

**QUARTERLY STATEMENT**

**OF THE**

**DEALERS ASSURANCE COMPANY**

---

**of** Columbus

**in the state of** OHIO

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**FOR THE QUARTER ENDED**

**September 30, 2014**

**PROPERTY AND CASUALTY**

**2014**



16705201420100103

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2014
OF THE CONDITION AND AFFAIRS OF THE

Dealers Assurance Company

NAIC Group Code 0000, NAIC Company Code 16705, Employer's ID Number 34-6513705, Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio, Country of Domicile US, Statutory Home Office 240 North Fifth St, Suite 350, Columbus, OH US 43215, Main Administrative Office 15920 Addison Rd, Addison, TX US 75001, Mail Address 240 North Fifth St, Suite 350, Primary Location of Books and Records 240 North Fifth St, Suite 350, Internet Website Address www.dealersassurance.com, Statutory Statement Contact Linda M Toy, 800-282-8913 ext 11773, ltoy@dealersassurance.com, 614-459-2665

OFFICERS

Table with 2 columns: Name, Title. Rows: 1. Kristen Anne Gruber - President, 2. David Steven Levine # - Secretary, 3. Sharon Mae Spohn - Treasurer, 4. David Paul May # - Assistant Secretary

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Row 1: Edmond Melgar Eckert # - Senior Vice President, Linda Marie Toy # - Vice President/CFO, David Steven Levine # - Vice President

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Row 1: James Bradford Smith, Kristen Anne Gruber, Edmond Melgar Eckert, Robert Reynard Bowsler #, Kelly Aubrey Westlake #, Michael Thomas Rogers #

State of Ohio
County of Franklin ss

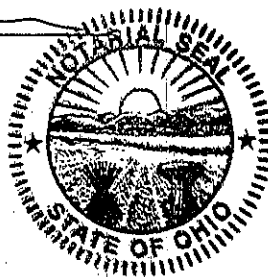
The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any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

Signatures and names of officers: Kristen Anne Gruber (President), David Steven Levine (Secretary), Sharon Mae Spohn (Treasurer)

Subscribed and sworn to before me this 11th day of November, 2014

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

Signature of Notary Public: Keith H Burkholder



Keith H Burkholder
Notary Public - State of Ohio
My Commission Expires
August 17, 2015

## ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	68,197,309		68,197,309	62,186,960
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	7,202,124		7,202,124	5,191,700
3. Mortgage loans on real estate:				
3.1 First liens	855,844		855,844	
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 4,522,894), cash equivalents (\$ 0), and short-term investments (\$ 2,611,734)	7,134,628		7,134,628	10,463,217
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	83,389,905		83,389,905	77,841,877
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	355,219		355,219	494,357
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	3,225,628		3,225,628	1,467,716
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	143,055		143,055	106,828
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	948,208	36,770	911,438	803,937
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	88,062,015	36,770	88,025,245	80,714,715
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	88,062,015	36,770	88,025,245	80,714,715

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Accounts Receivable	948,208	36,770	911,438	797,767
2502. Dividends Receivable				6,170
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	948,208	36,770	911,438	803,937

**NONE**

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 41,536)	44,536	39,779
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	2,138	1,209
4. Commissions payable, contingent commissions and other similar charges	457,698	447,018
5. Other expenses (excluding taxes, licenses and fees)	334,551	551,740
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	266,530	827,302
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	641,794	784,411
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0	13,838	
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 198,218,904 and including warranty reserves of \$ 16,436,577 and accrued accident and health experience rating refunds including \$ 0 for medical loss ratio rebate per the Public Health Service Act)	18,173,884	15,997,529
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	2,053,420	349,843
13. Funds held by company under reinsurance treaties	5,768,462	5,892,176
14. Amounts withheld or retained by company for account of others	5,084,680	5,045,632
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	151,769	
20. Derivatives		
21. Payable for securities	415,823	
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	33,409,123	29,936,639
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	33,409,123	29,936,639
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	4,200,990	4,200,990
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes	3,000,000	3,000,000
34. Gross paid in and contributed surplus	9,732,810	9,732,810
35. Unassigned funds (surplus)	37,682,322	33,844,276
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	54,616,122	50,778,076
38. Totals (Page 2, Line 28, Col. 3)	88,025,245	80,714,715

DETAILS OF WRITE-IN LINES		
2501. ....	<b>NONE</b>	
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901. ....	<b>NONE</b>	
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201. ....	<b>NONE</b>	
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

## STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 111,665,851)	91,048,833	80,000,185	111,131,951
1.2 Assumed (written \$ (589,919))	894,858	1,655,006	2,756,311
1.3 Ceded (written \$ 99,342,858)	82,362,186	72,699,910	101,458,842
1.4 Net (written \$ 11,733,074)	9,581,505	8,955,281	12,429,420
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 365,581):			
2.1 Direct	52,011,434	48,909,590	67,149,934
2.2 Assumed	217,768	424,730	745,233
2.3 Ceded	51,812,342	48,892,575	67,264,022
2.4 Net	416,860	441,745	631,145
3. Loss adjustment expenses incurred	226,562	297,556	384,978
4. Other underwriting expenses incurred	4,073,860	3,764,830	4,800,591
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	4,717,282	4,504,131	5,816,714
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	4,864,223	4,451,150	6,612,706
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	636,169	860,921	1,107,603
10. Net realized capital gains (losses) less capital gains tax of \$ 0	461,973	(710)	75,116
11. Net investment gain (loss) (Lines 9 + 10)	1,098,142	860,211	1,182,719
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	119,728	42,571	36,254
15. Total other income (Lines 12 through 14)	119,728	42,571	36,254
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	6,082,093	5,353,932	7,831,679
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	6,082,093	5,353,932	7,831,679
19. Federal and foreign income taxes incurred	2,142,495	1,934,029	2,718,440
20. Net income (Line 18 minus Line 19) (to Line 22)	3,939,598	3,419,903	5,113,239
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	50,778,076	45,952,659	45,952,659
22. Net income (from Line 20)	3,939,598	3,419,903	5,113,239
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(103,328)	471,059	860,596
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	36,227	(112,953)	(293,350)
27. Change in nonadmitted assets	(34,451)	1,139,504	1,144,932
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			500,000
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			(2,500,000)
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	3,838,046	4,917,513	4,825,417
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	54,616,122	50,870,172	50,778,076

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Miscellaneous Income	119,728	35,554	27,747
1402. Roadside Commission		6,917	8,357
1403. Transfer Fee Income		100	150
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	119,728	42,571	36,254
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

## CASH FLOW

<b>Cash from Operations</b>	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums collected net of reinsurance	11,703,525	12,111,095	14,782,857
2. Net investment income	1,250,208	1,359,965	1,649,427
3. Miscellaneous income	119,728	42,568	36,258
4. Total (Lines 1 to 3)	13,073,461	13,513,628	16,468,542
5. Benefit and loss related payments	412,103	448,243	622,783
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	5,074,506	4,225,526	4,841,911
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	2,285,112	2,112,678	2,705,946
10. Total (Lines 5 through 9)	7,771,721	6,786,447	8,170,640
11. Net cash from operations (Line 4 minus Line 10)	5,301,740	6,727,181	8,297,902
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	9,596,840	8,693,831	20,390,234
12.2 Stocks	4,981,049	10,631,250	2,952,935
12.3 Mortgage loans	4,156		
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		471,059	860,596
12.7 Miscellaneous proceeds	519,224		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	15,101,269	19,796,140	24,203,765
13. Cost of investments acquired (long-term only):			
13.1 Bonds	16,118,449	14,064,982	26,665,154
13.2 Stocks	6,588,810	10,656,696	2,996,467
13.3 Mortgage loans	860,000		
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications		993,114	1,772,194
13.7 Total investments acquired (Lines 13.1 to 13.6)	23,567,259	25,714,792	31,433,815
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(8,465,990)	(5,918,652)	(7,230,050)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			500,000
16.3 Borrowed funds	13,838		
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			2,500,000
16.6 Other cash provided (applied)	(178,177)	1,934,287	1,702,208
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(164,339)	1,934,287	(297,792)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(3,328,589)	2,742,816	770,060
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	10,463,217	9,693,157	9,693,157
19.2 End of period (Line 18 plus Line 19.1)	7,134,628	12,435,973	10,463,217

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

20.0001			
20.0002			
20.0003			

## NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies**

**A.- Accounting Practices**

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

	State of Domicile	9/30/14	12/31/13
Net Income			
(1) Dealers Assurance Company	Ohio	\$ 3,939,598	\$ 5,113,239
(2) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(3) State Permitted Practices that Increase/(decrease) NAIC SAP	Ohio	-	-
(4) NAIC SAP	Ohio	\$ 3,939,598	\$ 5,113,239
Surplus	-	-	-
(5) Dealers Assurance Company state basis	Ohio	\$ 54,616,122	\$ 50,778,076
(6) State Prescribed Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP	Ohio	-	-
(8) NAIC SAP	Ohio	\$ 54,616,122	\$ 50,778,076

**1B. – 4.** No changes to note

**5A Mortgage Loans, including Mezzanine Real Estate Loans**

- (1) The minimum and maximum lending rates for mortgage loans during 2014 were:  
Commercial Loans 5.50% Residential Loans 4.00%
- (2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 79.41%.
- (3) Taxes, assessments and any amounts advanced and not included in the mortgage loan total:

Current Year	Prior Year
-0-	-0-

## NOTES TO FINANCIAL STATEMENTS

## (4) Age Analysis of Mortgage Loans:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
<b>a Current Year</b>							
1. Recorded Investment (All)							
(a) Current	\$ -	\$ -	\$ 300,000	\$ -	\$ 560,000	\$ -	\$ 860,000
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 60-179 Days Past Due	-	-	-	-	-	-	-
(e) 180+ Past Days Past Due	-	-	-	-	-	-	-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	-	-	-	-	-	-	-
(b) Number of Loans	-	-	-	-	-	-	-
(c) Percent Reduced	-	-	-	-	-	-	-
<b>Prior Year</b>							
1. Recorded Investment							
(a) Current	-	-	-	-	-	-	-
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	-	-	-
(e) 180+ Days Past Due	-	-	-	-	-	-	-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	-	-	-	-	-	-	-
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	-	-	-	-	-	-	-
(b) Number of Loans	-	-	-	-	-	-	-
(c) Percent Reduced	-	-	-	-	-	-	-

**5A (5) to 5 C. No changes to note.**

**5D. Loan-Backed Securities**

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

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

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

## NOTES TO FINANCIAL STATEMENTS

### 9. Income Taxes

A. The components of the net deferred tax assets/(liability) at September 30, 2014 are as follows:

1.

	9/30/14			12/31/13			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col 4 + 5) Total	(7) (Col 1 – 4) Ordinary	(8) (Col 2 – 5) Capital	(9) (Col 7 + 8) Total
a Gross Deferred Tax Assets	1,248,485	-	1,248,485	1,106,791	45,219	1,152,010	141,694	(45,219)	96,475
b Statutory Valuation allowance adjustment									
c Adjusted Gross Deferred Tax Asset (1a - 1d)	1,248,485	-	1,248,485	1,106,791	45,219	1,152,010	141,694	(45,219)	96,475
d Deferred Tax Assets Nonadmitted	803,286	-	803,286	707,091	0	707,091	96,195	-	96,195
e Subtotal Net Admitted Deferred Tax Assets (1c-1f)	445,199	-	445,199	399,700	45,219	444,919	45,499	(45,219)	280
f Deferred Tax Liabilities	302,144	-	301,144	338,091	0	338,091	(35,947)	-	(35,947)
g Net Admitted Deferred Tax Asset (Net Deferred Tax Liability)	143,055	-	143,055	61,609	45,219	106,828	81,466	(45,219)	36,227

2.

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

#### Admission Calculation Components SSAP No. 101

a Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	-	-	-	-	-	-	-	-	-
b Adjusted Gross Deferred Tax Asset Expected To Be Realized (Excluding the Amount of Deferred Tax Assets From 2(a) above). After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	143,055	-	143,055	61,609	45,219	106,828	81,446	(45,219)	36,227
1 Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	143,055	-	143,055	61,609	45,219	106,828	81,446	(45,219)	36,227
2 Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Allowed per Limitation Threshold)	xxxxxxx	xxxxx	8,170,960	xxxxxxx	xxxxxxx	7,600,687	xxxxxxxxx	xxxxxxxxx	570,273
c Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets from 2(a) and 2 (b) above) Offset by Gross Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-
d Deferred Tax Assets Admitted as the result of application of SSAP 101.	143,055	-	143,055	61,609	45,219	106,828	81,446	(45,219)	36,227
Total )2(a) + 2(b) + 2 (c))									

3.

	2014	2013
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	582%	542%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 1(b) above	54,616,122	50,778,076

## NOTES TO FINANCIAL STATEMENTS

4.

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

## Impact of Tax Planning Strategies

a	Adjusted Gross DTA's (% of Total Adjusted Gross DTA's)	0%	0%	0%	0%	4%	4%	0%	-4%	-4%
b	Net Admitted Adjusted Gross DTA's (% of Total Net Admitted Adjusted Gross DTA's)	0%	0%	0%	0%	42%	42%	0%	-42%	-42%

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

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

N/A-All Deferred Tax Liabilities have been recognized

C Current income taxes incurred consist of the following major components

	(1)	(2)	(3)
	9/30/14	12/31/2013	(Col 1 + 2) Change
1. Current Income Tax			
(a) Federal	2,142,495	2,718,440	(575,945)
(b) Foreign	-	-	-
(c) Subtotal	2,142,495	2,718,440	(575,945)
(d) Federal Income tax on net capital gains	45,219	25,990	19,229
(e) Utilization of capital loss carry-forwards	(45,219)	(25,990)	(19,229)
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	2,142,495	2,718,440	(575,945)
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of Unpaid Losses	2,380	8,679	(6,299)
(2) Unearned Premium Reserve	1,235,824	1,087,832	147,992
(3) Policyholder Reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred Acquisition Costs	-	-	-
(6) Policyholder Dividends Accrual	-	-	-
(7) Fixed Assets	-	-	-
(8) Compensation and Benefits Accrual	10,281	10,281	-
(9) Pension Accrual	-	-	-
(10) Receivables-Nonadmitted	-	-	-
(11) Net Operating Loss Carry-forward	-	-	-
(12) Tax Credit Carry-forward	-	-	-
(13) Other (including items <5% of total Capital Assets)	-	-	-
(99) Subtotal	1,248,485	1,106,792	141,693
(b) Statutory Valuation Allowance Adjustment	-	-	-
(c) Nonadmitted	803,286	707,091	96,195
(d) Admitted Ordinary Deferred tax Asset (2a99 – 2f – 2g)	445,199	399,701	45,498
(e) Capital:			
(1) Investments	-	-	-
(2) Net Capital less Carry-forward	-	45,219	(45,219)
(3) Real Estate	-	-	-
(4) Other (including items <5% of total Capital Assets)	-	-	-
(99) Subtotal	-	45,219	(45,219)
(f) Statutory Valuation Allowance Adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted Capital Deferred Tax Assets (2a99 – 2f -2g)	-	45,219	(45,219)
(i) Admitted Deferred Tax Asset (2d + 22h)	445,199	444,920	279

## NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)
	9/30/14	12/31/2013	(Col 1 + 2) Change
<b>3</b>			
<b>Deferred Tax Liabilities</b>			
<b>(a) Ordinary</b>			
(1) Investments	-	-	-
(2) Fixed Assets	-	-	-
(3) Deferred and Uncollected premium	-	-	-
(4) Policyholder Reserves	-	-	-
(5) Other (including items <5% of ordinary Tax Liabilities)	2,232	3,048	(816)
(99) Subtotal	2,232	3,048	(816)
<b>(b) Capital</b>			
(1) Investments	299,912	335,043	(35,131)
(2) Real Estate	-	-	-
(3) Other (including items <5% of ordinary Tax Liabilities)	-	-	-
(99) Subtotal	299,912	335,043	(35,131)
<b>(c) Deferred Tax Liabilities (3a99 + 3b99)</b>	302,144	338,091	(35,947)
<b>4. Net Deferred Tax Assets/Liabilities (2i – 3c)</b>	143,055	106,829	36,226

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

	Amount	Tax Effect	%
Income before taxes	6,082,098	2,067,913	34%
Unearned Premium Adjustment	435,270	147,922	2%
Compensation and Benefits Accrual	-	-	0%
Loss Reserve Discounting	(18,524)	(6,298)	0%
Dividends Received Deduction	(78,576)	(26,716)	0%
Capital Loss Carry-Forward	(132,997)	(45,219)	-1%
Other, net	14,185	4,823	0%
<b>Total</b>	<b>6,301,456</b>	<b>2,142,495</b>	<b>35%</b>

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

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

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

A-C No changes.

D The Company reported \$22,601 payable to Parent and \$129,168 due to affiliates as of 9/30/14 per the intercompany cost sharing agreements..

E No changes.

G The parent company, Dealers Alliance Corporation, is a non-insurance entity. Through 09/30/10 (and prior years) Dealers Assurance Company provided funds for federal income tax deposits (on a consolidated basis). In prior years other companies included in consolidated tax return reimbursed their portion of federal income tax deposits on a quarterly basis.

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

### 11. – 16.

No changes to note.

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

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

### 18. – 19.

No changes to note

## NOTES TO FINANCIAL STATEMENTS

### 20. Fair Value Measurements

A.

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

(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
a. Assets at fair value				
Preferred Stock				
Bonds				
Common Stock (Ind & Misc)	\$ 7,202,124			\$ 7,202,124
Derivative assets				
Separate account assets				
 Total assets at fair value	 \$ 7,202,124	 \$ -	 \$ -	 \$ 7,202,124
b. Liabilities at fair value	\$			\$
 Total liabilities at fair value	 \$			 \$

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

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

NONE

21 A-F No changes to note.

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

H The Company has no Joint and Severable Liabilities

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

22 -24 No changes to Note

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

Reserves as of December 31, 2013 were \$40,988. As of September 30, 2014, \$51,280 (net of reinsured prior year claims) was paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves for prior year are now \$3,000. There has been a \$13,292 negative prior year development.

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

26. – 35. No changes to note.

### 36. Financial Guaranty Insurance

The company does not write financial guaranty insurance.

# GENERAL INTERROGATORIES

## PART 1 – COMMON INTERROGATORIES

### GENERAL

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

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

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

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

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ X ] No [ ]

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

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

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

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

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

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013

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). 10/03/2014

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

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

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

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

## GENERAL INTERROGATORIES

7.2 If yes, give full information

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

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

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

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

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

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

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

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

Yes [X] No [ ]

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

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

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

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

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

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

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

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

### FINANCIAL

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

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

### INVESTMENT

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

## GENERAL INTERROGATORIES

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

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

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

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

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

14.2 If yes, please complete the following:

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

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
Fifth Third Bank	Cincinnati, Ohio
US Bank	Winston Salem, NC
Sun Trust	Richmond, VA
First National Bankers Bank	Little Rock, AR
Citibank, NA	NY, NY
Century Bank	Sante Fe, NM
RBS Citizens, NA	Providence, RI
Xerox State & Local Solutions, Inc	Quincy, MA

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

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

## GENERAL INTERROGATORIES

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

Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
104650 .....	ClearArc Capital, Inc. ....	Cincinnati, Ohio .....
.....	.....	.....

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

Yes [X] No [ ]

18.2 If no, list exceptions:

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

## GENERAL INTERROGATORIES

### PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [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 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
TOTAL			.....	.....	.....	.....	.....	.....	.....	.....

5. Operating Percentages:  
 5.1. A&H loss percent \_\_\_\_\_ %  
 5.2. A&H cost containment percent \_\_\_\_\_ %  
 5.3. A&H expense percent excluding cost containment expenses \_\_\_\_\_ %

6.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ \_\_\_\_\_

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

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

## SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
All Other Insurers						
00000	AA-0055303	E & A Investment Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0054996	EJB Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055007	KAD Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055006	Penult Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055212	Repent Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055005	Suzart Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055826	Axiom Warranty Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055574	Bedford Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055609	Direct Response Reinsurance Company	TCA	Unauthorized		
00000	AA-0055576	DJRR Reinsurance Company	TCA	Unauthorized		
00000	AA-0055652	Majors Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055490	RDN II Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0053966	RDN Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055670	Springs Automotive Group Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055573	Stables Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0055669	Stoops ESC Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0053860	Twenty Twelve Reinsurance Company	TCA	Unauthorized		
00000	AA-0055673	Winot Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0053260	Grubbs Infiniti Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0051261	Boyland Reinsurance Company, Ltd	TCA	Unauthorized		
00000	AA-0053881	East & South Reinurance	TCA	Unauthorized		
00000	AA-0052438	Brookmont Capital Business	TCA	Unauthorized		
00000	AA-0053223	Global Capital Reinsurance Company	TCA	Unauthorized		

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

### Current Year To Date - Allocated by States and Territories

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2	3	4	5	6	7	
States, Etc.	Active Status	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	
1. Alabama	AL	L	1,414,716	1,570,281	761,625	832,760	65,587	47,451
2. Alaska	AK	L						
3. Arizona	AZ	L	526,950	616,639	301,476	432,896	28,915	14,178
4. Arkansas	AR	L	1,919,279	1,979,576	1,006,496	990,168	79,681	40,610
5. California	CA	L	11,181,309	10,602,357	995,901	1,841,055	237,297	281,629
6. Colorado	CO	L	6,163,135	1,941,364	3,201,150	3,784,495	197,123	253,176
7. Connecticut	CT	L	997,830	1,306,942	1,237,356	1,153,761	50,120	43,111
8. Delaware	DE	L	751,617	743,856	383,275	229,155	26,073	11,218
9. District of Columbia	DC	L						
10. Florida	FL	L	3,810,803	3,338,491	4,048,511	3,637,557	91,316	121,166
11. Georgia	GA	L	7,602,091	4,905,123	2,535,280	2,475,122	198,546	164,166
12. Hawaii	HI	N						
13. Idaho	ID	L	1,185	32,199	24,098	4,150	1,072	296
14. Illinois	IL	L	736,650	1,080,416	628,211	503,097	51,822	35,125
15. Indiana	IN	L	844,807	703,481	469,473	310,354	29,572	7,176
16. Iowa	IA	L	199,384	254,320	143,574	134,137	9,691	3,669
17. Kansas	KS	L	24,180	71,616	26,304	45,982	2,830	4,615
18. Kentucky	KY	L	406,180	401,977	174,295	150,290	18,862	6,896
19. Louisiana	LA	L	1,280,957	1,284,847	857,526	907,899	53,935	41,250
20. Maine	ME	L	251,422	315,535	167,027	194,461	11,507	7,700
21. Maryland	MD	L	1,031,780	1,361,652	911,907	803,921	52,872	34,429
22. Massachusetts	MA	L	980,181	1,273,190	870,071	814,770	46,767	28,678
23. Michigan	MI	L	4,865,392	5,217,104	7,068,982	6,104,513	205,507	281,146
24. Minnesota	MN	L	651,807	556,980	356,312	320,317	23,507	13,697
25. Mississippi	MS	L	1,473,180	1,772,305	885,310	900,669	72,553	44,709
26. Missouri	MO	L	535,296	869,995	446,470	605,342	33,512	37,669
27. Montana	MT	L	116,464	212,315	93,842	112,979	8,390	3,395
28. Nebraska	NE	L	197,589	236,837	132,291	204,394	10,581	20,267
29. Nevada	NV	L	237,102	319,541	184,498	227,281	11,168	11,113
30. New Hampshire	NH	L	284,613	370,596	201,557	175,085	13,519	6,116
31. New Jersey	NJ	L	1,303,038	1,529,011	901,942	716,808	44,552	22,747
32. New Mexico	NM	L	1,810,936	2,188,069	237,450	199,899	31,028	10,639
33. New York	NY	L	3,999,916	4,845,276	4,477,635	3,878,397	168,930	175,258
34. North Carolina	NC	L	6,489,319	4,299,895	2,413,753	1,274,417	80,488	69,621
35. North Dakota	ND	L	127,467	140,817	87,809	65,168	5,434	2,081
36. Ohio	OH	L	2,551,124	2,747,894	1,236,208	1,222,662	92,991	62,056
37. Oklahoma	OK	L	149,612	380,800	157,541	166,256	12,175	7,301
38. Oregon	OR	L	33,428	30,308	23,034	17,362	7,871	4,293
39. Pennsylvania	PA	L	3,479,984	3,962,108	1,633,471	1,592,298	95,160	70,450
40. Rhode Island	RI	L	49,332	74,085	39,404	39,612	2,528	129
41. South Carolina	SC	L	229,151	300,828	189,720	152,431	13,849	7,582
42. South Dakota	SD	L	21,319	39,092	14,188	21,120	1,227	416
43. Tennessee	TN	L	4,052,300	1,662,393	664,747	740,746	57,512	40,615
44. Texas	TX	L	27,004,813	26,139,094	7,102,723	6,178,188	855,481	449,317
45. Utah	UT	L	2,437	2,342		1,079	131	123
46. Vermont	VT	L	324,882	300,786	195,411	165,627	12,457	8,044
47. Virginia	VA	L	783,428	1,107,425	610,554	629,051	40,612	21,540
48. Washington	WA	L	9,943,857	8,967,871	3,511,725	3,494,483	193,953	220,639
49. West Virginia	WV	L	286,706	329,273	161,011	213,512	36,236	8,534
50. Wisconsin	WI	L	470,550	341,927	200,896	208,861	16,712	9,838
51. Wyoming	WY	L	66,353	80,912	47,454	40,361	4,173	2,327
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CAN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals	(a) 50		111,665,851	102,809,741	52,019,494	48,914,948	3,405,825	2,758,201

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

NONE

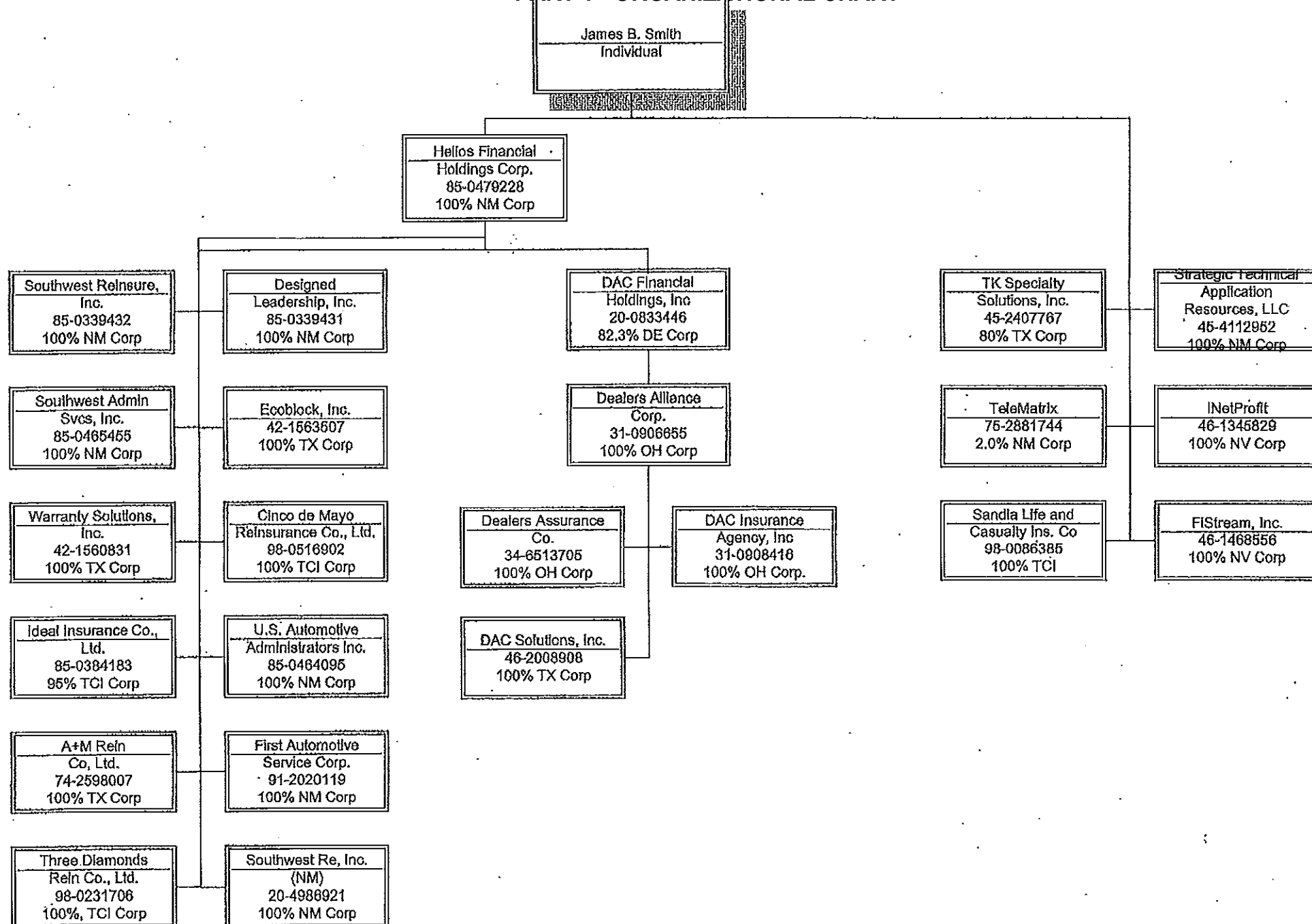
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer;

(E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**



## SCHEDULE Y

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
00000		00000	85-0479228	0	0		Helios Financial Holdings, Inc	NM	UIP	James B. Smith	Ownership	100.0	James B. Smith	0
00000		00000	20-0833446	0	0		DAC Financial Holdings, Inc	DE	UIP	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
00000		00000	31-0906655	0	0		Dealers Alliance Corp	OH	UDP	DAC Financial Holdings, Inc	Ownership	100.0	James B. Smith	0
16705		00000	34-6513705	0	0		Dealers Assurance Company	OH	RC	Dealers Alliance Corp.	Ownership	100.0	James B. Smith	0
00000		00000	31-0908416	0	0		DAC Insurance Agency, Inc	OH	IA	Dealers Alliance Corp.	Ownership	100.0	James B. Smith	0
00000		00000	43-2008908	0	0		DAC Solutions, Inc	TX	NIA	Dealers Alliance Corp.	Ownership	100.0	James B. Smith	0
00000		00000	85-0339432	0	0		Southwest Reinsure, Inc	NM	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
00000		00000	85-0465455	0	0		Southwest Administrative Svcs, Inc	NM	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
00000		00000	42-1560831	0	0		Warranty Solutions, Inc	TX	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
00000		00000	85-0384183	0	0		Ideal Insurance Co., LTD	TCI	IA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
00000		00000	74-2598007	0	0		A+M Reinsurance Co., LTD	TX	IA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
00000		00000	98-0231706	0	0		Three Diamonds Reinsurance Co	TCA	IA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
00000		00000	85-0339431	0	0		Design Leadership, Inc	NM	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
00000		00000	42-1563507	0	0		Ecoblock, Inc	TX	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
00000		00000	98-0516902	0	0		Cinco de Mayo Reinsurance Co, LTD	TCI	IA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
00000		00000	850464095	0	0		US Automotive Administrators Inc	NM	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
00000		00000	91-2020119	0	0		First Automotive Service Corp	NM	NIA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
00000		00000	20-4986921	0	0		Southwest Re, Inc.	NM	IA	Helios Financial Holdings, Corp.	Ownership	100.0	James B. Smith	0
00000		00000	98-0086385	0	0		Sandia Life and Casualty Co	TCI	IA	James B. Smith	Ownership	100.0	James B. Smith	0
00000		00000	45-2407767	0	0		TK Specialty Solutions, Inc	TX	NIA	James B. Smith	Ownership	80.0	James B. Smith	0
00000		00000	75-2881744	0	0		TeleMatrix	TX	NIA	James B. Smith	Ownership	2.0	James B. Smith	0
00000		00000	45-4112952	0	0		Strategic Technical Application Resources, LLC	NM	NIA	James B. Smith	Ownership	100.0	James B. Smith	0
00000		00000	46-1345829	0	0		INetProfit	NV	NIA	James B. Smith	Ownership	100.0	James B. Smith	0
00000		00000	46-1468556	0	0		FStream, Inc	NV	NIA	James B. Smith	Ownership	100.0	James B. Smith	0



**PART 1 – LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence	657,124	34,796	5.3	2.8
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit	702,621	520,421	74.1	78.7
29. International				
30. Warranty	89,689,088	51,456,217	57.4	61.5
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	91,048,833	52,011,434	57.1	61.1

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

**PART 2 – DIRECT PREMIUMS WRITTEN**

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence	273,776	915,572	791,318
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit	192,348	669,029	1,056,301
29. International			
30. Warranty	35,550,594	110,081,250	100,962,122
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	36,016,718	111,665,851	102,809,741

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

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2014 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2011 + prior													
2. 2012													
3. Subtotals 2012 + prior													
4. 2013	15	26	41	13	39	52			3	3	(2)	16	14
5. Subtotals 2013 + prior	15	26	41	13	39	52			3	3	(2)	16	14
6. 2014	X X X	X X X	X X X	X X X	587	587	X X X	6	37	43	X X X	X X X	X X X
7. Totals	15	26	41	13	626	639		6	40	46	(2)	16	14

8. Prior Year-End Surplus As Regards Policyholders

50,778,076

Col. 11, Line 7  
As % of Col. 1,  
Line 7

Col. 12, Line 7  
As % of Col. 2,  
Line 7

Col. 13, Line 7  
As % of Col. 3,  
Line 7

1. -13.333 2. 61.538 3. 34.146

Col. 13, Line 7  
Line 8

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

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	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 Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

**Explanation:**

- Question 1: Not Applicable  
 .....  
 .....
- Question 2: Not Applicable  
 .....  
 .....
- Question 3: Not Applicable  
 .....  
 .....
- Question 4: Not Applicable  
 .....  
 .....

**Bar Code:**



16705201449000030



16705201445500030



16705201436500030



16705201450500030

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**OVERFLOW PAGE FOR WRITE-INS**

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**SCHEDULE A - VERIFICATION****Real Estate**

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

**NONE****SCHEDULE B - VERIFICATION****Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	860,000	
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	4,156	
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)	855,844	
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	855,844	
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	855,844	

**SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

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

**NONE****SCHEDULE D - VERIFICATION****Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	67,378,650	60,604,295
2. Cost of bonds and stocks acquired	22,707,256	29,661,621
3. Accrual of discount	6,565	8,964
4. Unrealized valuation increase (decrease)	(103,328)	860,596
5. Total gain (loss) on disposals	461,903	76,439
6. Deduct consideration for bonds and stocks disposed of	14,577,887	23,343,168
7. Deduct amortization of premium	473,727	490,097
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	75,399,432	67,378,650
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	75,399,432	67,378,650

## SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a)	65,551,198	8,605,867	8,205,947	150,312	64,285,249	65,551,198	66,101,430	64,738,414
2. NAIC 2 (a)	4,501,567	516,540		(310,496)	4,852,866	4,501,567	4,707,611	4,840,749
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	70,052,765	9,122,407	8,205,947	(160,184)	69,138,115	70,052,765	70,809,041	69,579,163
<b>PREFERRED STOCK</b>								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	70,052,765	9,122,407	8,205,947	(160,184)	69,138,115	70,052,765	70,809,041	69,579,163

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

NAIC 1 \$ 0; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

**SCHEDULE DA - PART 1**

## Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	2,611,733	X X X	2,624,601	10,664	710

**SCHEDULE DA - VERIFICATION**

## Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	2,574,673	5,667,115
2. Cost of short-term investments acquired	18,723,331	41,780,382
3. Accrual of discount	270	
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	69	
6. Deduct consideration received on disposals	18,665,938	44,867,829
7. Deduct amortization of premium	20,671	4,995
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	2,611,734	2,574,673
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,611,734	2,574,673

**NONE Schedule DB - Part A and B Verification**

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

**NONE Schedule DB - Part C - Section 2**

**NONE Schedule DB - Verification**

**SCHEDULE E - VERIFICATION**

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	4,817,537	
2. Cost of cash equivalents acquired		4,818,924
3. Accrual of discount	161	103
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	4,816,000	
7. Deduct amortization of premium	1,698	1,490
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		4,817,537
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		4,817,537

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

### SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Actual Cost at Time of Acquisition	8 Additional Investment Made After Acquisitions	9 Value of Land and Buildings
	2 City	3 State						
DAC002	Mokena	IL		08/21/2014	4.000	300,000		625,000
0399999 Mortgages in good standing - Residential mortgages - all other				X X X	X X X	300,000		625,000
DAC001	Albuquerque	NM		07/09/2014	5.500	560,000		700,000
0599999 Mortgages in good standing - Commercial mortgages - all other				X X X	X X X	560,000		700,000
0899999 Total Mortgages in good standing				X X X	X X X	860,000		1,325,000
3399999 Totals				X X X	X X X	860,000		1,325,000

EO2

### SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Change in Book Value/Recorded Investment						14 Book Value/Recorded Investment Excluding Accrued Interest on Disposal	15 Consideration	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal
	2 City	3 State					8 Unrealized Valuation Increase (Decrease)	9 Current Year's (Amortization) / Accretion	10 Current Year's Other than Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8+9-10+11)	13 Total Foreign Exchange Change in Book Value					
DAC001	Albuquerque	NM		07/09/2014								560,000	4,156				
0299999 Mortgages with partial repayments												560,000	4,156				
0599999 Totals												560,000	4,156				

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

## SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
912828-RU-6 912828-US-7	US TREASURY N/B US TREASURY N/B		08/21/2014 08/29/2014	RBC CAPITAL MARKETS DEUTSCHE BANK SECURITIES, INC.		125,640 150,146	125,000.00 150,000.00	248 261	1 1
0599999	Total Bonds U. S. Government				X X X	275,786	275,000.00	509	X X X
313373-SZ-6 3137EA-DC-0	FEDERAL HOME LOAN BANK FREDDIE MAC		07/28/2014 07/28/2014	NOMURA SECURITIES INTL INC CITIGROUP GLOBAL MARKETS INC.		154,388 150,374	150,000.00 150,000.00	434 588	1 1
3199999	U.S. Total Bonds Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	304,762	300,000.00	1,022	X X X
13975J-AD-4 126802-CE-5 687847-AC-7 86909V-AC-6 981464-DB-3 06051G-EK-1 06406H-CW-7 05565Q-CA-4 125509-BR-9 172967-GP-0 46642N-BA-3	ABS - AFIN 2014-3 A4 ABS - CABMT 2012-2A A1 ABS - OSCAR 2014-1A A3 ABS - SBART 2014-1A A3 ABS - WFNMT 2012-B A BANK OF AMERICA CORP BANK OF NEW YORK MELLON BP CAPITAL MARKETS PLC CIGNA CORP CITIGROUP INC CMBS - JPMBB 2014-C22 A1	R	09/01/2014 07/10/2014 09/19/2014 08/06/2014 07/18/2014 07/17/2014 09/05/2014 07/03/2014 09/26/2014 08/21/2014 08/06/2014	Adjustment JP MORGAN SECURITIES LLC MIZUHO SECURITIES USA INC. JP MORGAN SECURITIES LLC BNP PARIBAS SECURITIES BOND Credit Suisse First Boston KEYBANC CAPITAL MARKETS INC Credit Suisse First Boston US BANCORP INVESTMENTS INC. UBS WARBURG LLC JP MORGAN SECURITIES LLC		300,000 602,367 249,939 349,938 367,966 368,207 350,749 240,437 516,540 301,911 499,999	300,000.00 600,000.00 250,000.00 350,000.00 365,000.00 350,000.00 350,000.00 240,000.00 500,000.00 300,000.00 500,000.00		1FE 1FE 1FE 1FE 1FE 1FE 1FE 1FE 2FE 1FE 1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	4,148,053	4,105,000.00	7,988	X X X
8399997	Total Bonds Part 3				X X X	4,728,601	4,680,000.00	9,519	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	4,728,601	4,680,000.00	9,519	X X X
00287Y-10-9 03073E-10-5 031162-10-0 037833-10-0 09247X-10-1 14040H-10-5 14149Y-10-8 17275R-10-2 20030N-10-1 G2554F-11-3 126650-10-0 264411-50-5	ABBVIE INC AMERISOURCEBERGEN CORP AMGEN INC APPLE INC BLACKROCK INC CAPITAL ONE FINANCIAL CORP CARDINAL HEALTH INC CISCO SYSTEMS INC COMCAST CORP-CLASS A COVIDIEN PLC CVS CAREMARK CORP DUKE REALTY CORP	R	07/10/2014 08/04/2014 08/04/2014 08/07/2014 09/08/2014 07/10/2014 09/24/2014 08/07/2014 08/01/2014 08/04/2014 08/07/2014 08/19/2014	BERNSTEIN (SANFORD C) & CO. Stifel Nicolaus & Co. Stifel Nicolaus & Co. VARIOUS INSTINET BERNSTEIN (SANFORD C) & CO. VARIOUS BERNSTEIN (SANFORD C) & CO. Stifel Nicolaus & Co. Stifel Nicolaus & Co. SG COWEN SECURITIES CORP INSTINET		343,000 458,000 537,000 763,000 167,000 433,000 1,283,000 1,404,000 611,000 402,000 475,000 3,939,000	19,170 35,590 68,046 72,643 55,444 36,384 98,005 34,945 32,653 35,299 36,103 73,363		L L L L L L L L L L L L

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 1.

### SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
428236-10-3	HEWLETT-PACKARD CO		08/07/2014	VARIOUS	1,936.000	67,650			L
G491BT-10-8	INVESCO LTD	R	08/01/2014	Stifel Nicolaus & Co.	1,392.000	52,555			L
478160-10-4	JOHNSON & JOHNSON		07/10/2014	BERNSTEIN (SANFORD C) & CO.	170.000	17,978			L
501044-10-1	KROGER CO		09/04/2014	INSTINET	1,062.000	55,091			L
539830-10-9	LOCKHEED MARTIN CORP		09/24/2014	Stifel Nicolaus & Co.	209.000	37,218			L
N53745-10-0	LYONDELLBASELL INDU-CL A	R	09/11/2014	VARIOUS	1,958.000	217,539			L
571903-20-2	MARRIOTT INTERNATIONAL -CL A		09/08/2014	INSTINET	258.000	18,272			L
594918-10-4	MICROSOFT CORP		09/08/2014	INSTINET	388.000	18,065			L
651229-10-6	NEWELL RUBBERMAID INC		09/08/2014	VARIOUS	2,994.000	98,337			L
66987V-10-9	NOVARTIS AG-ADR	R	09/08/2014	INSTINET	982.000	91,593			L
N6596X-10-9	NXP SEMICONDUCTORS NV	R	09/08/2014	VARIOUS	526.000	37,039			L
68389X-10-5	ORACLE CORP		08/04/2014	Merrill Lynch	887.000	35,524			L
713448-10-8	PEPSICO INC		08/04/2014	VARIOUS	1,178.000	105,226			L
776696-10-6	ROPER INDUSTRIES INC		09/08/2014	INSTINET	121.000	18,078			L
907818-10-8	UNION PACIFIC CORP		09/08/2014	INSTINET	171.000	18,414			L
91324P-10-2	UNITEDHEALTH GROUP INC		09/04/2014	INSTINET	391.000	34,046			L
918204-10-8	VF CORP		09/04/2014	INSTINET	560.000	36,617			L
254687-10-6	WALT DISNEY CO/THE		08/07/2014	SG COWEN SECURITIES CORP	409.000	35,031			L
969457-10-0	WILLIAMS COS INC		09/04/2014	INSTINET	1,658.000	97,263			L
9099999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				X X X	1,689,181	X X X		X X X
9799997	Total Common Stock Part 3				X X X	1,689,181	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stock				X X X	1,689,181	X X X		X X X
9899999	Total Preferred and Common Stock				X X X	1,689,181	X X X		X X X
9999999	Totals				X X X	6,417,782	X X X	9,519	X X X

E04.1

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 1.



### SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	3,449,847	3,380,356.46	3,539,094	3,374,232		(26,576)		(26,576)		3,459,197		(9,351)	(9,351)	131,175	X X X	X X X
075887-10-9	BECTON DICKINSON AND CO		09/04/2014	INSTINET	289.00	33,609		34,763						34,763		(1,154)	(1,154)				L
055622-10-4	BP PLC-SPONS ADR	R	09/19/2014	BERNSTEIN (SANFOR	2,431.00	111,468		108,234	91,533	(9,778)		(9,778)		108,234		3,234	3,234	3,921			L
231021-10-6	CUMMINS INC		09/11/2014	VARIOUS	1,073.00	150,163		152,666	47,084	(3,361)		(3,361)		152,666		(2,503)	(2,503)	1,407			L
277432-10-0	EASTMAN CHEMICAL CO		08/01/2014	Stifel Nicolaus & Co.	764.00	59,905		60,325						60,325		(421)	(421)	535			L
G29183-10-3	EATON CORP PLC	R	08/22/2014	Stifel Nicolaus & Co.	949.00	63,608		63,887	25,729	(6,608)		(6,608)		63,887		(279)	(279)	1,395			L
26875P-10-1	EOG RESOURCES INC		09/08/2014	VARIOUS	1,698.00	178,739		147,013	63,611	(4,133)		(4,133)		147,013		31,725	31,725	502			L
369604-10-3	GENERAL ELECTRIC CO		09/12/2014	VARIOUS	2,821.00	73,301		66,691	79,073	(12,382)		(12,382)		66,691		6,610	6,610	1,862			L
370334-10-4	GENERAL MILLS INC		09/08/2014	VARIOUS	1,388.00	72,604		71,556						71,556		1,049	1,049	1,050			L
37045V-10-0	GENERAL MOTORS CO		08/01/2014	Stifel Nicolaus & Co.	2,376.00	79,277		87,809	25,544	(1,095)		(1,095)		87,809		(8,532)	(8,532)	1,128			L
423452-10-1	HELMERICH & PAYNE		09/08/2014	VARIOUS	670.00	68,010		69,351						69,351		(1,340)	(1,340)	656			L
437076-10-2	HOME DEPOT INC		07/10/2014	BERNSTEIN (SANFOR	242.00	19,158		14,667	19,926	(5,260)		(5,260)		14,667		4,491	4,491	227			L
544147-10-1	LORILLARD INC		09/10/2014	INSTINET	920.00	54,769		48,141						48,141		6,629	6,629	1,132			L
585055-10-6	MEDTRONIC INC		08/04/2014	VARIOUS	1,749.00	109,528		104,494	8,953	101		101		104,494		5,034	5,034	829			L
61166W-10-1	MONSANTO CO		09/04/2014	VARIOUS	937.00	107,161		100,101	75,408	(6,922)		(6,922)		100,101		7,061	7,061	1,084			L
65339F-10-1	NEXTERA ENERGY INC		08/01/2014	Stifel Nicolaus & Co.	378.00	35,525		29,927	22,946	(2,797)		(2,797)		29,927		5,598	5,598	548			L
68389X-10-5	ORACLE CORP		09/24/2014	KEYBANC CAPITAL M	2,502.00	98,074		104,564						104,564		(6,489)	(6,489)	194			L
717081-10-3	PFIZER INC		09/04/2014	VARIOUS	3,722.00	108,239		102,855	67,080	(11,992)		(11,992)		102,855		5,383	5,383	2,772			L
747525-10-3	QUALCOMM INC		09/24/2014	VARIOUS	1,211.00	89,897		84,292	82,492	(5,537)		(5,537)		84,292		5,605	5,605	1,238			L
771195-10-4	ROCHE HOLDINGS LTD-SPONS ADR	R	08/07/2014	VARIOUS	2,977.00	107,292		86,818	65,673	(18,020)		(18,020)		86,818		20,473	20,473	2,086			U
9099999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	1,620,327		1,538,154	675,052	(87,784)		(87,784)		1,538,154		82,174	82,174	22,566	X X X	X X X	
9799997	Total - Common Stock - Part 4				X X X	1,620,327	X X X	1,538,154	675,052	(87,784)		(87,784)		1,538,154		82,174	82,174	22,566	X X X	X X X	
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stocks				X X X	1,620,327	X X X	1,538,154	675,052	(87,784)		(87,784)		1,538,154		82,174	82,174	22,566	X X X	X X X	
9899999	Total Preferred and Common Stocks				X X X	1,620,327	X X X	1,538,154	675,052	(87,784)		(87,784)		1,538,154		82,174	82,174	22,566	X X X	X X X	
9999999	Totals					5,070,174	X X X	5,077,248	4,049,284	(87,784)	(26,576)		(114,360)		4,997,351		72,823	72,823	153,741	X X X	X X X

E05.1

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 1.

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



**NONE Schedule E - Part 2**