | 21,047,914 | 73.8 | 45.1 |

**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 | XXX |
| 3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34) | 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 |
|---|---|---|---|
| 1. Fire | 16,803 | 197,157 | 8,794,493 |
| 2. Allied lines | (12,775) | (23,422) | 1,809,801 |
| 3. Farmowners multiple peril | | | |
| 4. Homeowners multiple peril | | | |
| 5. Commercial multiple peril | 52,097 | 3,649,217 | 27,143,025 |
| 6. Mortgage guaranty | | | |
| 8. Ocean marine | 40,901 | 45,915 | 1,134,080 |
| 9. Inland marine | (6,700) | (13,478) | 1,158,556 |
| 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 | 582,882 | 1,294,934 | 48,035,791 |
| 17.2 Other liability-claims made | 146,735 | 24,678 | 6,781,553 |
| 17.3 Excess workers' compensation | | | |
| 18.1 Products liability-occurrence | 28,975 | 54,244 | 762,770 |
| 18.2 Products liability-claims made | | 2,736 | 21,644 |
| 19.1 19.2 Private passenger auto liability | | | |
| 19.3 19.4 Commercial auto liability | 93,467 | 5,747 | 5,230,863 |
| 21. Auto physical damage | (2,528) | (22,733) | 2,207,431 |
| 22. Aircraft (all perils) | | | |
| 23. Fidelity | 1,211 | 2,005 | 627 |
| 24. Surety | 21,274 | 32,188 | 17,227 |
| 26. Burglary and theft | | | |
| 27. Boiler and machinery | (990) | (2,904) | 109,552 |
| 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 |
| 35. Totals | 961,353 | 5,246,284 | 103,207,413 |

**DETAILS OF WRITE-INS**

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

# PART 3 (000 omitted)

## LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

| Years in Which Losses Occurred | 1<br>Prior Year-End Known Case Loss and LAE Reserves | 2<br>Prior Year-End IBNR Loss and LAE Reserves | 3<br>Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2) | 4<br>2014 Loss and LAE Payments on Claims Reported as of Prior Year-End | 5<br>2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End | 6<br>Total 2014 Loss and LAE Payments (Cols. 4 + 5) | 7<br>Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End | 8<br>Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End | 9<br>Q.S. Date IBNR Loss and LAE Reserves | 10<br>Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9) | 11<br>Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1) | 12<br>Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2) | 13<br>Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. 2011 + Prior | 78,159 | 51,887 | 130,046 | 23,838 | 295 | 24,134 | 66,779 | 1,167 | 42,033 | 109,978 | 12,459 | (8,393) | 4,066 |
| 2. 2012 | 40,775 | 44,345 | 85,120 | 15,660 | 295 | 15,955 | 36,377 | 1,167 | 32,823 | 70,367 | 11,262 | (10,061) | 1,202 |
| 3. Subtotals 2012 + Prior | 118,934 | 96,233 | 215,167 | 39,499 | 591 | 40,089 | 103,157 | 2,333 | 74,855 | 180,345 | 23,721 | (18,453) | 5,268 |
| 4. 2013 | 31,306 | 74,827 | 106,133 | 13,663 | 5,316 | 18,980 | 10,760 | 20,999 | 49,905 | 81,664 | (6,883) | 1,394 | (5,489) |
| 5. Subtotals 2013 + Prior | 150,240 | 171,060 | 321,299 | 53,162 | 5,907 | 59,069 | 113,916 | 23,332 | 124,761 | 262,009 | 16,838 | (17,060) | (221) |
| 6. 2014 | XXX | XXX | XXX | XXX | 8,889 | 8,889 | XXX | 13,709 | 39,498 | 53,208 | XXX | XXX | XXX |
| 7. Totals | 150,240 | 171,060 | 321,299 | 53,162 | 14,796 | 67,958 | 113,916 | 37,042 | 164,259 | 315,217 | 16,838 | (17,060) | (221) |
| 8. Prior Year-End's Surplus As Regards Policyholders | 178,629 | | | | | | | | | | 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. 11.2 % | 2. (10.0)% | 3. (0.1)% |
| | | | | | | | | | | | | | Col. 13, Line 7 Line 8 |
| | | | | | | | | | | | | | 4. (0.1)% |

# 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:**

* 3 6 9 5 1 2 0 1 4 4 9 0 0 0 0 0 2 *

* 3 6 9 5 1 2 0 1 4 4 5 5 0 0 0 0 2 *

* 3 6 9 5 1 2 0 1 4 3 6 5 0 0 0 0 2 *

* 3 6 9 5 1 2 0 1 4 5 0 5 0 0 0 0 2 *

# Overflow Page for Write-Ins

NONE

# SCHEDULE A - VERIFICATION

Real Estate

| | 1<br>Year to Date | 2<br>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 |

NONE

# SCHEDULE B - VERIFICATION

Mortgage Loans

| | 1<br>Year to Date | 2<br>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 |

NONE

# SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

| | 1<br>Year to Date | 2<br>Prior Year Ended December 31 |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year | 6,901,251 | 3,063,726 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | | 2,898,268 |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | 1,225,321 | |
| 5. Unrealized valuation increase (decrease) | | 939,257 |
| 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) | 8,126,572 | 6,901,251 |
| 12. Deduct total nonadmitted amounts | | |
| 13. Statement value at end of current period (Line 11 minus Line 12) | 8,126,572 | 6,901,251 |

# SCHEDULE D - VERIFICATION

Bonds and Stocks

| | 1<br>Year to Date | 2<br>Prior Year Ended December 31 |
|---|---|---|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 515,817,401 | 388,499,416 |
| 2. Cost of bonds and stocks acquired | 15,905,284 | 190,168,999 |
| 3. Accrual of discount | 37,080 | 103,263 |
| 4. Unrealized valuation increase (decrease) | 1,081,799 | 18,700,781 |
| 5. Total gain (loss) on disposals | 3,100,993 | 3,511,014 |
| 6. Deduct consideration for bonds and stocks disposed of | 36,349,266 | 81,930,525 |
| 7. Deduct amortization of premium | 1,744,683 | 3,235,546 |
| 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) | 497,848,608 | 515,817,401 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 497,848,608 | 515,817,401 |

# 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 |
|---|---|---|---|---|---|---|---|---|
| BONDS | | | | | | | | |
| 1. NAIC 1 (a) | 343,905,791 | 32,645,584 | 33,275,813 | 1,213,241 | 343,905,791 | 344,064,048 | | 348,613,441 |
| 2. NAIC 2 (a) | 53,728,035 | | 6,463 | (2,153,031) | 53,728,035 | 51,993,295 | | 58,050,820 |
| 3. NAIC 3 (a) | 639,020 | | | 31,347 | 639,020 | 670,367 | | 621,323 |
| 4. NAIC 4 (a) | | | | | | | | |
| 5. NAIC 5 (a) | 345,478 | | 39,307 | 275,725 | 345,478 | 581,897 | | 363,300 |
| 6. NAIC 6 (a) | 46,369 | | 1,450 | (724) | 46,369 | 44,194 | | 24,582 |
| 7. Total Bonds | 398,664,693 | 32,645,584 | 33,323,033 | (633,442) | 398,664,693 | 397,353,801 | 0 | 407,673,466 |
| PREFERRED STOCK | | | | | | | | |
| 8. NAIC 1 | | | | | | | | |
| 9. NAIC 2 | | | | | | | | |
| 10. NAIC 3 | | | | | | | | |
| 11. NAIC 4 | | | | | | | | 8,454 |
| 12. NAIC 5 | | | | | | | | |
| 13. NAIC 6 | | | | | | | | |
| 14. Total Preferred Stock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,454 |
| 15. Total Bonds and Preferred Stock | 398,664,693 | 32,645,584 | 33,323,033 | (633,442) | 398,664,693 | 397,353,801 | 0 | 407,681,920 |

(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 $.....13,657,922; NAIC 2 $..........0; NAIC 3 $..........0; NAIC 4 $..........0; NAIC 5 $..........0; NAIC 6 $..........0.

# SCHEDULE DA - PART 1

Short-Term Investments

| | 1<br>Book/Adjusted<br>Carrying Value | 2<br>Par Value | 3<br>Actual<br>Cost | 4<br>Interest Collected<br>Year To Date | 5<br>Paid for Accrued Interest<br>Year To Date |
|---|---|---|---|---|---|
| 9199999 | 13,657,922 | XXX | 13,657,922 | | |

# SCHEDULE DA - VERIFICATION

Short-Term Investments

| | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|---|---|---|
| 1. Book/adjusted carrying value, December 31 of prior year | 11,426,578 | 113,392,117 |
| 2. Cost of short-term investments acquired | 52,296,554 | 250,821,730 |
| 3. Accrual of discount | | |
| 4. Unrealized valuation increase (decrease) | | |
| 5. Total gain (loss) on disposals | | |
| 6. Deduct consideration received on disposals | 50,065,210 | 352,787,269 |
| 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) | 13,657,921 | 11,426,578 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 13,657,921 | 11,426,578 |

## 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

# SCHEDULE D - PART 3

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

| 1<br>CUSIP Identification | 2<br>Description | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Number of Shares of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for Accrued Interest and Dividends | 10<br>NAIC Designation or Market Indicator (a) |
|---|---|---|---|---|---|---|---|---|---|
| **Bonds - U.S. Political Subdivisions of States, Territories and Possessions** | | | | | | | | | |
| 269696 DV 9 | EAGLE MOUNTAIN & SAGINAW TX IN | | 06/26/2014 | FIRST SOUTHWEST | | 991,700 | 825,000 | | 1FE |
| 2499999. Total Bonds - U.S. Political Subdivisions of States, Territories and Possessions | | | | | | 991,700 | 825,000 | 0 | XXX |
| **Bonds - U.S. Special Revenue and Special Assessment** | | | | | | | | | |
| 927793 XD 6 | VIRGINIA ST CMWLTH TRANSPRTN B | | 04/22/2014 | DIRECT | | 269,863 | 225,000 | 2,062 | 1FE |
| 3199999. Total Bonds - U.S. Special Revenue and Special Assessment | | | | | | 269,863 | 225,000 | 2,062 | XXX |
| 8399997. Total Bonds - Part 3 | | | | | | 1,261,563 | 1,050,000 | 2,062 | XXX |
| 8399999. Total Bonds | | | | | | 1,261,563 | 1,050,000 | 2,062 | XXX |
| **Common Stocks - Industrial and Miscellaneous** | | | | | | | | | |
| 002824 10 0 | ABBOTT LABORATORIES | | 06/02/2014 | BARCLAYS AMERICAN | 1,442.000 | 57,406 | XXX | | L |
| 032654 10 5 | ANALOG DEVICES INC | | 06/02/2014 | BARCLAYS AMERICAN | 495.000 | 25,928 | XXX | | L |
| 053015 10 3 | AUTOMATIC DATA PROCESSING | | 06/02/2014 | BARCLAYS AMERICAN | 337.000 | 26,754 | XXX | | L |
| 12572Q 10 5 | CME GROUP INC | | 06/02/2014 | BARCLAYS AMERICAN | 1,565.000 | 112,617 | XXX | | L |
| 189054 10 9 | CLOROX COMPANY | | 06/02/2014 | BARCLAYS AMERICAN | 409.000 | 36,348 | XXX | | L |
| 263534 10 9 | DU PONT (E.I.) DE NEMOURS | | 06/02/2014 | BARCLAYS AMERICAN | 66.000 | 4,572 | XXX | | L |
| 291011 10 4 | EMERSON ELECTRIC CO | | 06/02/2014 | BARCLAYS AMERICAN | 170.000 | 11,421 | XXX | | L |
| 30231G 10 2 | EXXON MOBIL CORP | | 06/02/2014 | BARCLAYS AMERICAN | 15.000 | 1,499 | XXX | | L |
| 437076 10 2 | HOME DEPOT INC | | 06/02/2014 | BARCLAYS AMERICAN | 17,673.000 | 1,428,583 | XXX | | L |
| 459200 10 1 | INTL BUSINESS MACHINES CORP | | 06/02/2014 | BARCLAYS AMERICAN | 345.000 | 64,067 | XXX | | L |
| 494368 10 3 | KIMBERLY-CLARK CORP | | 06/02/2014 | BARCLAYS AMERICAN | 321.000 | 35,981 | XXX | | L |
| 532457 10 8 | ELI LILLY & CO | | 06/02/2014 | BARCLAYS AMERICAN | 1,090.000 | 64,855 | XXX | | L |
| 539830 10 9 | LOCKHEED MARTIN CORP | | 06/02/2014 | BARCLAYS AMERICAN | 431.000 | 70,736 | XXX | | L |
| 577081 10 2 | MATTEL INC | | 06/02/2014 | BARCLAYS AMERICAN | 148.000 | 5,720 | XXX | | L |
| 58933Y 10 5 | MERCK & CO. INC | | 06/02/2014 | BARCLAYS AMERICAN | 658.000 | 38,125 | XXX | | L |
| 670346 10 5 | NUCOR CORP | | 06/02/2014 | BARCLAYS AMERICAN | 1,017.000 | 51,257 | XXX | | L |
| 674599 10 5 | OCCIDENTAL PETROLEUM CORP | | 06/02/2014 | BARCLAYS AMERICAN | 179.000 | 17,859 | XXX | | L |
| 681919 10 6 | OMNICOM GROUP | | 06/02/2014 | BARCLAYS AMERICAN | 20,040.000 | 1,434,133 | XXX | | L |
| 717081 10 3 | PFIZER INC | | 06/02/2014 | BARCLAYS AMERICAN | 5,631.000 | 167,353 | XXX | | L |
| 718172 10 9 | PHILIP MORRIS INTERNATIONAL | | 06/02/2014 | BARCLAYS AMERICAN | 16,171.000 | 1,428,968 | XXX | | L |
| 742718 10 9 | PROCTER & GAMBLE CO/THE | | 06/02/2014 | BARCLAYS AMERICAN | 286.000 | 22,986 | XXX | | L |
| 755111 50 7 | RAYTHEON COMPANY | | 06/02/2014 | BARCLAYS AMERICAN | 737.000 | 72,278 | XXX | | L |
| 871829 10 7 | SYSCO CORP | | 06/02/2014 | BARCLAYS AMERICAN | 283.000 | 10,654 | XXX | | L |
| 87612E 10 6 | TARGET CORP | | 06/02/2014 | BARCLAYS AMERICAN | 3,363.000 | 190,009 | XXX | | L |
| 913017 10 9 | UNITED TECHNOLOGIES CORP | | 06/02/2014 | BARCLAYS AMERICAN | 582.000 | 68,332 | XXX | | L |
| 931142 10 3 | WAL-MART STORES INC | | 06/02/2014 | BARCLAYS AMERICAN | 269.000 | 20,651 | XXX | | L |
| 9099999. Total Common Stocks - Industrial and Miscellaneous | | | | | | 5,469,092 | XXX | 0 | XXX |
| 9799997. Total Common Stocks - Part 3 | | | | | | 5,469,092 | XXX | 0 | XXX |

Statement for June 30, 2014 of the **Century Surety Company**

# SCHEDULE D - PART 3

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

| 1<br>CUSIP Identification | 2<br>Description | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Number of Shares of Stock | 7<br>Actual Cost | 8<br>Par Value | 9<br>Paid for Accrued Interest and Dividends | 10<br>NAIC Designation or Market Indicator (a) |
|---|---|---|---|---|---|---|---|---|---|
| 9799999. Total Common Stocks | | | | | | 5,469,092 | XXX | 0 | XXX |
| 9899999. Total Preferred and Common Stocks | | | | | | 5,469,092 | XXX | 0 | XXX |
| 9999999. Total Bonds, Preferred and Common Stocks | | | | | | 6,730,655 | XXX | 2,062 | XXX |

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

# 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 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CUSIP Identification | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ 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 Date | 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 Designation or Market Indicator (a) |
| **Bonds - U.S. Government** | | | | | | | | | | | | | | | | | | | | | |
| 38373M 5G 1 | GNR 2009-7 C | | 06/01/2014 | MBS PAYMENT | | 44,123 | 44,123 | 45,998 | 44,256 | | (133) | | (133) | | 44,123 | | | 0 | 803 | 07/16/2043 | 1 |
| 38373M 5U 0 | GNR 2009-5 B | | 06/01/2014 | MBS PAYMENT | | 101,734 | 101,734 | 100,089 | 101,654 | | 80 | | 80 | | 101,734 | | | 0 | 1,732 | 08/16/2049 | 1 |
| 38374B LQ 4 | GNR 2003-60 MA | | 06/01/2014 | MBS PAYMENT | | 4,867 | 4,867 | 4,704 | 4,852 | | 15 | | 15 | | 4,867 | | | 0 | 67 | 07/16/2033 | 1 |
| 38374K DC 4 | GNR 2004-104 GA | | 06/01/2014 | MBS PAYMENT | | 30,169 | 30,169 | 29,226 | 30,080 | | 90 | | 90 | | 30,169 | | | 0 | 569 | 11/20/2034 | 1 |
| 38376G EZ 9 | GNR 2010-13 AB | | 04/01/2014 | MBS PAYMENT | | 12,960 | 12,960 | 13,059 | 12,960 | | | | 0 | | 12,960 | | | 0 | 131 | 02/16/2030 | 1 |
| 0599999. Total Bonds - U.S Government | | | | | | 193,853 | 193,853 | 193,076 | 193,802 | 0 | 52 | 0 | 52 | 0 | 193,853 | 0 | 0 | 0 | 3,302 | XXX | XXX |
| **Bonds - U.S. Political Subdivisions of States, Territories and Possessions** | | | | | | | | | | | | | | | | | | | | | |
| 425200 Q5 4 | HENDERSON NV | | 04/01/2014 | CALLED BY ISSUER at 103.000 | | 2,152,700 | 2,090,000 | 2,280,817 | 2,158,427 | | (5,727) | | (5,727) | | 2,152,700 | | | 0 | 52,250 | 04/01/2020 | 1FE |
| 2499999. Total Bonds - U.S. Political Subdivisions of States, Territories and Possessions | | | | | | 2,152,700 | 2,090,000 | 2,280,817 | 2,158,427 | 0 | (5,727) | 0 | (5,727) | 0 | 2,152,700 | 0 | 0 | 0 | 52,250 | XXX | XXX |
| **Bonds - U.S. Special Revenue and Special Assessment** | | | | | | | | | | | | | | | | | | | | | |
| 31292L 5D 3 | FG C04444 | | 06/01/2014 | MBS PAYMENT | | 99,475 | 99,475 | 103,796 | 99,628 | | (154) | | (154) | | 99,475 | | | 0 | 1,307 | 01/01/2043 | 1 |
| 31294K RE 7 | FG E01385 | | 06/01/2014 | MBS PAYMENT | | 10,224 | 10,224 | 10,153 | 10,215 | | 8 | | 8 | | 10,224 | | | 0 | 190 | 06/01/2018 | 1 |
| 31294K ZT 5 | FG E01654 | | 06/01/2014 | MBS PAYMENT | | 7,995 | 7,995 | 7,994 | 7,995 | | | | 0 | | 7,995 | | | 0 | 166 | 06/01/2019 | 1 |
| 312962 6K 4 | FG B10874 | | 06/01/2014 | MBS PAYMENT | | 6,139 | 6,139 | 6,115 | 6,135 | | 3 | | 3 | | 6,139 | | | 0 | 112 | 11/01/2018 | 1 |
| 312962 WC 3 | FG B10643 | | 06/01/2014 | MBS PAYMENT | | 8,636 | 8,636 | 8,785 | 8,652 | | (15) | | (15) | | 8,636 | | | 0 | 183 | 11/01/2018 | 1 |
| 312964 6W 4 | FG B12685 | | 06/01/2014 | MBS PAYMENT | | 17,771 | 17,771 | 17,951 | 17,785 | | (14) | | (14) | | 17,771 | | | 0 | 372 | 02/01/2019 | 1 |
| 312964 UH 0 | FG B12384 | | 06/01/2014 | MBS PAYMENT | | 16,729 | 16,729 | 16,891 | 16,745 | | (17) | | (17) | | 16,729 | | | 0 | 299 | 02/01/2019 | 1 |
| 312968 5L 0 | FG B16251 | | 06/01/2014 | MBS PAYMENT | | 14,721 | 14,721 | 14,908 | 14,735 | | (14) | | (14) | | 14,721 | | | 0 | 308 | 07/01/2019 | 1 |
| 31297H YK 9 | FG A29714 | | 06/01/2014 | MBS PAYMENT | | 2,150 | 2,150 | 2,136 | 2,150 | | | | 0 | | 2,150 | | | 0 | 45 | 01/01/2030 | 1 |
| 31297U Y8 7 | FG A38835 | | 06/01/2014 | MBS PAYMENT | | 14,181 | 14,181 | 13,997 | 14,164 | | 17 | | 17 | | 14,181 | | | 0 | 254 | 05/01/2035 | 1 |
| 31371K 2R 1 | FN 254684 | | 06/01/2014 | MBS PAYMENT | | 10,113 | 10,113 | 10,285 | 10,126 | | (14) | | (14) | | 10,113 | | | 0 | 210 | 03/01/2018 | 1 |
| 31371K Y4 7 | FN 254631 | | 06/01/2014 | MBS PAYMENT | | 8,902 | 8,902 | 9,062 | 8,915 | | (12) | | (12) | | 8,902 | | | 0 | 185 | 02/01/2018 | 1 |
| 31376K B3 9 | FN 357458 | | 06/01/2014 | MBS PAYMENT | | 3,059 | 3,059 | 3,073 | 3,060 | | (1) | | (1) | | 3,059 | | | 0 | 57 | 11/01/2018 | 1 |
| 31385X GU 5 | FN 555611 | | 06/01/2014 | MBS PAYMENT | | 3,289 | 3,289 | 3,304 | 3,290 | | (1) | | (1) | | 3,289 | | | 0 | 62 | 07/01/2018 | 1 |
| 31390V K3 7 | FN 657414 | | 06/01/2014 | MBS PAYMENT | | 8,225 | 8,225 | 8,513 | 8,247 | | (21) | | (21) | | 8,225 | | | 0 | 195 | 11/01/2017 | 1 |
| 31391H 2X 1 | FN 667790 | | 06/01/2014 | MBS PAYMENT | | 4,921 | 4,921 | 5,009 | 4,928 | | (7) | | (7) | | 4,921 | | | 0 | 98 | 02/01/2018 | 1 |
| 31391Y 5W 3 | FN 681361 | | 06/01/2014 | MBS PAYMENT | | 7,439 | 7,439 | 7,573 | 7,451 | | (13) | | (13) | | 7,439 | | | 0 | 158 | 03/01/2018 | 1 |
| 31393E B3 2 | FNR 2003-94 CE | | 06/01/2014 | MBS PAYMENT | | 3,481 | 3,481 | 3,559 | 3,487 | | (6) | | (6) | | 3,481 | | | 0 | 74 | 10/25/2033 | 1 |
| 31394C CH 3 | FNR 2005-3 HC | | 06/01/2014 | MBS PAYMENT | | 51,469 | 51,469 | 49,824 | 51,281 | | 188 | | 188 | | 51,469 | | | 0 | 982 | 01/25/2035 | 1 |
| 31395P EM 0 | FHR 2952 PA | | 06/01/2014 | MBS PAYMENT | | 23,555 | 23,555 | 22,952 | 23,495 | | 61 | | 61 | | 23,555 | | | 0 | 508 | 02/15/2035 | 1 |
| 31398N XW 9 | FNA 2010-M5 A1 | | 06/01/2014 | MBS PAYMENT | | 35,073 | 35,073 | 35,248 | 35,094 | | (22) | | (22) | | 35,073 | | | 0 | 467 | 07/25/2020 | 1 |
| 31400J GV 5 | FN 688812 | | 06/01/2014 | MBS PAYMENT | | 7,124 | 7,124 | 7,245 | 7,132 | | (8) | | (8) | | 7,124 | | | 0 | 149 | 02/01/2018 | 1 |
| 31400P BE 4 | FN 693137 | | 06/01/2014 | MBS PAYMENT | | 10,214 | 10,214 | 10,397 | 10,227 | | (13) | | (13) | | 10,214 | | | 0 | 213 | 03/01/2018 | 1 |
| 31401B P5 8 | FN 703444 | | 06/01/2014 | MBS PAYMENT | | 2,426 | 2,426 | 2,482 | 2,430 | | (4) | | (4) | | 2,426 | | | 0 | 52 | 05/01/2018 | 1 |
| 31401L E6 6 | FN 711257 | | 06/01/2014 | MBS PAYMENT | | 3,742 | 3,742 | 3,763 | 3,743 | | (1) | | (1) | | 3,742 | | | 0 | 78 | 07/01/2018 | 1 |

# 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 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CUSIP Identification | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ 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 Date | 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 Desig-nation or Market Indicator (a) |
| 31401M CE 9 | FN 712069 | | 06/01/2014 | MBS PAYMENT | | 14,704 | 14,704 | 14,695 | 14,702 | | 2 | | 2 | | 14,704 | | | 0 | 307 | 07/01/2018 | 1 |
| 31402J 2C 0 | FN 730771 | | 06/01/2014 | MBS PAYMENT | | 9,170 | 9,170 | 9,313 | 9,186 | | (16) | | (16) | | 9,170 | | | 0 | 190 | 08/01/2018 | 1 |
| 31402Q 4B 4 | FN 735318 | | 06/01/2014 | MBS PAYMENT | | 13,681 | 13,681 | 13,536 | 13,666 | | 15 | | 15 | | 13,681 | | | 0 | 255 | 11/01/2019 | 1 |
| 31402R LY 3 | FN 735743 | | 06/01/2014 | MBS PAYMENT | | 25,023 | 25,023 | 24,753 | 24,995 | | 28 | | 28 | | 25,023 | | | 0 | 466 | 08/01/2020 | 1 |
| 31404D ED 6 | FN 765232 | | 06/01/2014 | MBS PAYMENT | | 6,709 | 6,709 | 6,759 | 6,713 | | (4) | | (4) | | 6,709 | | | 0 | 129 | 02/01/2019 | 1 |
| 31404S TP 0 | FN 777358 | | 06/01/2014 | MBS PAYMENT | | 8,650 | 8,650 | 8,573 | 8,642 | | 9 | | 9 | | 8,650 | | | 0 | 160 | 05/01/2019 | 1 |
| 31405S HL 1 | FN 797735 | | 06/01/2014 | MBS PAYMENT | | 13,578 | 13,578 | 13,794 | 13,594 | | (15) | | (15) | | 13,578 | | | 0 | 284 | 02/01/2020 | 1 |
| 31417C MW 2 | FN AB5772 | | 06/01/2014 | MBS PAYMENT | | 96,812 | 96,812 | 101,736 | 97,110 | | (298) | | (298) | | 96,812 | | | 0 | 1,274 | 08/01/2027 | 1 |
| 31417E CK 5 | FN AB7273 | | 06/01/2014 | MBS PAYMENT | | 41,987 | 41,987 | 43,831 | 42,050 | | (63) | | (63) | | 41,987 | | | 0 | 520 | 12/01/2042 | 1 |
| 31417E VQ 1 | FN AB7822 | | 06/01/2014 | MBS PAYMENT | | 130,444 | 130,444 | 135,152 | 130,740 | | (296) | | (296) | | 130,444 | | | 0 | 1,374 | 02/01/2028 | 1 |
| 31417F NN 4 | FN AB8496 | | 06/01/2014 | MBS PAYMENT | | 138,126 | 138,126 | 143,155 | 138,442 | | (316) | | (316) | | 138,126 | | | 0 | 1,414 | 02/01/2028 | 1 |
| 31418A PX 0 | FN MA1337 | | 06/01/2014 | MBS PAYMENT | | 73,004 | 73,004 | 75,661 | 73,170 | | (166) | | (166) | | 73,004 | | | 0 | 777 | 02/01/2028 | 1 |
| 31419A K2 2 | FN AE0312 | | 06/01/2014 | MBS PAYMENT | | 31,712 | 31,712 | 32,656 | 31,786 | | (74) | | (74) | | 31,712 | | | 0 | 524 | 09/01/2040 | 1 |
| 31419G XX 7 | FN AE6093 | | 06/01/2014 | MBS PAYMENT | | 26,855 | 26,855 | 27,858 | 26,919 | | (64) | | (64) | | 26,855 | | | 0 | 399 | 10/01/2025 | 1 |
| 60415N XR 8 | MINNESOTA ST HSG FIN AGY | | 06/02/2014 | CALLED BY ISSUER at 100.000 | | 40,000 | 40,000 | 41,479 | 40,194 | | (194) | | (194) | | 40,000 | | | 0 | 1,444 | 01/01/2036 | 1FE |
| 64970K ZY 6 | NEW YORK CITY NY MUNI WTR FIN | | 06/16/2014 | CALLED BY ISSUER at 100.000 | | 1,000,000 | 1,000,000 | 1,118,070 | 1,006,214 | | (6,214) | | (6,214) | | 1,000,000 | | | 0 | 25,000 | 06/15/2018 | 1FE |
| 677704 UG 1 | OHIO UNIV GEN RECPTS ATHENS | | 06/02/2014 | CALLED BY ISSUER at 100.000 | | 705,000 | 705,000 | 768,478 | 708,282 | | (3,282) | | (3,282) | | 705,000 | | | 0 | 17,625 | 12/01/2015 | 1FE |
| 68607V KT 1 | OREGON ST DEPT OF ADMIN SVCS L | | 04/01/2014 | MATURITY | | 900,000 | 900,000 | 1,022,796 | 903,561 | | (3,561) | | (3,561) | | 900,000 | | | 0 | 22,500 | 04/01/2014 | 1FE |
| 857320 2K 0 | ST PUBLIC SCH BLDG AUTH PA | | 04/21/2014 | CALLED BY ISSUER at 100.000 | | 1,000,000 | 1,000,000 | 1,078,140 | 1,001,568 | | (1,568) | | (1,568) | | 1,000,000 | | | 0 | 31,944 | 03/01/2020 | 1Z |
| 880459 X2 3 | TENNESSEE ST HSG DEV AGY | | 06/02/2014 | CALLED BY ISSUER at 100.000 | | 30,000 | 30,000 | 31,749 | 30,111 | | (111) | | (111) | | 30,000 | | | 0 | 1,021 | 07/01/2034 | 1FE |
| 914119 GA 4 | UNIV OF CINCINNATI OH RECPTS | | 06/02/2014 | CALLED BY ISSUER at 100.000 | | 1,000,000 | 1,000,000 | 1,117,540 | 1,005,685 | | (5,685) | | (5,685) | | 1,000,000 | | | 0 | 25,000 | 06/01/2017 | 1FE |
| 914233 LM 1 | UNIV OF CONNECTICUT CT | | 04/22/2014 | CALLED BY ISSUER at 100.000 | | 250,000 | 250,000 | 279,670 | 250,138 | | (138) | | (138) | | 250,000 | | | 0 | 9,618 | 01/15/2015 | 1FE |
| 92778R BL 0 | VIRGINIA ST CMWLTH UNIV | | 05/01/2014 | CALLED BY ISSUER at 101.000 | | 540,350 | 535,000 | 609,472 | 543,023 | | (2,673) | | (2,673) | | 540,350 | | | 0 | 13,375 | 05/01/2016 | 1FE |
| 3199999. Total Bonds - U.S. Special Revenue and Special Assessment | | | | | | 6,476,858 | 6,471,508 | 7,103,881 | 6,501,601 | 0 | (24,744) | 0 | (24,744) | 0 | 6,476,858 | 0 | 0 | 0 | 162,324 | XXX | XXX |
| **Bonds - Industrial and Miscellaneous** | | | | | | | | | | | | | | | | | | | | | |
| 00253C HW 0 | AMT 2002-2 A2 | | 06/01/2014 | MBS PAYMENT | | 300 | 300 | 300 | 300 | | | | 0 | | 300 | | | 0 | 6 | 03/25/2033 | 1FM |
| 00441R AJ 6 | ACERV 2001-RV1 E | | 06/20/2014 | MBS PAYMENT | | 47,042 | 47,042 | 36,214 | 36,214 | | | | 0 | | 36,214 | | 10,828 | 10,828 | 2,043 | 09/20/2021 | 5Z |
| 126380 AB 0 | CSMC 2006-9 2A1 | | 06/01/2014 | MBS PAYMENT | | 13,003 | 13,003 | 12,670 | 13,025 | | (22) | | (22) | | 13,003 | | | 0 | 295 | 02/01/2038 | 1FM |
| 22541N UA 5 | CSFB 2002-30 DB1 | | 06/01/2014 | MBS PAYMENT | | 6,463 | 6,463 | 6,584 | 6,465 | | (2) | | (2) | | 6,463 | | | 0 | 210 | 11/25/2032 | 2FM |
| 225458 PD 4 | CSFB 2005-AGE1 B3 | | 06/29/2014 | VARIOUS | | 3,500 | 3,500 | 3,177 | 2,567 | 933 | | | 933 | | 3,500 | | | 0 | | 02/25/2032 | 5FM |
| 31846L BT 2 | FAMLT 1998-1F NOTE | | 06/01/2014 | MBS PAYMENT | | 303 | 303 | 313 | 304 | | | | 0 | | 303 | | | 0 | 8 | 06/20/2029 | 1FM |
| 32054Y AC 7 | FIB 2000-1 A | | 06/18/2014 | MBS PAYMENT | | 10,457 | 10,457 | 2,156 | | | | | 0 | | | | 10,456 | 10,456 | | 07/15/2026 | 6FE |
| 456606 DD 1 | INHEL 2001-C M2 | | 06/29/2014 | VARIOUS | | 1,203 | 1,203 | 1,078 | 1,203 | | | | 0 | | 1,202 | | | 0 | | 12/25/2032 | 1FM |
| 466157 AC 8 | WENT5 2001-AA A2 | | 06/15/2014 | MBS PAYMENT | | 5,176 | 5,176 | 5,202 | 5,176 | | | | 0 | | 5,175 | | | 0 | 138 | 08/15/2026 | 1FE |
| 55265K T4 1 | MASTR 2003-10 3A1 | | 06/01/2014 | MBS PAYMENT | | 12,603 | 12,603 | 12,739 | 12,612 | | (9) | | (9) | | 12,602 | | | 0 | 317 | 11/25/2033 | 1FM |
| 68389F EY 6 | OOMLT 2004-1 M7 | | 06/29/2014 | VARIOUS | | 1,063 | 1,063 | 939 | 203 | 860 | | | 860 | | 1,063 | | | 0 | | 01/25/2034 | 6FM |

# 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identification | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ 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 Date | 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 Designation or Market Indicator (a) |
| 68619A AG 2 | ORGN 2001-A M1 | | 06/29/2014 | VARIOUS | | 3,575 | 3,575 | 1,747 | 3,576 | | | | 0 | | 3,576 | | | 0 | | 03/15/2032 | 6FE |
| 86358R EA 1 | SASC 2001-SB1 B1 | | 06/01/2014 | MBS PAYMENT | | 2,876 | 2,876 | 2,311 | 3,064 | | (187) | | (187) | | 2,877 | | | 0 | 40 | 08/25/2031 | 1FM |
| 86359A ME 0 | SASC 2003-AL1 A | | 06/01/2014 | MBS PAYMENT | | 6,651 | 6,651 | 6,374 | 6,635 | | 17 | | 17 | | 6,652 | | | 0 | 92 | 04/25/2031 | 1FM |
| 88576P AB 9 | HENDR 2003-AA NOTE | | 06/15/2014 | MBS PAYMENT | | 10,873 | 10,873 | 10,873 | 10,853 | | 20 | | 20 | | 10,873 | | | 0 | 215 | 11/15/2033 | 1FE |
| 3899999. Total Bonds - Industrial and Miscellaneous | | | | | | 125,088 | 125,088 | 102,677 | 102,197 | 1,793 | (183) | 0 | 1,610 | 0 | 103,803 | 0 | 21,284 | 21,284 | 3,364 | XXX | XXX |
| 8399997. Total Bonds - Part 4 | | | | | | 8,948,499 | 8,880,449 | 9,680,451 | 8,956,027 | 1,793 | (30,602) | 0 | (28,809) | 0 | 8,927,214 | 0 | 21,284 | 21,284 | 221,240 | XXX | XXX |
| 8399999. Total Bonds | | | | | | 8,948,499 | 8,880,449 | 9,680,451 | 8,956,027 | 1,793 | (30,602) | 0 | (28,809) | 0 | 8,927,214 | 0 | 21,284 | 21,284 | 221,240 | XXX | XXX |
| **Common Stocks - Industrial and Miscellaneous** | | | | | | | | | | | | | | | | | | | | | |
| 00206R 10 2 | AT&T INC. | | 06/02/2014 | BARCLAYS AMERICAN | 2,199.000 | 77,909 | XXX | 77,757 | 77,317 | 440 | | | 440 | | 77,757 | | 152 | 152 | 2,023 | XXX | L |
| 00287Y 10 9 | ABBVIE INC. | | 06/02/2014 | BARCLAYS AMERICAN | 738.000 | 39,955 | XXX | 27,911 | 38,974 | (11,063) | | | (11,063) | | 27,911 | | 12,044 | 12,044 | 605 | XXX | L |
| 02209S 10 3 | ALTRIA GROUP INC. | | 06/02/2014 | BARCLAYS AMERICAN | 2,615.000 | 107,844 | XXX | 89,407 | 100,390 | (10,983) | | | (10,983) | | 89,407 | | 18,437 | 18,437 | 2,510 | XXX | L |
| 039483 10 2 | ARCHER-DANIELS-MIDLAND CO. | | 06/02/2014 | BARCLAYS AMERICAN | 2,279.000 | 102,188 | XXX | 90,870 | | | | | 0 | | 90,870 | | 11,319 | 11,319 | 547 | XXX | L |
| 071813 10 9 | BAXTER INTERNATIONAL INC. | | 06/02/2014 | BARCLAYS AMERICAN | 426.000 | 31,616 | XXX | 29,377 | 29,628 | (251) | | | (251) | | 29,377 | | 2,239 | 2,239 | 417 | XXX | L |
| 097023 10 5 | BOEING CO/THE | | 06/02/2014 | BARCLAYS AMERICAN | 92.000 | 12,504 | XXX | 11,797 | | | | | 0 | | 11,797 | | 707 | 707 | 67 | XXX | L |
| 166764 10 0 | CHEVRON CORP. | | 06/02/2014 | BARCLAYS AMERICAN | 148.000 | 18,085 | XXX | 17,141 | 18,487 | (1,345) | | | (1,345) | | 17,141 | | 943 | 943 | 306 | XXX | L |
| 191216 10 0 | COCA-COLA CO/THE | | 06/02/2014 | BARCLAYS AMERICAN | 676.000 | 27,616 | XXX | 25,789 | 27,926 | (2,136) | | | (2,136) | | 25,789 | | 1,827 | 1,827 | 206 | XXX | L |
| 194162 10 3 | COLGATE-PALMOLIVE CO. | | 06/02/2014 | BARCLAYS AMERICAN | 861.000 | 58,718 | XXX | 47,127 | 56,146 | (9,019) | | | (9,019) | | 47,127 | | 11,591 | 11,591 | 603 | XXX | L |
| 219350 10 5 | CORNING INC. | | 06/02/2014 | BARCLAYS AMERICAN | 71,259.000 | 1,518,075 | XXX | 873,895 | 1,269,835 | (395,941) | | | (395,941) | | 873,895 | | 644,181 | 644,181 | 14,252 | XXX | L |
| 369550 10 8 | GENERAL DYNAMICS CORP. | | 06/02/2014 | BARCLAYS AMERICAN | 179.000 | 21,122 | XXX | 11,662 | 17,103 | (5,442) | | | (5,442) | | 11,662 | | 9,460 | 9,460 | 211 | XXX | L |
| 370334 10 4 | GENERAL MILLS INC. | | 06/02/2014 | BARCLAYS AMERICAN | 1,155.000 | 63,409 | XXX | 48,672 | 57,646 | (8,974) | | | (8,974) | | 48,672 | | 14,737 | 14,737 | 912 | XXX | L |
| 452308 10 9 | ILLINOIS TOOL WORKS | | 06/02/2014 | BARCLAYS AMERICAN | 16,561.000 | 1,440,952 | XXX | 1,041,520 | 1,392,449 | (350,929) | | | (350,929) | | 1,041,520 | | 399,432 | 399,432 | 13,911 | XXX | L |
| 458140 10 0 | INTEL CORP. | | 06/02/2014 | BARCLAYS AMERICAN | 2,995.000 | 81,611 | XXX | 63,464 | 77,750 | (14,286) | | | (14,286) | | 63,464 | | 18,147 | 18,147 | 1,348 | XXX | L |
| 478160 10 4 | JOHNSON & JOHNSON | | 06/02/2014 | BARCLAYS AMERICAN | 839.000 | 85,711 | XXX | 62,648 | 76,844 | (14,196) | | | (14,196) | | 62,648 | | 23,063 | 23,063 | 1,141 | XXX | L |
| 50076Q 10 6 | KRAFT FOODS GROUP INC. | | 06/02/2014 | BARCLAYS AMERICAN | 433.000 | 25,529 | XXX | 23,793 | 23,347 | 446 | | | 446 | | 23,793 | | 1,736 | 1,736 | 455 | XXX | L |
| 580135 10 1 | MCDONALDS CORP. | | 06/02/2014 | BARCLAYS AMERICAN | 344.000 | 35,094 | XXX | 32,652 | 33,378 | (726) | | | (726) | | 32,652 | | 2,442 | 2,442 | 557 | XXX | L |
| 594918 10 4 | MICROSOFT CORP. | | 06/02/2014 | BARCLAYS AMERICAN | 898.000 | 36,616 | XXX | 24,704 | 33,612 | (8,908) | | | (8,908) | | 24,704 | | 11,912 | 11,912 | 503 | XXX | L |
| 713448 10 8 | PEPSICO INC. | | 06/02/2014 | BARCLAYS AMERICAN | 802.000 | 70,463 | XXX | 58,674 | 66,518 | (7,844) | | | (7,844) | | 58,674 | | 11,789 | 11,789 | 910 | XXX | L |
| 761713 10 6 | REYNOLDS AMERICAN INC. | | 06/02/2014 | BARCLAYS AMERICAN | 25,586.000 | 1,506,941 | XXX | 1,134,749 | 1,279,044 | (144,295) | | | (144,295) | | 1,134,749 | | 372,192 | 372,192 | 33,262 | XXX | L |
| 882508 10 4 | TEXAS INSTRUMENTS INC. | | 06/02/2014 | BARCLAYS AMERICAN | 24.000 | 1,127 | XXX | 829 | 1,054 | (225) | | | (225) | | 829 | | 297 | 297 | 14 | XXX | L |
| 88579Y 10 1 | 3M CO. | | 06/02/2014 | BARCLAYS AMERICAN | 253.000 | 36,005 | XXX | 33,447 | | | | | 0 | | 33,447 | | 2,558 | 2,558 | 216 | XXX | L |
| 911312 10 6 | UNITED PARCEL SERVICE-CL B | | 06/02/2014 | BARCLAYS AMERICAN | 492.000 | 51,202 | XXX | 39,759 | 51,699 | (11,941) | | | (11,941) | | 39,759 | | 11,443 | 11,443 | 659 | XXX | L |
| 92343V 10 4 | VERIZON COMMUNICATIONS INC. | | 06/02/2014 | BARCLAYS AMERICAN | 177.000 | 8,860 | XXX | 7,889 | 8,698 | (809) | | | (809) | | 7,889 | | 971 | 971 | 188 | XXX | L |
| 9099999. Total Common Stocks - Industrial and Miscellaneous | | | | | | 5,459,152 | XXX | 3,875,533 | 4,737,845 | (998,427) | 0 | 0 | (998,427) | 0 | 3,875,533 | 0 | 1,583,619 | 1,583,619 | 75,823 | XXX | XXX |
| **Common Stocks - Mutual Funds** | | | | | | | | | | | | | | | | | | | | | |
| 4812C0 80 3 | JPMORGAN HIGH YIELD-SEL | | 05/01/2014 | DIRECT | 1,158,477.187 | 9,383,665 | XXX | 9,646,895 | 9,244,648 | 402,247 | | | 402,247 | | 9,646,895 | | (263,229) | (263,229) | 228,220 | XXX | L |
| 9299999. Total Common Stocks - Mutual Funds | | | | | | 9,383,665 | XXX | 9,646,895 | 9,244,648 | 402,247 | 0 | 0 | 402,247 | 0 | 9,646,895 | 0 | (263,229) | (263,229) | 228,220 | XXX | XXX |

Statement for June 30, 2014 of the **Century Surety Company**

# 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identification | Description | Foreign | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ 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 Date | 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 Desig-nation or Market Indicator (a) |
| 9799997 Total Common Stocks - Part 4 | | | | | | 14,842,817 | XXX | 13,522,428 | 13,982,493 | (596,180) | 0 | 0 | (596,180) | 0 | 13,522,428 | 0 | 1,320,390 | 1,320,390 | 304,043 | XXX | XXX |
| 9799999. Total Common Stocks | | | | | | 14,842,817 | XXX | 13,522,428 | 13,982,493 | (596,180) | 0 | 0 | (596,180) | 0 | 13,522,428 | 0 | 1,320,390 | 1,320,390 | 304,043 | XXX | XXX |
| 9899999. Total Preferred and Common Stocks | | | | | | 14,842,817 | XXX | 13,522,428 | 13,982,493 | (596,180) | 0 | 0 | (596,180) | 0 | 13,522,428 | 0 | 1,320,390 | 1,320,390 | 304,043 | XXX | XXX |
| 9999999. Total Bonds, Preferred and Common Stocks | | | | | | 23,791,316 | XXX | 23,202,879 | 22,938,520 | (594,387) | (30,602) | 0 | (624,989) | 0 | 22,449,642 | 0 | 1,341,674 | 1,341,674 | 525,283 | 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 A
## NONE

## Sch. DB-Pt A-Sn 1-Footnote B
## NONE

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

## Sch. DB-Pt B-Sn 1-Footnote A
## NONE

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

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

## Sch. DB-Pt D-Sn 1
## NONE

## Sch. DB-Pt D-Sn 2
## 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 6 First Month | 7 Second Month | 8 Third Month | 9 * |
|---|---|---|---|---|---|---|---|---|---|
| **Open Depositories** | | | | | | | | | |
| JPMorgan Chase Bank, N.A. | Columbus, OH | | | | | 775,001 | 5,318,568 | 4,108,122 | XXX |
| Wells Fargo | Jacksonville, FL | | | | | 586 | 586 | | XXX |
| 0199999. Total Open Depositories | | XXX | XXX | 0 | 0 | 775,587 | 5,319,155 | 4,108,122 | XXX |
| 0399999. Total Cash on Deposit | | XXX | XXX | 0 | 0 | 775,587 | 5,319,155 | 4,108,122 | XXX |
| 0599999. Total Cash | | XXX | XXX | 0 | 0 | 775,587 | 5,319,155 | 4,108,122 | XXX |

# SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1<br>Description | 2<br>Code | 3<br>Date Acquired | 4<br>Rate of Interest | 5<br>Maturity Date | 6<br>Book/Adjusted Carrying Value | 7<br>Amount of Interest Due & Accrued | 8<br>Amount Received During Year |
|---|---|---|---|---|---|---|---|

**NONE**