



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2018  
OF THE CONDITION AND AFFAIRS OF THE

Republic-Franklin Insurance Company

NAIC Group Code	0201 (Current)	0201 (Prior)	NAIC Company Code	12475	Employer's ID Number	31-4290270
Organized under the Laws of	Ohio			State of Domicile or Port of Entry		OH
Country of Domicile	United States of America					
Incorporated/Organized	02/10/1949			Commenced Business		02/10/1949
Statutory Home Office	2 Easton Oval, Suite 225 (Street and Number)			Columbus, OH, US 43219 (City or Town, State, Country and Zip Code)		
Main Administrative Office	180 Genesee Street (Street and Number)					
	New Hartford, NY, US 13413 (City or Town, State, Country and Zip Code)			315-734-2000 (Area Code) (Telephone Number)		
Mail Address	Post Office Box 530 (Street and Number or P.O. Box)			Utica, NY, US 13503-0530 (City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	180 Genesee Street (Street and Number)					
	New Hartford, NY, US 13413 (City or Town, State, Country and Zip Code)			315-734-2000 (Area Code) (Telephone Number)		
Internet Website Address	www.uticanational.com					
Statutory Statement Contact	Sandra Jean Giehl (Name)			315-734-2192 (Area Code) (Telephone Number)		
	sandy.giehl@uticanational.com (E-mail Address)			315-734-2994 (FAX Number)		

OFFICERS

Chairman	James Douglas Robinson	VP, CFO & Treasurer	Brian Wade Miller Jr.
President & CEO	Richard Patrick Creedon	Secretary	Louisa Suzanne Ruffine

OTHER

Steven Paul Guzski, Executive Vice President	Kristen Holly Martin, EVP & COO
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DIRECTORS OR TRUSTEES

Clarence William Bachman	Richard Patrick Creedon	Paul Alan Hagstrom, Ph.D.
Gregory Miller Harden	James Douglas Robinson	Linda Ellen Romano
Eric Keith Scholl		

State of	New York	SS:
County of	Oneida	

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.

Richard Patrick Creedon President & CEO	Brian Wade Miller, Jr. VP, CFO & Treasurer	Louisa Suzanne Ruffine Secretary
Subscribed and sworn to before me this	a. Is this an original filing? .....	Yes [ X ] No [ ]
day of	b. If no,	
	1. State the amendment number.....	
	2. Date filed .....	
	3. Number of pages attached.....	

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	96,321,134		96,321,134	91,821,354
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....	4,432,152		4,432,152	5,840,264
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ .....735,426 , Schedule E - Part 1), cash equivalents (\$ .....100,002 , Schedule E - Part 2) and short-term investments (\$ ..... , Schedule DA) .....	835,427		835,427	534,768
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivable for securities .....				
10. Securities lending reinvested collateral assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	101,588,713		101,588,713	98,196,386
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	713,580		713,580	709,388
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	10,019,570	127,049	9,892,521	8,949,078
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ .....56,792 earned but unbilled premiums) .....	644,564	6,310	638,254	636,846
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	224,283		224,283	174,906
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 .....				853
18.2 Net deferred tax asset .....	1,323,078		1,323,078	1,083,304
19. Guaranty funds receivable or on deposit .....	1,250,270		1,250,270	1,225,648
20. Electronic data processing equipment and software .....	38,356		38,356	38,641
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	7,630	7,630		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	1,113,490		1,113,490	786,836
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	2,391,089	1,479,194	911,894	803,260
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	119,314,623	1,620,184	117,694,440	112,605,146
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27)	119,314,623	1,620,184	117,694,440	112,605,146
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. Accounts Receivable - Other .....	719,989	5,512	714,477	630,469
2502. Equities and Deposits in Pools and Associations .....	199,434	2,017	197,417	172,279
2503. Prepaid Expenses .....	355,340	355,340		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	1,116,325	1,116,325		512
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	2,391,089	1,479,194	911,894	803,260

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	32,406,684	31,252,404
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	7,904,375	7,543,413
4. Commissions payable, contingent commissions and other similar charges .....	937,463	761,613
5. Other expenses (excluding taxes, licenses and fees) .....	1,276,353	1,212,002
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	781,025	752,607
7.1 Current federal and foreign income taxes (including \$ .....27,796 on realized capital gains (losses)) .....	737,286	990,402
7.2 Net deferred tax liability .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ .....120,329,304 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	15,164,259	14,128,718
10. Advance premium .....	117,221	119,877
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....	194,950	130,509
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	182,957	156,827
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20) .....		
14. Amounts withheld or retained by company for account of others .....	1,390,028	1,251,441
15. Remittances and items not allocated .....		
16. Provision for reinsurance (including \$ ..... certified) (Schedule F, Part 3, Column 78) .....	58,700	80,733
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....		
20. Derivatives .....		
21. Payable for securities .....	750	
22. Payable for securities lending .....		
23. Liability for amounts held under uninsured plans .....		
24. Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	(253,802)	(278,788)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) .....	60,898,249	58,101,758
27. Protected cell liabilities .....		
28. Total liabilities (Lines 26 and 27) .....	60,898,249	58,101,758
29. Aggregate write-ins for special surplus funds .....	290,265	277,362
30. Common capital stock .....	3,500,000	3,500,000
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....		
33. Surplus notes .....		
34. Gross paid in and contributed surplus .....	5,139,802	5,139,802
35. Unassigned funds (surplus) .....	47,866,124	45,586,224
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....		
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39) .....	56,796,191	54,503,388
38. TOTALS (Page 2, Line 28, Col. 3) .....	117,694,440	112,605,146
DETAILS OF WRITE-INS		
2501. Contingent Balances in Safety Groups .....	44,550	29,280
2502. Liability for Pension Benefits .....	(298,352)	(308,068)
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	(253,802)	(278,788)
2901. Reserve for Undeclared Dividends .....	290,265	277,362
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	290,265	277,362
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above) .....		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	30,142,445	27,932,568
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	15,313,874	14,572,311
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	3,576,976	3,429,569
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	10,367,161	9,647,449
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	29,258,011	27,649,329
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	884,434	283,240
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	3,146,182	2,911,201
10. Net realized capital gains or (losses) less capital gains tax of \$ 27,796 (Exhibit of Capital Gains (Losses) )	96,796	(2,340)
11. Net investment gain (loss) (Lines 9 + 10)	3,242,977	2,908,862
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 13,551 amount charged off \$ 111,483 )	(97,932)	(143,431)
13. Finance and service charges not included in premiums	329,997	339,207
14. Aggregate write-ins for miscellaneous income	(233,164)	(192,799)
15. Total other income (Lines 12 through 14)	(1,099)	2,977
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	4,126,312	3,195,078
17. Dividends to policyholders	381,066	246,362
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)	3,745,247	2,948,716
19. Federal and foreign income taxes incurred	584,806	1,023,133
20. Net income (Line 18 minus Line 19)(to Line 22)	3,160,441	1,925,583
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	54,503,388	52,401,536
22. Net income (from Line 20)	3,160,441	1,925,583
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (137,616)	(517,698)	872,969
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	102,158	(864,009)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(230,383)	483,587
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	22,033	(80,733)
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	(243,748)	(235,544)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	2,292,803	2,101,853
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	56,796,191	54,503,388
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)		
1401. Gain/Loss on Sale of Assets	342	1,173
1402. Miscellaneous Income	(233,505)	(193,972)
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	(233,164)	(192,799)
3701. Contingent Balance in Safety Groups	(15,270)	(5,940)
3702. Pension Benefit Obligation	(9,716)	(137,836)
3703. Pension Expense	(218,762)	(91,768)
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	(243,748)	(235,544)

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	30,272,333	28,141,960
2. Net investment income .....	3,421,452	3,212,073
3. Miscellaneous income .....	(1,099)	2,977
4. Total (Lines 1 through 3) .....	33,692,686	31,357,011
5. Benefit and loss related payments .....	14,208,971	13,401,594
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	13,286,777	12,567,357
8. Dividends paid to policyholders .....	316,625	284,520
9. Federal and foreign income taxes paid (recovered) net of \$ ..... 27,796 tax on capital gains (losses) .....	864,865	705,311
10. Total (Lines 5 through 9) .....	28,677,238	26,958,782
11. Net cash from operations (Line 4 minus Line 10) .....	5,015,448	4,398,229
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	18,305,286	15,785,397
12.2 Stocks .....	1,100,000	
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7 Miscellaneous proceeds .....		
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	19,405,286	15,785,397
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	23,319,957	19,481,019
13.2 Stocks .....		75,220
13.3 Mortgage loans .....		
13.4 Real estate .....		
13.5 Other invested assets .....		
13.6 Miscellaneous applications .....		
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	23,319,957	19,556,240
14. Net increase (decrease) in contract loans and premium notes .....		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(3,914,671)	(3,770,842)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....		
16.2 Capital and paid in surplus, less treasury stock .....		
16.3 Borrowed funds .....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5 Dividends to stockholders .....		
16.6 Other cash provided (applied) .....	(800,117)	(280,502)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(800,117)	(280,502)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	300,659	346,884
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	534,768	187,883
19.2 End of period (Line 18 plus Line 19.1) .....	835,427	534,768

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

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ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire .....	36,150	25,965	23,442	38,673
2.	Allied lines .....	51,040	26,699	28,593	49,147
3.	Farmowners multiple peril .....				
4.	Homeowners multiple peril .....	1,375,981	782,017	788,886	1,369,112
5.	Commercial multiple peril .....	8,037,034	3,735,311	4,242,969	7,529,377
6.	Mortgage guaranty .....				
8.	Ocean marine .....				
9.	Inland marine .....	42,510	24,623	21,829	45,304
10.	Financial guaranty .....				
11.1	Medical professional liability - occurrence .....				
11.2	Medical professional liability - claims-made .....				
12.	Earthquake .....	943	452	533	863
13.	Group accident and health .....				
14.	Credit accident and health (group and individual) .....				
15.	Other accident and health .....				
16.	Workers' compensation .....	7,087,531	2,995,607	3,144,456	6,938,682
17.1	Other liability - occurrence .....	1,337,665	599,432	671,616	1,265,481
17.2	Other liability - claims-made .....	1,662,632	783,141	763,229	1,682,544
17.3	Excess workers' compensation .....				
18.1	Products liability - occurrence .....	12,970	5,928	6,069	12,830
18.2	Products liability - claims-made .....				
19.1, 19.2	Private passenger auto liability .....	3,695,648	1,690,903	1,629,544	3,757,007
19.3, 19.4	Commercial auto liability .....	4,772,098	2,051,518	2,386,596	4,437,020
21.	Auto physical damage .....	3,016,369	1,368,413	1,418,413	2,966,369
22.	Aircraft (all perils) .....				
23.	Fidelity .....		12	8	5
24.	Surety .....	24,375	19,089	18,663	24,800
26.	Burglary and theft .....	24,750	18,857	18,982	24,626
27.	Boiler and machinery .....				
28.	Credit .....				
29.	International .....				
30.	Warranty .....				
31.	Reinsurance - nonproportional assumed property .....	3	2	1	4
32.	Reinsurance - nonproportional assumed liability .....				
33.	Reinsurance - nonproportional assumed financial lines .....				
34.	Aggregate write-ins for other lines of business .....	288	748	433	602
35.	TOTALS	31,177,986	14,128,718	15,164,259	30,142,445
DETAILS OF WRITE-INS					
3401.	Involuntary Unemployment Insurance .....	288	748	433	602
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page .....				
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	288	748	433	602

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire .....	23,442				23,442
2.	Allied lines .....	28,593				28,593
3.	Farmowners multiple peril .....					
4.	Homeowners multiple peril .....	788,886				788,886
5.	Commercial multiple peril .....	4,242,969				4,242,969
6.	Mortgage guaranty .....					
8.	Ocean marine .....					
9.	Inland marine .....	21,829				21,829
10.	Financial guaranty .....					
11.1	Medical professional liability - occurrence .....					
11.2	Medical professional liability - claims-made .....					
12.	Earthquake .....	533				533
13.	Group accident and health .....					
14.	Credit accident and health (group and individual) .....					
15.	Other accident and health .....					
16.	Workers' compensation .....	3,144,456				3,144,456
17.1	Other liability - occurrence .....	671,616				671,616
17.2	Other liability - claims-made .....	763,229				763,229
17.3	Excess workers' compensation .....					
18.1	Products liability - occurrence .....	6,069				6,069
18.2	Products liability - claims-made .....					
19.1, 19.2	Private passenger auto liability .....	1,629,544				1,629,544
19.3, 19.4	Commercial auto liability .....	2,386,596				2,386,596
21.	Auto physical damage .....	1,418,413				1,418,413
22.	Aircraft (all perils) .....					
23.	Fidelity .....	8				8
24.	Surety .....	18,663				18,663
26.	Burglary and theft .....	18,982				18,982
27.	Boiler and machinery .....					
28.	Credit .....					
29.	International .....					
30.	Warranty .....					
31.	Reinsurance - nonproportional assumed property .....	1				1
32.	Reinsurance - nonproportional assumed liability .....					
33.	Reinsurance - nonproportional assumed financial lines .....					
34.	Aggregate write-ins for other lines of business	94	339			433
35.	TOTALS	15,163,920	339			15,164,259
36.	Accrued retrospective premiums based on experience .....					
37.	Earned but unbilled premiums .....					
38.	Balance (Sum of Line 35 through 37)					15,164,259
DETAILS OF WRITE-INS						
3401.	Involuntary Unemployment Insurance .....	94	339			433
3402.	.....					
3403.	.....					
3498.	Summary of remaining write-ins for Line 34 from overflow page .....					
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	94	339			433

(a) State here basis of computation used in each case Pro-rata .....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN						
Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6
	Direct Business (a)	2	3	4	5	Net Premiums Written Cols. 1+2+3-4-5
1. Fire .....	28,338	36,150		(84,675)	113,013	36,150
2. Allied lines .....	39,927	51,040		5,524	34,403	51,040
3. Farmowners multiple peril .....						
4. Homeowners multiple peril .....	14,235,807	1,375,981		13,269,437	966,371	1,375,981
5. Commercial multiple peril .....	88,893,558	8,037,034		80,765,559	8,127,998	8,037,034
6. Mortgage guaranty .....						
8. Ocean marine .....						
9. Inland marine .....	301,497	42,510		298,553	2,944	42,510
10. Financial guaranty .....						
11.1 Medical professional liability - occurrence .....						
11.2 Medical professional liability - claims-made .....						
12. Earthquake .....	10,534	943		10,479	55	943
13. Group accident and health .....						
14. Credit accident and health (group and individual) .....						
15. Other accident and health .....						
16. Workers' compensation .....	46,051,417	7,087,531	1,707	45,292,737	760,387	7,087,531
17.1 Other liability - occurrence .....	7,247,670	1,337,665		5,777,805	1,469,865	1,337,665
17.2 Other liability - claims-made .....	21,173,678	1,662,632		18,860,536	2,313,142	1,662,632
17.3 Excess workers' compensation .....						
18.1 Products liability - occurrence .....	100,726	12,970		100,726	0	12,970
18.2 Products liability - claims-made .....						
19.1, 19.2 Private passenger auto liability .....	4,857,162	3,695,648		4,740,954	116,208	3,695,648
19.3, 19.4 Commercial auto liability .....	50,225,456	4,772,098		49,988,969	236,487	4,772,098
21. Auto physical damage .....	15,562,953	3,016,369		15,394,944	168,010	3,016,369
22. Aircraft (all perils) .....						
23. Fidelity .....						
24. Surety .....	4,716	24,375		4,716		24,375
26. Burglary and theft .....	1,390	24,750		1,390	0	24,750
27. Boiler and machinery .....						
28. Credit .....						
29. International .....						
30. Warranty .....						
31. Reinsurance - nonproportional assumed property .....	XXX	3				3
32. Reinsurance - nonproportional assumed liability .....	XXX					
33. Reinsurance - nonproportional assumed financial lines .....	XXX					
34. Aggregate write-ins for other lines of business .....		288				288
35. TOTALS	248,734,828	31,177,986	1,707	234,427,652	14,308,883	31,177,986
DETAILS OF WRITE-INS						
3401. Involuntary Unemployment Insurance .....		288				288
3402. ....						
3403. ....						
3498. Summary of remaining write-ins for Line 34 from overflow page .....						
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)		288				288

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 -3 )	Net Losses Unpaid Current Year (Part 2A , Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire .....		9,260		9,260	21,306	20,385	10,182	26.3
2.	Allied lines .....		22,601		22,601	5,504	6,903	21,201	43.1
3.	Farmowners multiple peril .....								
4.	Homeowners multiple peril .....	12,377,976	746,190	12,377,976	746,190	276,060	309,578	712,672	52.1
5.	Commercial multiple peril .....	33,281,016	3,125,529	33,281,016	3,125,529	6,175,149	5,628,467	3,672,211	48.8
6.	Mortgage guaranty .....								
8.	Ocean marine .....		(41)		(41)	2,160	28,166	(26,047)	
9.	Inland marine .....	24,585	7,771	24,585	7,771	1,118	1,073	7,816	17.3
10.	Financial guaranty .....								
11.1	Medical professional liability - occurrence .....								
11.2	Medical professional liability - claims-made .....								
12.	Earthquake .....								
13.	Group accident and health .....								
14.	Credit accident and health (group and individual) .....								
15.	Other accident and health .....								
16.	Workers' compensation .....	18,109,706	2,554,181	18,113,571	2,550,317	12,746,894	12,161,450	3,135,760	45.2
17.1	Other liability - occurrence .....	51,850	313,379	57,238	307,991	2,571,442	2,420,562	458,872	36.3
17.2	Other liability - claims-made .....	7,531,623	902,535	7,531,623	902,535	1,818,575	2,163,578	557,532	33.1
17.3	Excess workers' compensation .....								
18.1	Products liability - occurrence .....					6,570	6,570		
18.2	Products liability - claims-made .....								
19.1, 19.2	Private passenger auto liability .....	2,321,693	2,430,834	2,321,693	2,430,834	2,994,110	3,102,525	2,322,419	61.8
19.3, 19.4	Commercial auto liability .....	26,994,076	2,222,847	26,995,145	2,221,778	5,673,336	5,274,969	2,620,145	59.1
21.	Auto physical damage .....	7,945,947	1,832,177	7,945,947	1,832,177	95,117	109,836	1,817,458	61.3
22.	Aircraft (all perils) .....		86		86	1,975	1,900	161	
23.	Fidelity .....		(397)		(397)	953	953	(397)	(8,825.1)
24.	Surety .....		2,919		2,919	16,005	15,154	3,771	15.2
26.	Burglary and theft .....		0		0	300	300	0	0.0
27.	Boiler and machinery .....								
28.	Credit .....								
29.	International .....								
30.	Warranty .....								
31.	Reinsurance - nonproportional assumed property .....	XXX							
32.	Reinsurance - nonproportional assumed liability .....	XXX							
33.	Reinsurance - nonproportional assumed financial lines .....	XXX							
34.	Aggregate write-ins for other lines of business .....		46		46	108	36	118	19.6
35.	TOTALS	108,638,471	14,169,916	108,648,793	14,159,594	32,406,684	31,252,404	15,313,874	50.8
DETAILS OF WRITE-INS									
3401.	Involuntary Unemployment Insurance .....		46		46	108	36	118	
3402.	.....								
3403.	.....								
3498.	Summary of remaining write-ins for Line 34 from overflow page .....								
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)		46		46	108	36	118	19.6

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire .....		20,507		20,507	524	799	524	21,306	2,144
2.	Allied lines .....		5,338		5,338		166		5,504	1,018
3.	Farmowners multiple peril .....									
4.	Homeowners multiple peril .....	3,898,424	262,671	3,898,424	262,671	148,111	13,389	148,111	276,060	74,550
5.	Commercial multiple peril .....	44,379,767	4,290,069	44,379,767	4,290,069	20,453,107	1,885,080	20,453,107	6,175,149	2,794,110
6.	Mortgage guaranty .....									
8.	Ocean marine .....		691		691		1,470		2,160	689
9.	Inland marine .....	2,500	668	2,500	668	1,927	451	1,927	1,118	794
10.	Financial guaranty .....									
11.1	Medical professional liability - occurrence .....									
11.2	Medical professional liability - claims-made .....									
12.	Earthquake .....									11
13.	Group accident and health .....								(a)	
14.	Credit accident and health (group and individual) .....									
15.	Other accident and health .....								(a)	
16.	Workers' compensation .....	71,787,264	12,058,152	71,819,010	12,026,406	3,164,714	753,390	3,197,616	12,746,894	1,956,800
17.1	Other liability - occurrence .....	114,117	1,317,435	114,117	1,317,435	3,969,894	2,216,007	4,931,894	2,571,442	409,893
17.2	Other liability - claims-made .....	24,519,228	1,817,291	24,519,228	1,817,291		1,285		1,818,575	872,580
17.3	Excess workers' compensation .....									
18.1	Products liability - occurrence .....		4,920		4,920	10,530	1,650	10,530	6,570	18,480
18.2	Products liability - claims-made .....									
19.1, 19.2	Private passenger auto liability .....	3,204,646	2,551,370	3,204,646	2,551,370	662,640	442,740	662,640	2,994,110	637,148
19.3, 19.4	Commercial auto liability .....	52,174,169	4,914,401	52,174,169	4,914,401	7,582,456	758,934	7,582,456	5,673,336	981,578
21.	Auto physical damage .....	518,353	65,238	518,353	65,238	212,455	29,879	212,455	95,117	146,288
22.	Aircraft (all perils) .....		1,012		1,012		963		1,975	304
23.	Fidelity .....		653		653		300		953	1,036
24.	Surety .....		11,115		11,115	766	4,890	766	16,005	6,775
26.	Burglary and theft .....					37	300	37	300	164
27.	Boiler and machinery .....									
28.	Credit .....									
29.	International .....									
30.	Warranty .....									
31.	Reinsurance - nonproportional assumed property .....	XXX				XXX				
32.	Reinsurance - nonproportional assumed liability .....	XXX				XXX				
33.	Reinsurance - nonproportional assumed financial lines .....	XXX				XXX				
34.	Aggregate write-ins for other lines of business .....		108		108				108	13
35.	TOTALS .....	200,598,469	27,321,639	200,630,215	27,289,893	36,207,161	6,111,692	37,202,063	32,406,684	7,904,375
DETAILS OF WRITE-INS										
3401.	Involuntary Unemployment Insurance .....		108		108				108	13
3402.	.....									
3403.	.....									
3498.	Summary of remaining write-ins for Line 34 from overflow page .....									
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....		108		108				108	13

(a) Including \$ ..... for present value of life indemnity claims.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct .....	18,250,891			18,250,891
1.2 Reinsurance assumed .....	2,049,821			2,049,821
1.3 Reinsurance ceded .....	18,250,891			18,250,891
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3) .....	2,049,821			2,049,821
2. Commission and brokerage:				
2.1 Direct excluding contingent .....		32,329,147		32,329,147
2.2 Reinsurance assumed, excluding contingent .....		5,069,427		5,069,427
2.3 Reinsurance ceded, excluding contingent .....		32,330,436		32,330,436
2.4 Contingent - direct .....		6,681,875		6,681,875
2.5 Contingent - reinsurance assumed .....		673,205		673,205
2.6 Contingent - reinsurance ceded .....		6,681,875		6,681,875
2.7 Policy and membership fees .....				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....		5,741,343		5,741,343
3. Allowances to managers and agents .....		22,989		22,989
4. Advertising .....		13,726		13,726
5. Boards, bureaus and associations .....	1,632	158,438		160,070
6. Surveys and underwriting reports .....		222,076		222,076
7. Audit of assureds' records .....		21,785		21,785
8. Salary and related items:				
8.1 Salaries .....	994,271	2,315,028	15,563	3,324,863
8.2 Payroll taxes .....	67,886	151,562	626	220,073
9. Employee relations and welfare .....	81,448	128,952	(1,022)	209,378
10. Insurance .....	12,971	38,471	1,013	52,456
11. Directors' fees .....	10,994	23,804	1,831	36,629
12. Travel and travel items .....	13,779	139,302	83	153,164
13. Rent and rent items .....	40,147	143,902	1,274	185,323
14. Equipment .....	7,394	21,155	109	28,658
15. Cost or depreciation of EDP equipment and software .....	143,910	523,934	3,409	671,253
16. Printing and stationery .....	4,245	28,252	45	32,542
17. Postage, telephone and telegraph, exchange and express .....	24,409	108,712	8,645	141,766
18. Legal and auditing .....	2,070	31,989	2	34,061
19. Totals (Lines 3 to 18) .....	1,405,158	4,094,077	31,577	5,530,812
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....518,900 .....	4,619	754,225		758,843
20.2 Insurance department licenses and fees .....	1,511	61,053		62,564
20.3 Gross guaranty association assessments .....		3,948		3,948
20.4 All other (excluding federal and foreign income and real estate) .....		(469)		(469)
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	6,130	818,757		824,887
21. Real estate expenses .....				
22. Real estate taxes .....				
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....	115,868	(287,017)	74,720	(96,429)
25. Total expenses incurred .....	3,576,976	10,367,161	106,297	(a) 14,050,434
26. Less unpaid expenses - current year .....	7,904,375	2,146,378	40,121	10,090,874
27. Add unpaid expenses - prior year .....	7,543,413	1,877,136	39,134	9,459,683
28. Amounts receivable relating to uninsured plans, prior year .....				
29. Amounts receivable relating to uninsured plans, current year .....				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	3,216,013	10,097,919	105,310	13,419,243
<b>DETAILS OF WRITE-INS</b>				
2401. Contributions .....		1,080		1,080
2402. Outside Service Fees .....	97,787	335,631	70,649	504,067
2403. Claims Service Fees .....	911			911
2498. Summary of remaining write-ins for Line 24 from overflow page .....	17,170	(623,727)	4,071	(602,487)
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	115,868	(287,017)	74,720	(96,429)

(a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds .....	(a) .....188,490	.....192,566
1.1	Bonds exempt from U.S. tax .....	(a) .....246,129	.....193,653
1.2	Other bonds (unaffiliated) .....	(a) .....2,708,784	.....2,742,830
1.3	Bonds of affiliates .....	(a) .....	.....
2.1	Preferred stocks (unaffiliated) .....	(b) .....	.....
2.11	Preferred stocks of affiliates .....	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....95,935	.....95,935
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c) .....	.....
4.	Real estate .....	(d) .....	.....
5	Contract loans .....	.....	.....
6	Cash, cash equivalents and short-term investments .....	(e) .....5,938	.....5,938
7	Derivative instruments .....	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....21,558	.....21,558
10.	Total gross investment income .....	3,266,834	3,252,479
11.	Investment expenses .....		(g) .....106,297
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g) .....
13.	Interest expense .....		(h) .....
14.	Depreciation on real estate and other invested assets .....		(i) .....
15.	Aggregate write-ins for deductions from investment income .....		.....
16.	Total deductions (Lines 11 through 15) .....		.....106,297
17.	Net investment income (Line 10 minus Line 16) .....		3,146,182
DETAILS OF WRITE-INS			
0901.	Miscellaneous Income .....	.....21,558	.....21,558
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....		
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	.....21,558	.....21,558
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....		

- (a) Includes \$ .....27,272 accrual of discount less \$ .....295,282 amortization of premium and less \$ .....60,433 paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	(74,912)		(74,912)		
1.1	Bonds exempt from U.S. tax .....	31,392		31,392		
1.2	Other bonds (unaffiliated) .....	(179,090)		(179,090)		
1.3	Bonds of affiliates .....					
2.1	Preferred stocks (unaffiliated) .....					
2.11	Preferred stocks of affiliates .....					
2.2	Common stocks (unaffiliated) .....	347,202		347,202	(655,314)	
2.21	Common stocks of affiliates .....					
3.	Mortgage loans .....					
4.	Real estate .....					
5.	Contract loans .....					
6.	Cash, cash equivalents and short-term investments .....					
7.	Derivative instruments .....					
8.	Other invested assets .....					
9.	Aggregate write-ins for capital gains (losses) .....					
10.	Total capital gains (losses) .....	124,592		124,592	(655,314)	
DETAILS OF WRITE-INS						
0901.	.....					
0902.	.....					
0903.	.....					
0998.	Summary of remaining write-ins for Line 9 from overflow page .....					
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....					

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens.....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale .....			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....			
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	127,049	140,710	13,661
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	6,310	6,010	(300)
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....			
21. Furniture and equipment, including health care delivery assets .....	7,630	9,510	1,880
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....			
25. Aggregate write-ins for other than invested assets .....	1,479,194	1,233,570	(245,625)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	1,620,184	1,389,801	(230,383)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Lines 26 and 27) .....	1,620,184	1,389,801	(230,383)
DETAILS OF WRITE-INS			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Accounts Receivable – Other .....	5,512	5,925	412
2502. Clearing Accounts .....	80,156	73,661	(6,495)
2503. Deposits .....	400	400	
2598. Summary of remaining write-ins for Line 25 from overflow page .....	1,393,127	1,153,584	(239,542)
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,479,194	1,233,570	(245,625)

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Republic-Franklin Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The Ohio Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Ohio Insurance Laws. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The state of Ohio has adopted some practices that differ from NAIC SAP; however, none of those changes would impact the financial results of Republic-Franklin Insurance Company.

A reconciliation of net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio is shown below.

Net Income	SSAP#	F/S Page	F/S Line #	2018	2017
(1) Republic Franklin state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 3,160,441	\$ 1,925,583
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				0	0
(3) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				0	0
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	<u>\$ 3,160,441</u>	<u>\$ 1,925,583</u>
Surplus					
(5) Republic Franklin state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 56,796,191	\$ 54,503,388
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				0	0
(7) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				0	0
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	<u>\$ 56,796,191</u>	<u>\$ 54,503,388</u>

B. Use of Estimates in Preparation of the Financial Statement

The preparation of financial statements in compliance with Statutory Accounting Principles (SAP) requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the balance sheet date as well as reported amounts of revenue and expenses during the period covered by the income statement. The actual results could vary from these estimates.

C. Accounting Policies

Premiums are earned over the term of related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written and are computed on the daily pro-rata method. Expenses incurred with the acquisition of new insurance contracts, including acquisition costs such as commissions, are charged to operations as incurred. Expenses incurred are reduced by any ceding allowances received or receivable.

The Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost, or the lower of amortized cost or fair market value if defined by the NAIC as non-investment grade (rated 3 through 6).
- (2) Bonds not backed by loans are carried at amortized cost using the scientific yield to worst method. Bonds that are defined by the NAIC as non-investment grade (rated 3 through 6) are carried at the lower of amortized cost or fair market value.
- (3) Common stock is stated at market value.
- (4) The Company does not own any preferred stock.
- (5) The Company does not own any mortgage loans on real estate.
- (6) Loan-backed securities are stated at either amortized cost, or the lower of amortized cost or fair market value if defined by the NAIC as non-investment grade (rated 3 through 6). The prospective adjustment method is used to value all loan-backed securities.
- (7) The Company does not own any subsidiaries or affiliates.
- (8) The Company does not have any ownership interests in joint ventures.
- (9) The Company does not own any derivatives.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company does not have any pharmaceutical rebate receivables.

D. Management's evaluation of the financial condition of the Company did not indicate any going concern issues.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 2 – Accounting Changes and Corrections of Errors

During 2018 there were no material changes due to accounting changes or corrections of errors.

Note 3 – Business Combinations and Goodwill

The Company did not have any business combinations and does not have any goodwill.

Note 4 – Discontinued Operations

During the past two financial statement periods, the Company did not have any discontinued operations.

- A. Discontinued Operation Disposed of or Classified as Held for Sale  
(1) – (4) Not applicable
- B – D. Not applicable

Note 5 – Investments

- A. The Company did not have any mortgage loans in its portfolio.
- B. The Company did not have any restructured debt in which it is a creditor in its portfolio.
- C. The Company did not have any reverse mortgages in its portfolio.
- 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 with inputs from major third party data providers. The models combine the effects of interest rates, volatility, and pre-payment speeds based on various scenarios (Monte Carlo), simulations with resulting effective analytics (spreads, duration, convexity) and cash flows on a monthly basis. Credit sensitive cash flows are calculated using a proprietary model which estimates future loan defaults in terms of timing and severity. Model assumptions are specific to asset class and collateral types and are regularly evaluated and adjusted where appropriate.
2. Not applicable.
3. Not applicable.
4. Unrealized Losses
- a. The aggregate amount of unrealized losses
- |                        |            |
|------------------------|------------|
| 1. Less than 12 Months | \$ 147,763 |
| 2. 12 Months or Longer | \$ 551,759 |
- b. The aggregate related fair value of securities with unrealized losses
- |                        |              |
|------------------------|--------------|
| 1. Less than 12 Months | \$ 8,652,191 |
| 2. 12 Months or Longer | \$15,793,149 |
5. There are a number of factors considered in determining if an other-than-temporary impairment does not exist for an investment, including but not limited to, debt burden, credit rating, sector, liquidity, financial flexibility, company management, expected earnings and cash flow stream, and economic prospects associated with the investment.
- E. The Company did not have any dollar repurchase agreements and / or securities lending transactions.
- F. The Company does not have any repurchase agreements transactions accounted for as secured borrowing in its portfolio.
- G. The Company does not have any reverse repurchase agreements transactions accounted for as secured borrowing in its portfolio.
- H. The Company does not have any repurchase agreements transactions accounted for as a sale.
- I. The Company does not have any reverse repurchase agreements transactions accounted for as a sale.
- J. The Company does not have real estate in its investment portfolio.
- K. The Company does not have any low-income housing tax credits (LIHTC) in its investment portfolio.
- L. Restricted Assets
- (1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6	7
	1	2	3	4	5		
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

f.	Subject to dollar reverse repurchase agreements						
g.	Placed under option contracts						
h.	Letter stock or securities restricted as to sale						
i.	FHLB Capital Stock						
j.	On deposit with states	3,121,674			3,121,674	3,038,620	83,054
k.	On deposit with other regulatory bodies						
l.	Pledged as collateral to FHLB						
m.	Pledged as collateral not captured in other categories						
n.	Other restricted assets						
o.	Total Restricted Assets	\$ 3,121,674	\$ -	\$ -	\$ -	\$ 3,121,674	\$ 3,038,620
						\$ 83,054	

(a) Subset of column 1  
(b) Subset of column 3

		Current Year			
		8	9	Percentage	
				10	11
Restricted Asset Category		Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c )	Admitted Restricted to Total Admitted Assets (d)
a.	Subject to contractual obligation for which liability is not shown	\$ -	\$ -	%	%
b.	Collateral held under security lending agreements				
c.	Subject to repurchase agreements				
d.	Subject to reverse repurchase agreements				
e.	Subject to dollar repurchase agreements				
f.	Subject to dollar reverse repurchase agreements				
g.	Placed under option contracts				
h.	Letter stock or securities restricted as to sale				
i.	FHLB Capital Stock				
j.	On deposit with states		3,121,674	2.616%	2.652%
k.	On deposit with other regulatory bodies				
l.	Pledged as collateral to FHLB				
m.	Pledged as collateral not captured in other categories				
n.	Other restricted assets				
o.	Total Restricted Assets	\$ -	\$ 3,121,674	2.616%	2.652%

- L (2) – (4) Not applicable
- M. The Company does not have any working capital finance investments.
- N. Offsetting and Netting of Assets and Liabilities – not applicable
- O. The Company does not have any structured notes.
- P. 5GI Securities – The Company does not have any 5GI securities.
- Q. The Company does not have any short sales.
- R. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
(1) Number of CUSIPs	3	0
(2) Aggregate Amount of Investment Income	\$18,317	\$0

Note 6 – Joint Ventures, Partnerships, and Limited Liability Companies

The Company did not have any investments in joint ventures, partnerships or limited liability companies.

Note 7 – Investment Income

The Company did not have any due and accrued income over 90 days that were excluded from surplus.

Note 8 – Derivative Instruments

The Company did not have any derivative financial instruments during the statement period.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):

(1) DTA/DTL Components	2018			2017			Change		Total
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	
(a) Gross Deferred Tax Assets	1,779,494	0	1,779,494	1,492,071	0	1,492,071	287,423	0	287,423
(b) Statutory Valuation Allowance Adjustment	0	0	0	0	0	0	0	0	0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	1,779,494	0	1,779,494	1,492,071	0	1,492,071	287,423	0	287,423
(d) Deferred Tax Assets Nonadmitted	0	0	0	0	0	0	0	0	0
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	1,779,494	0	1,779,494	1,492,071	0	1,492,071	287,423	0	287,423
(f) Deferred Tax Liabilities	207,351	249,065	456,416	22,086	386,681	408,767	185,265	(137,616)	47,649
Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	1,572,143	(249,065)	1,323,078	1,469,985	(386,681)	1,083,304	102,158	137,616	239,774

(2) Admission calculation components - SSAP No. 101		Ordinary	2018 Capital	Total	Ordinary	2017 Capital	Total	Ordinary	Change Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks		1,552,730	0	1,552,730	1,492,071	0	1,492,071	60,659	0	60,659
(b) Adjusted Gross Deferred Tax Assets 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)		0	0	0	0	0	0	0	0	0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.		0	0	0	0	0	0	0	0	0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.		N/A	N/A	8,428,423	N/A	N/A	8,179,660	N/A	N/A	248,763
(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.		226,764	0	226,764	0	0	0	226,764	0	226,764
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))		1,779,494	0	1,779,494	1,492,071	0	1,492,071	287,423	0	287,423

(3) (a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	2018	2017
(b) Amount of Adjusted Capital and Surplus Used To Determine Recovery Period and Threshold Limitation in 2(b)2 Above	1313.341%	1306.165%
	55,434,756	53,381,443

(4) Impact of Tax Planning Strategies:

(a) Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, by Tax Character as a Percentage.

	2018		2017		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
(1) Adjusted gross DTAs amount from Note 9A1c	1,779,494	0	1,492,071	0	287,423	0
(2) Percentage of Adjusted gross DTAs by tax character attributable to the impact of tax planning strategies.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(3) Net Admitted Adjusted gross DTAs amount from Note 9A1e	1,779,494	0	1,492,071	0	287,423	0
(4) Percentage of Net Admitted Adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(b) Does the Company's tax planning strategies include the use of reinsurance?

NO

B. Temporary differences for which a DTL has not been established:

Not Applicable

C. Current income taxes incurred consist of the following major components:

(1) Current Income Tax	2018	2017	Change
(a) Federal	709,490	990,402	(280,912)
(b) Foreign	0	0	0
(c) Subtotal	709,490	990,402	(280,912)
(d) Federal income tax on net capital gains	27,796	(853)	28,649
(e) Utilization of capital loss carry-forwards			0
(f) Other	(124,684)	32,731	(157,415)
(g) Federal and foreign income taxes incurred	612,602	1,022,280	(409,678)

(2) Deferred Tax Assets:	December 31, 2018	December 31, 2017	Change
(a) Ordinary:			
(1) Discounting of unpaid losses	708,113	490,539	217,574
(2) Unearned premium reserve	641,822	598,441	43,381
(3) Policyholder reserves	0	0	0
(4) Investments	0	0	0
(5) Deferred acquisition costs	0	0	0
(6) Policyholder dividends accrual	0	0	0
(7) Fixed Assets	225,397	255,939	(30,542)
(8) Compensation and benefits accrual	90,846	80,049	10,797
(9) Pension accrual	0	0	0
(10) Receivables - nonadmitted	0	0	0
(11) Net operating loss carry-forward	0	0	0
(12) Tax credit carry-forward	0	0	0
(13) Other (including items <5% of total ordinary tax assets)	113,315	67,103	46,212
(99) Subtotal	1,779,493	1,492,071	287,422
(b) Statutory valuation adjustment	0	0	0
(c) Nonadmitted	0	0	0
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	1,779,493	1,492,071	287,422
(e) Capital:			
(1) Investments	0	0	0
(2) Net capital loss carry-forward	0	0	0
(3) Real estate	0	0	0
(4) Other (including items <5% of total capital tax assets)	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

(99) Subtotal	0	0	0
(f) Statutory valuation adjustment	0	0	0
(g) Nonadmitted	0	0	0
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	0	0	0
(i) Admitted deferred tax assets (2d + 2h)	1,779,493	1,492,071	287,422
(3) Deferred Tax Liabilities:	December 31, 2018	December 31, 2017	Change
(a) Ordinary:			
(1) Investments	12,976	9,243	3,733
(2) Fixed assets	0	4,780	(4,780)
(3) Deferred and uncollected premiums	0	0	0
(4) Policyholder reserves	0	0	0
(5) Other (including items <5% of total ordinary tax liabilities)	194,375	8,063	186,312
(99) Subtotal	207,351	22,086	185,265
(b) Capital:			
(1) Investments	249,065	386,681	(137,616)
(2) Real estate	0	0	0
(3) Other (including items <5% of total capital tax liabilities)	0	0	0
(99) Subtotal	249,065	386,681	(137,616)
(c) Deferred tax liabilities (3a99 + 3b99)	456,416	408,767	47,649
(4) Net deferred tax assets/liabilities (2i - 3c)	1,323,077	1,083,304	239,773

(5) The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted DTAs as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):			
	December 31, 2018	December 31, 2017	Bal. Sheet Change
Total deferred tax assets	1,779,494	1,492,071	287,423
Total deferred tax liabilities	456,416	408,767	47,649
Net deferred tax assets/liabilities	1,323,078	1,083,304	239,774
Statutory valuation allowance adjustment	0	0	0
Net deferred tax assets/liabilities after SVA	1,323,078	1,083,304	239,774
Tax effect of unrealized gains/(losses)			(137,616)
Statutory valuation allowance adjustment allocated to unrealized			0
Other intraperiod allocation of deferred tax movement			0
Change in net deferred income tax [(charge)/benefit]			102,158

D. Reconciliation of total statutory income taxes reported to tax at statutory tax rate:

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes including realized capital gains / losses.			
The significant items causing this difference are as follows:			
		Statutory Rate	
		21.00%	
Description	Amount	Tax Effect	Effective Tax Rate
Income Before Taxes (including all realized capital gains / (losses))	3,773,043	792,339	21%
Tax-Exempt Interest	(193,653)	(40,667)	-1%
Dividends Received Deduction	(45,425)	(9,539)	0%
Proration	59,769	12,551	0%
Nondeductible Expenses	35,755	7,509	0%
Pension Contribution	(300,000)	(63,000)	-2%
Prior Year True-Up	(211,789)	(74,126)	-2%
Non Admitted Asset	(230,383)	(48,380)	-1%
True-Up of Deferred Taxes	(217,615)	(45,699)	-1%
Foreign Tax Credit		(319)	0%
Deferred Tax True-up rate differential		(20,223)	-1%
Other		(1)	0%
Total		510,445	14%
Current federal income tax expense / (benefit)		709,490	19%
Tax expense / (benefit) on realized capital gains / (losses)		27,796	1%
Other, including prior year under accrual (over accrual)		(124,684)	-3%
Federal income taxed incurred [expense/(benefit)]		612,602	16%
Change in net deferred income tax [charge/(benefit)]		(102,158)	-3%
Total statutory income taxes		510,444	14%

E. Carry-forwards, recoverable taxes, and IRC §6603 deposits:

- (1) The Company has no net operating, capital loss, or tax credit carry-forwards available.
- (2) Income taxes, ordinary and capital, available for recoupment in the event of future losses include:

Available from tax year	Ordinary	Capital	Total
2016	767,372	0	767,372
2017	864,865	0	864,865
2018	709,490	27,796	737,286
Total	2,341,727	27,796	2,369,523

- (3) Deposits admitted under IRC § 6603
- Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

- F.(1) The Company's Federal Income Tax Return is consolidated with the following entities: Utica Mutual Insurance Company, Utica National Insurance Company of Texas, Utica Lloyd's of Texas, Utica Lloyd's, Inc., Utica National Assurance Company, Utica National Insurance Company of Ohio, Utica Specialty Risk Insurance Company, Founders Insurance Company, Founders Insurance Company of Michigan, UNI-Service Operations Co., UNI-Service Life Agency and Pillar Premium Finance Company.
- (2) The method of allocation between the companies is subject to written agreement approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Inter-Company tax balances are settled within 30 days of the filing of applicable estimated or actual consolidated federal tax return.
- G. The Company has no liability for income tax loss contingencies and no increase in such liability is expected.

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

- A. Not applicable
- B. Not applicable
- C. Not applicable
- D. On December 31, 2018 the Company reported \$1,113,490 as an amount due from Utica Mutual Insurance Company (Utica Mutual), the parent company. This amount is due for the pooling agreement and settled within a reasonable period, generally within 45 days.
- E. Not applicable
- F. The Company operates under a pooling agreement as identified in Note 26.
- G. All outstanding shares of the Company are owned by Utica Mutual (94%) and Graphic Arts Mutual Insurance Company (6%), insurance companies domiciled in the state of New York.
- H. Not applicable
- I. Not applicable
- J. Not applicable
- K. Not applicable
- L. Not applicable
- M. Not applicable
- N. Not applicable
- O. Not applicable

**Note 11 - Debt**

- A. The Company does not have any outstanding debt or capital notes.
- B. Not applicable

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

- A. The Company does not have a defined benefit plan.
- B. Not applicable
- C. Not applicable
- D. Not applicable
- E. The Company does not have a defined contribution plan.
- F. The Company does not have any multi-employer plans.
- G. The Company Consolidated/Holding Company Plans  
The Republic-Franklin Insurance Company, a subsidiary of Utica Mutual, participates in the Retirement Income Plan for Employees of Utica Mutual (RIP), which is a non-contributory defined benefit plan and covers substantially a majority of employees. Employees hired after January 1, 2007 are not eligible for the Retirement Income Plan. Plan benefits are based on years of service and the employee's compensation during the highest five consecutive out of the last ten years of employment. The Company also participates in the Supplemental Employee Retirement Plan for certain management Employees of the Utica Mutual (SERP), a non-qualified excess plan for certain officers whose benefits were limited by IRS Code Section 401(a)(17) or IRS Code Section 415(b).

The Republic-Franklin Insurance Company does not have any employees and substantially all of the Utica Mutual employees are covered in the Qualified Employee Profit Sharing and Investment Plan sponsored by Utica Mutual ("Company"). Employees can defer up to 50% of their base pay into the plan, subject to annual IRS elective deferral limitations. The Company will match from 0% to 125% of the first 4% of employee deferrals, depending upon Company earnings. The Company can also make an additional discretionary contribution.

The Deferred Income Plan allows all officers of the Company to defer part of their annual compensation.

In addition to pension benefits, the Republic-Franklin Insurance Company, as a subsidiary of the Utica Mutual, provides certain health care insurance benefits ("post-retirement") for retired employees through a plan sponsored by Utica Mutual. Substantially all employees may become eligible for these benefits if they reach retirement age while working for Utica Mutual. Alternatively, retirees may elect certain prepaid health care benefits plans. During 2010, the Utica Mutual curtailed the life insurance benefits available to future retirees. Existing retiree life insurance benefits were settled through the purchase of a single life premium life insurance policy.

The Republic-Franklin Insurance Company has no legal obligation for benefits under any of these plans. Utica Mutual allocates pension amounts to the Republic-Franklin Insurance Company based on cost allocations and the pooling agreement ratios.

- H. The Company does not have any post employment benefits or compensated absences.
- I. The Company does not have any impact from the Medicare Modernization Act on Postretirement Benefits.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 13 – Capital and Surplus, Dividend Restrictions, and Quasi-Reorganizations

- (1) The Company has 1,000,000 shares of stock authorized, 500,000 shares issued and outstanding. The par value is \$7 per share. All shares are Class A common.
- (2) The Company does not have preferred stock outstanding.
- (3) The maximum amount of dividends that can be paid by state of Ohio insurance companies to shareholders without the prior approval of the Insurance Commissioner is subject to restrictions relating to statutory surplus. Statutory surplus at December 31, 2018 was \$56,796,191. The maximum dividend payout that may be made without approval is \$5,679,619.
- (4) The Company did not have ordinary dividends.
- (5) The Company does not have any surplus restrictions.
- (6) The Company does not have restrictions that have been placed on unassigned surplus.
- (7) The Company did not have any advances to surplus which were not repaid.
- (8) The Company does not have stock held for special purposes.
- (9) The Company does not have any prior period changes to special surplus funds.
- (10) The Company did not have any unassigned funds represented / (reduced) by cumulative unrealized gains / (losses).
- (11) The Company does not have surplus notes.
- (12) The Company does not have any impact from any restatement due to a prior quasi-reorganization.
- (13) The Company has not had any quasi-reorganizations in the prior ten years.

Note 14 – Liabilities, Contingencies and Assessments

- A. The Company does not have a commitment or contingent commitment to a SCA entity, joint venture, partnership or limited liability company.
- B. The Company has accrued assessments, generally related to guarantee funds. The total liabilities for these assessments were \$1,015,200 and the related asset was \$518,900. These assessments are paid within 30 days of them being made by their respective states. Policy surcharge assessments are expected to be realized over a one-year period, while most premium tax credits are realized within 5 years after the assessment has been paid.
- C. The Company does not have any gain contingencies.
- D. The Company did not make any loss or LAE payments in 2018 related to Extra Contractual Obligations (ECO) or Bad Faith settlements. (These amounts are reported in whole dollars.)

	Direct
Claims related ECO and bad faith losses and LAE paid during the reporting period	\$11,088

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

(a) 0 – 25 Claims	(b) 25 – 50 Claims	(c) 50 – 100 Claims	(d) 101 – 500 Claims	(e) More than 500 Claims
X				

Indicate whether claim count information is disclosed per claim or per claimant.

(f) Per Claim [ ] (g) Per Claimant [ X ]

- E. The Company does not have any product warranty liability.
- F. The Company does not have any joint and several liabilities.
- G. Various lawsuits against the Company have arisen throughout the course of the Company’s business. Contingent liabilities arising from litigation and other business matters are not considered to be material in relationship to the financial position of the Company.

Note 15 - Leases

(A)– (B) Not applicable - The Company does not have any leasing arrangements.

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

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

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

- A. The Company did not have any transfer of receivables reported as sales.
- B. The Company did not have servicing assets or servicing liabilities.
- C. The Company had no wash sales for the period of this statement.

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

- A. The Company does not serve as an Administrative Services Only (ASO) – not applicable.
- B. The Company does not serve as an Administrative Services Contract (ASC) plan administrator – not applicable.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 19 – Direct Premiums Written / Produced by Managing General Agents / Third Party Administrations

The Company did not have direct premium written or produced by managing general agents or third party administrators.

Note 20 – Fair Value Measurements

A. Fair Value Measurements

(1) Fair Value Measurement at Reporting Date

(a) Assets at Fair Value

	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Short Term					
Cash Equivalent	\$100,002	0	0	0	\$100,002
Total Short Term	\$100,002	0	0	0	\$100,002
Common Stock					
Mutual Fund	4,432,152	0	0	0	4,432,152
Total Common Stock	4,432,152	0	0	0	4,432,152
Total Assets at Fair Value	4,532,154	0	0	0	4,532,154

(b) Liabilities at Fair Value – Not applicable.

(2) Not applicable.

(3) Not applicable.

(4) The following are the levels of the hierarchy and a brief description of the type of valuation inputs that are used to establish each level:

Pricing Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets that our pricing sources have the ability to access. Since the valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant amount or degree of judgment.

Pricing Level 2 – Valuations based upon quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets; or valuations based on models where significant inputs are observable (e.g. interest rates, yield curves, prepayment speeds, default rates, loss severities) or can be corroborated by observable market data.

Pricing Level 3 – Valuations that are derived from techniques in which one or more of the significant inputs are unobservable, including broker quotes which are non-binding.

(5) Not applicable.

B. Not applicable.

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	95,716,596	96,421,135	100,002	95,616,594	0	0	0
Common Stock	4,432,152	4,432,152	4,432,152	0	0	0	0

D. Not applicable.

E. Not applicable.

Note 21 – Other Items

- A. The Company does not have any extraordinary items to report for the financial statement period.
- B. The Company does not have any troubled debt restructurings that occurred during the statement periods.
- C. The Company does not have other disclosures to report for the statement period.
- D. The Company does not have business interruption Insurance recoveries.
- E. The Company did not have any state transferable tax credits.
- F. The Company does not have any sub-prime mortgage related risk exposure.
- G. The Company does not receive proceeds as the issuer, ceding insurer, or counterparty of insurance-linked securities.

Note 22 – Events Subsequent

Subsequent events have been considered through February 15, 2019 for the statutory statement issued on February 16, 2019. The Company did not have any events subsequent to report for this annual statement period.

A – H The Company did not write any accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act – Not applicable.

Property & Casualty Specific Notes

Note 23 – Reinsurance

- A. The Company has the following individual reinsurers that have unsecured aggregate recoverables for losses, paid or unpaid, including IBNR, loss adjustment expenses and unearned premiums that exceed 3% of policyholders’ surplus:

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

<u>Group Code</u>	<u>Company Code</u>	<u>FEIN</u>	<u>Name of Reinsurer</u>	<u>Amount</u>
0000	0000	AA-1340125	Hannover Ruckversicherungs AG	\$3,262,451
3098	15105	43-0727872	Safety National Casualty Corporation	\$2,513,316
0158	23680	47-0698507	Odyssey America Reinsurance Corp	\$1,962,897
0031	22039	13-2673100	General Reinsurance Corp	\$1,778,378
0065	21482	05-0316605	FM Global	\$1,773,113

B. The Company does not have reinsurance recoverables in dispute which exceeded 5% of policyholders’ surplus.

C. Reinsurance Assumed and Ceded

(1)	<u>ASSUMED</u>		<u>CEDED</u>		<u>NET</u>	
	<u>REINSURANCE</u>		<u>REINSURANCE</u>			
	Premium	Commission	Premium	Commission	Premium	Commission
	<u>Reserve</u>	<u>Equity</u>	<u>Reserve</u>	<u>Equity</u>	<u>Reserve</u>	<u>Equity</u>
a. Affiliates	\$15,164,259	\$0	\$116,516,968	\$0	(\$101,352,709)	\$0
b. All Other	143	0	3,812,336	573,542	(3,812,193)	(573,542)
c. TOTAL	<u>\$15,164,402</u>	<u>\$0</u>	<u>\$120,329,304</u>	<u>\$573,542</u>	<u>(\$105,164,902)</u>	<u>(\$573,542)</u>

d. Direct Unearned Premium Reserve \$120,329,161

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

<u>REINSURANCE</u>		<u>Direct</u>	<u>Assumed</u>	<u>Ceded</u>	<u>Net</u>
a. Contingent Commission		\$6,681,875	\$673,205	\$6,681,875	\$673,205
b. Sliding Scale Adjustments		0	0	0	0
c. Other Profit Commission Arrangemen		0	0	(4)	4
d. TOTAL		<u>\$6,681,875</u>	<u>\$673,205</u>	<u>\$6,681,871</u>	<u>\$673,209</u>

(3) Not applicable

D. The Company recognizes (\$9,089) of Loss and LAE as uncollectible reinsurance for the statement period. This total is reflected as:

a. Losses incurred	(\$9,525)
b. Loss adjustment expenses incurred	\$ 436
c. Premiums earned	\$ -0-
d. Other	\$ -0-

<u>Company</u>	<u>Amount</u>	<u>Company</u>	<u>Amount</u>	<u>Company</u>	<u>Amount</u>
A.A. Mutual Ins	193	Freemont Indemnity	(7,716)	Philadelphia Reins. Corp.	185
A.G.F. Assurances Genera	(200)	G.E.S.B.	(736)	Phoenix Assurance PLC.	(217)
Abeille Assurances I.A.R.D.	(1,319)	Gan Minster Ins. Co. Ltd.	(5,330)	Phoenix Life Assurance	318
AGF London Ltd.	674	Groupama	1,164	Pine Top Ins Co	(200)
ALEA	11,180	Heartland Syndicate	(559)	Pine Top Ltd	(273)
Allianz Via Assurances	333	Hemisphere M&G	(282)	Prudential Assurance	184
AM Prudence SA	173	Home Ins Co.	(161)	QBE Reinsurance Corporation	(234)
Americana De Reaseguros	(398)	Insco	(295)	Realex Syndicate	(479)
Arion	(259)	IRB Brasil Resseguros SA	(3,165)	RMCA (Reins Mgmt Corp of Asia)	(1,705)
Assurances Generales De	(267)	Israel Re	(877)	Royale Belge S.A. D'Assurance	(149)
Atlantica Companhia	(610)	Kansa Reinsurance	(5,003)	SNL Ins Co	(393)
Atlas	(338)	Korea Automobile Ins	(995)	Sparebank 1 Skadef	(505)
AXA Marine & Aviation	750	Laurentian General Ins	1,181	Sparkassen-Vers Allgemeine	3,948
Belvedere Ins.	(1,602)	Lloyd's(Equitus)	5,833	Sphere Drake Ins. Co. Plc.	482
Bothnia	176	Lombard Continental Ins	(1,314)	St. Paul Casualty	383
British Law Ins. Co.	253	Maidstone Ins	(240)	St. Paul Fire & Marine	1,794
British-American	(225)	Markel International Insurance	(206)	Stockholm Re (Nat'l Und)	410
Cambridge Reins Ltd	1,406	Mentor Ins Co	(3,650)	Top International	(313)
Candon Syndicate	(1,038)	Mercantile & General	(7,813)	Transit Casualty Co	(322)
Chorley Ins., Ltd	(393)	Mid Far East Int'l Reins Pool	(1,472)	Travelers Indemnity	17,324
CIE De Paris	368	Midland Ins.Co.	213	Trent Ins Co	(243)
Constellation Reins	(5,548)	Mill Ri Gruppo Riassicurativo	(488)	Turegum Ins. Co. Ltd.	(391)
Constitution Insurance	7,239	Mitsui Sumitomo	(2,181)	Uni Polaris	245
Constitution State Ins. Co.	1,374	Mutual Fire	554	Union America	(520)
Continental Ins Co (UK)	485	Nem Re Ins. (Federated)	(735)	Universal Marine Ins	(183)
Copenhagen Reins.	(320)	New England Reins Corp	1,448	Vara-Pooli	(1,228)
Delta America Rein	(747)	Nippon Fire & Marine	(917)	Vega Forsikrings-Aksjeselskape	(263)
Dominion America	(784)	North Atlantic	573	Walton Insurance	(499)
Drake Ins. Co.	(410)	Northwestern Intl. Ins Co	(449)	West Africa International	(240)
English & American	(404)	Orion Insurance Co	604	Westport Ins	996
Ergo Versicherung AG	(2,804)	Overseas Union Ins Ltd	193	All Others	(529)
First NY Syndicate	(359)	PA (GI) Limited	563		
Folksam Int'l. Ins. Co.	(434)	Paladin	(359)	<b>Total Uncollectible Reinsurance</b>	<b>(9,089)</b>

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

- E. The Company did not commute any ceded reinsurance for the statement periods.
- F. The Company does not have retroactive reinsurance for the statement periods.
- G. The Company does not have any reinsurance accounted for as a deposit.
- H. The Company did not enter into any transfers of property and casualty run-off agreements.
- I. The Company did not have any of its certified reinsurers downgraded or status subject to revocation.
- J. The Company did not have any retroactive reinsurance agreements covering asbestos and pollution liabilities which qualify for reinsurer aggregation.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. The Company estimates accrued retrospective premium adjustments through the review of each individual retrospectively rated risk, comparing case basis loss development with that anticipated in the policy contract to arrive at the best estimate of return or additional retrospective premium.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. See Schedule P – Part 7A.
- D. The Company did not have any medical loss ratio rebates required pursuant to the Public Health Service Act.
- E. The Company did not have any Non-Admitted Retrospective Premiums as of December 31, 2018.
- F. The Company did not write any accident and health insurance premium that is subject to the Affordable Care Act.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

Loss and loss adjustment expense reserves are stated at the Company’s estimate of the ultimate cost of settling all incurred but unpaid claims, net of ceded reinsurance and anticipated salvage and subrogation. Loss and loss adjustment expense reserves are reported on an undiscounted basis, with the exception of workers compensation pension type claims, which have been discounted on a tabular basis. Activity with respect to loss and loss adjustment expense reserves for the past two years is displayed below:

Loss & LAE Reserves		
(amounts in thousands)		
	2018	2017
Unpaid Losses & LAE - January 1	38,796	35,259
Loss & LAE Incurred/Current Accident Year	19,980	18,292
Loss & LAE Incurred/Prior Accident Years	(1,089)	(290)
Loss & LAE Payments/Current Accident Year	(7,181)	(6,445)
Loss & LAE Payments/Prior Accident Years	(10,195)	(10,020)
Losses & LAE-December 31	40,311	38,796

Premium accruals are not material relative to the amount of reserve strengthening, since the base of retrospectively rated policies is negligible.

Note 26 – Intercompany Pooling Arrangements

- A. Utica Mutual, the lead company, operates under a pooling agreement that shares premiums; losses, expenses and other related insurance operations with its other affiliated entities. The agreement states the following percentages of participation:

NAIC Co. Code	Name	Percentage
25976	Utica Mutual Insurance Company	84%
25984	Graphic Arts Mutual Insurance Company	5%
12475	Republic-Franklin Insurance Company	3%
10687	Utica National Assurance Company	2%
43478	Utica National Insurance Company of Texas	1%
14249	Founders Insurance Company	5%

Founders Insurance Company joined the pooling agreement effective July 1, 2014 with a 5% share. Prior to that date, Utica Mutual Insurance Company retained 89% of the pool.

- B. The pooling agreement covering the members outlined above and covers premiums, losses and LAE for all lines of business and the majority of operating expenses. The significant insurance operations and related transactions are also subject to this pooling agreement.
- C. The lead company, Utica Mutual, has individual reinsurance contracts to cover casualty, property and catastrophes as well as other reinsurance programs and facultative placements with several reinsurance companies which are with all non-affiliated entities. The cession to those reinsurance companies is prior to the cessions of pooled business within the group.
- D. As indicated above, the lead company, Utica Mutual, has individual reinsurance contracts to cover casualty, property and catastrophes as well as other reinsurance programs and facultative placements with several reinsurance companies which are with all non-affiliated entities. The cession to those reinsurance companies is prior to the cessions of pooled business within the group. Each member of the pooling agreement has a right of direct recovery of reinsurance collectibles from a reinsurance company under the various treaties and/or facultative placements.
- E. There were no discrepancies with the pooling entities on the assumed or ceded transactions between affiliated companies.
- F. The Provisions for Reinsurance (Schedule F, Part 3) is not pooled among the members of the group. Each company prepares Schedule F on a separate basis prior to the pooling. The companies and their respective Provision for Reinsurance are as follows:

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

NAIC Co. Code	Name	Provision for Reinsurance
25976	Utica Mutual Insurance Company	\$ 4,022,212
25984	Graphic Arts Mutual Insurance Company	409,122
12475	Republic-Franklin Insurance Company	58,700
10687	Utica National Assurance Company	11
43478	Utica National Insurance Company of Texas	0
14249	Founders Insurance Company	0

The companies within the Utica National Insurance Group (as identified above in item A) do share proportionally according to the pooling agreement, in the handling of uncollectible reinsurance. Uncollectible reinsurance is handled in accordance with SSAP #62, paragraph 58, by processing the amount through the accounts, exhibits and schedules in which they were originally recorded.

G. The amounts due to/(from) Utica Mutual Insurance Company and its affiliated entities participating in the intercompany pool as of December 31, 2018 are:

Utica Mutual Insurance Company	(\$7,969,929)
Graphic Arts Mutual Insurance Company	2,552,231
Republic-Franklin Insurance Company	1,113,490
Utica National Assurance Company	973,833
Utica National Insurance Company of Texas	132,641
Utica National Insurance Company of Ohio	2,988,216
Utica Specialty Risk Insurance Company	61,418
Utica Lloyd's of Texas	747,422
Founders Insurance Company	(494,038)

Note 27 - Structured Settlements

A. The Company has eliminated the following in loss reserves because it has purchased annuities, and it is contingently liable for the shown amount in the event the issuers of the annuities fail to perform.

Loss Reserves Eliminated by Annuities	Unrecorded Loss Contingencies
\$4,535,836	\$3,069,903

B. The Company has annuities from the following insurance companies which exceed 1% of policyholders' surplus:

Life Insurance Company and Location	Licensed in Company's State of Domicile Yes / No	Statement Value (i.e. Present Value) of Annuities
Genworth Financial, Lynchburg, VA	No	\$1,111,250
Symetra, Seattle, WA	Yes	\$ 767,847
Metropolitan Life Insurance Co, New York, NY	No	\$ 597,756

Note 28 – Health Care Receivables

The Company does not have any Health Care Receivables.

Note 29 – Participating Policies

The Company does not have Participating Policies.

Note 30 – Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$ - 0 -
2. Date of the most recent evaluation of this liability	12/31/2018
3. Was anticipated investment income utilized in the calculation?	Yes (X) No ( )

Note 31 – High Deductibles

As of December 31, 2018 the amount of reserve credit recorded for high deductibles on unpaid claims was zero and the amount billed and recoverable on paid claims was zero.

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

The Company discounts unpaid loss and loss adjustment expenses pertaining to workers' compensation pension type case reserves, where applicable, on a tabular basis using the mortality table specified by the statistical reporting agencies to each state at rates of interest ranging from 3.0% to 6.0% as specified. Additionally, the assumed IBNR reserves of the National Workers' Compensation Pool have been discounted for pension type cases at a rate of 5.0%, using tabular values provided by the NWC Pool. The total amount of tabular pension discount reflected in the liabilities of this financial statement as of December 31, 2018 is \$358,000.

A. Tabular Discounting Included In Schedule P.

Schedule P Lines of Business	(1) Case	(2) IBNR
(1) – (3)	N/A	N/A
(4) Workers' Compensation	\$259,000	\$99,000
(5) – (23)	N/A	N/A
Total	\$259,000	\$99,000

B. Not applicable

C. Not applicable

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 33 - Asbestos / Environmental Reserves

Asbestos

A. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos losses? Yes (X) No ( )

The Company has exposure to asbestos claims. This exposure arises primarily from the sale of general liability policies to manufacturers and suppliers that may have used/sold products that may have contained asbestos. Claimants have sued these manufacturers/suppliers for damages they allegedly received as a result of claimed exposure to these products.

Aggregate asbestos reserves have been established based on a stochastic model valuation. The Company reserves to the best point estimate of reasonable range of estimates after adjusting for reinsurance.

Effective 1/1/12, Utica entered into a reinsurance agreement with National Indemnity Company (NICO), a subsidiary of Berkshire Hathaway Group, which reinsures Utica's current asbestos losses up to a contract limit of \$475,985,800 for certain policies from 2003 and prior.

(1) Direct:	2014	2015	2016	2017	2018
a. Beginning Reserves:	10,753,386	9,446,823	9,824,855	7,545,221	7,691,824
b. Incurred losses and loss adjustment expense:	38,563	1,461,903	(7,442)	523,864	(331)
c. Calendar year payments for losses and loss adjustment expense:	1,345,126	1,083,871	2,272,192	377,260	610,058
d. Ending reserves:	9,446,823	9,824,855	7,545,221	7,691,824	7,081,436
(2) Assumed Reinsurance:	2014	2015	2016	2017	2018
a. Beginning Reserves:	607,248	470,398	504,783	411,103	427,537
b. Incurred losses and loss adjustment expense:	(22,657)	113,516	39,269	131,719	(63,562)
c. Calendar year payments for losses and loss adjustment expense:	114,193	79,131	132,949	115,286	37,343
d. Ending reserves:	470,398	504,783	411,103	427,537	326,632
(3) Net of Ceded Reinsurance:	2014	2015	2016	2017	2018
a. Beginning Reserves:	120,281	108,123	59,831	123,433	156,018
b. Incurred losses and loss adjustment expense:	17,587	(53,804)	72,324	45,738	22,982
c. Calendar year payments for losses and loss adjustment expense:	29,745	(5,512)	8,722	13,154	1,723
d. Ending reserves:	108,123	59,831	123,433	156,018	177,277

B. The amount of ending reserves for Bulk + IBNR included in A (Loss & LAE):

(1) Direct Basis	\$ 4,345,565
(2) Assumed Basis	\$ 227,282
(3) Net of Reinsurance Basis	\$ 172,409

C. The amount of ending reserves for loss adjustment expenses included in A (Case, Bulk + IBNR):

(1) Direct Basis	\$ 2,735,160
(2) Assumed Basis	\$ 3,372
(3) Net of Reinsurance Basis	\$ 2,337

Environmental

D. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? Yes (X) No ( ).

The Company has exposure to hazardous waste clean up claims. This exposure arises primarily from the sale of general liability policies.

Hazardous waste clean up claims are defined as losses related directly or indirectly to the cost of remediation of a site arising from past operations or waste disposal of hazardous materials or substances.

Hazardous waste clean up claims are reserved by evaluating coverage, liability and damages.

Factors considered in evaluating coverage include whether the facts indicate an "occurrence" has taken place as that term is defined in general liability policies, whether there is a pollution exclusion in the policy, what policies are triggered, whether there is property damage as that term is defined in the policy, whether in the case of property damage the damage is confined to the insured own property, the law of the jurisdiction applicable to the claim, and possibly other factors.

Factors considered, in evaluating liability include whether the insured produced toxic or hazardous products or substances or owns property on which such toxic substances are located, the toxicity of such substances and the quantity attributable to the insured, whether the injuries alleged are causally connected to the substance attributed to the insured, the number and relative liability of other defendants, the probability of other causes and possibly other factors.

Factors considered in evaluating damages in the case of a hazardous waste clean up claim include the cost to remediate the site, monitoring costs, damages to material resources, administrative costs, etc.

The relatively small volume of environmental losses are reserved on a case occurrence basis. IBNR reserves are carried to maintain a reasonable survival ratio.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

(1) Direct:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
a. Beginning Reserves:	618,886	492,292	442,874	397,913	383,722
b. Incurred losses and loss adjustment expense:	(76,229)	3,224	(35,738)	(7,049)	31,015
Calendar year payments for losses and loss adjustment expense:	50,365	52,643	9,223	7,141	39,874
Ending reserves:	492,292	442,874	397,913	383,722	374,864
(2) Assumed Reinsurance:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
a. Beginning Reserves:	133,967	121,066	161,437	149,303	194,812
b. Incurred losses and loss adjustment expense:	(541)	63,287	1,462	46,898	(36,583)
c. Calendar year payments for losses and loss adjustment expense:	12,360	22,915	13,596	1,389	3,447
d. Ending reserves:	121,066	161,437	149,303	194,812	154,782
(3) Net of Ceded Reinsurance:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
a. Beginning Reserves:	476,777	402,874	354,442	363,110	374,736
b. Incurred losses and loss adjustment expense:	(24,932)	(5,108)	(5,026)	30,872	45,782
c. Calendar year payments for losses and loss adjustment expense:	48,970	43,324	(13,694)	19,247	28,953
d. Ending reserves:	402,874	354,442	363,110	374,736	391,565

E. The amount of ending reserves for Bulk + IBNR included in D (Loss & LAE):

(1) Direct Basis	\$ 235,063
(2) Assumed Basis	\$ 151,521
(3) Net of Reinsurance Basis	\$ 294,940

F. The amount of the ending reserves for loss adjustment expense included in D (Case, Bulk + IBNR):

(1) Direct Basis	\$ 68,310
(2) Assumed Basis	\$ 2,248
(3) Net of Reinsurance Basis	\$ 56,368

**Note 34 – Subscriber Savings Accounts**

The Company does not have subscriber savings accounts.

**Note 35 – Multiple Peril Crop Insurance**

The Company does not write multiple peril crop insurance.

**Note 36 – Financial Guaranty Insurance**

The Company does not have any financial guaranty insurance for the financial statement period.

A(1)b, A(1)c, A(2)b, A(3)b and B: Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....  
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [ X ] No [ ]

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? .....

Yes [ X ] No [ ] N/A [ ]

1.3

State Regulating? .....

Ohio

1.4

Is the reporting entity publicly traded or a member of a publicly traded group? .....

Yes [ ] No [ X ]

1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes [ ] No [ X ]

2.2

If yes, date of change: .....

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2014

3.2

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

12/31/2014

3.3

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

06/30/2016

3.4

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

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes [ ] No [ ] N/A [ X ]

3.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes [ ] No [ ] N/A [ X ]

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? .....  
4.12 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? .....  
4.22 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....  
If yes, complete and file the merger history data file with the NAIC.

Yes [ ] No [ X ]

5.2

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

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

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....

Yes [ ] No [ X ]

6.2

If yes, give full information: .....

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? .....

Yes [ ] No [ X ]

7.2

If yes,  
7.21 State the percentage of foreign control; ..... %  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

GENERAL INTERROGATORIES

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Grant Thornton LLP, 90 State House Square, 10th Floor, Hartford, CT 06103

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [ ] No [ X ]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [ ] No [ X ]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [ X ] No [ ] N/A [ ]

10.6

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

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Mark Littmann, FACS, MAAA, PricewaterhouseCoopers, LLP, 185 Asylum Street, Hartford, CT 06103

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [ ] No [ X ]

12.11

Name of real estate holding company

12.12

Number of parcels involved

12.13

Total book/adjusted carrying value

\$

12.2

If, yes provide explanation:

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [ ] No [ ]

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [ ] No [ ]

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [ ] No [ ] N/A [ ]

14.1

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

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.

14.11

If the response to 14.1 is No, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes [ X ] No [ ]

14.21

If the response to 14.2 is yes, provide information related to amendment(s).

The code of ethics for senior managers was amended to add protected classes to the sections on harassment and equal opportunity.

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ] No [ X ]

14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

GENERAL INTERROGATORIES

- 15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [ ] No [ X ]
- 15.2

If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2  Issuing or Confirming Bank Name	3  Circumstances That Can Trigger the Letter of Credit	4  Amount

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [ X ] No [ ]
17.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [ X ] No [ ]
18.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person?

Yes [ X ] No [ ]

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [ ] No [ X ]
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers

\$

20.12 To stockholders not officers

\$

20.13 Trustees, supreme or grand (Fraternal Only)

\$
- 20.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers

\$

20.22 To stockholders not officers

\$

20.23 Trustees, supreme or grand (Fraternal Only)

\$
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes [ ] No [ X ]
- 21.2

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

21.21 Rented from others

\$

21.22 Borrowed from others

\$

21.23 Leased from others

\$

21.24 Other

\$
- 22.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes [ ] No [ X ]
- 22.2

If answer is yes:

22.21 Amount paid as losses or risk adjustment

\$

22.22 Amount paid as expenses

\$

22.23 Other amounts paid

\$
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [ X ] No [ ]
- 23.2

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

\$1,113,490

INVESTMENT

- 24.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes [ ] No [ X ]
- 24.02

If no, give full and complete information relating thereto  
Securities are held in custodial accounts with the Bank of New York Mellon, New York, NY, except those on deposit with state or other regulatory bodies.
- 24.03

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04

Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes [ ] No [ ] N/A [ X ]
- 24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$
- 24.06

If answer to 24.04 is no, report amount of collateral for other programs.

\$
- 24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [ ] No [ ] N/A [ X ]
- 24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [ ] No [ ] N/A [ X ]
- 24.09

Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?

Yes [ ] No [ ] N/A [ X ]

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

GENERAL INTERROGATORIES

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

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....
24.103	Total payable for securities lending reported on the liability page. ....	\$ .....

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

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements .....	\$ .....
		25.22 Subject to reverse repurchase agreements .....	\$ .....
		25.23 Subject to dollar repurchase agreements .....	\$ .....
		25.24 Subject to reverse dollar repurchase agreements .....	\$ .....
		25.25 Placed under option agreements .....	\$ .....
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock .....	\$ .....
		25.27 FHLB Capital Stock .....	\$ .....
		25.28 On deposit with states .....	\$ .....3, 121, 674
		25.29 On deposit with other regulatory bodies .....	\$ .....
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB .....	\$ .....
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements .....	\$ .....
		25.32 Other .....	\$ .....

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	.....	.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes [ ] No [ X ]

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon .....	One Wall Street, New York, NY .....
.....	.....

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

GENERAL INTERROGATORIES

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

1 Name of Firm or Individual	2 Affiliation
Conning Asset Management .....	U.....
.....	.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [ X ] No [ ]

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107423 .....	Conning, Inc. ....	54930020G14KK37BDV40 .....	SEC .....	NO.....
.....	.....	.....	.....	.....

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
922908-71-0 .....	Vanguard 500 Index Fund .....	4,432,152
29.2999 - Total		4,432,152

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
500 Index Fund Admiral Shares (VFAX) .....	Microsoft Corp .....	163,990	12/31/2018 ...
.....	.....	.....	.....

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	96,321,134	95,616,594	(704,539)
30.2 Preferred stocks .....			
30.3 Totals	96,321,134	95,616,594	(704,539)

30.4 Describe the sources or methods utilized in determining the fair values:  
Statement Values have been determined in accordance with the guidelines of the NAIC. The fair market value is primarily determined by widely accepted third party vendors, followed by a hierarchy using broker/dealer quotes, index pricing, analytical methods and historical pricing. ....

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

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

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
Prices are obtained from the dealers/market makers for these securities. These prices are non-binding, but represent their best estimate of fair value per market conditions. ....

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

32.2 If no, list exceptions:  
.....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

GENERAL INTERROGATORIES

33.

By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:  
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.  
b. Issuer or obligor is current on all contracted interest and principal payments.  
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.  
Has the reporting entity self-designated 5GI securities? .....

Yes [ ] No [ X ]
34.

By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
a. The security was purchased prior to January 1, 2018.  
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
Has the reporting entity self-designated PLGI securities? .....

Yes [ ] No [ X ]

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....163,411

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

1 Name	2 Amount Paid
Insurance Services Office Inc .....	94,214
.....	.....

36.1 Amount of payments for legal expenses, if any? .....\$ .....9,674

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

1 Name	2 Amount Paid
Hunton & Williams LLP .....	4,005
.....	.....

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

37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....
.....	.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force? .....

Yes [ ] No [ X ]

1.2

If yes, indicate premium earned on U. S. business only. ....

\$ \_\_\_\_\_

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....

\$ \_\_\_\_\_

1.31

Reason for excluding .....

.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. ....

\$ \_\_\_\_\_

1.5

Indicate total incurred claims on all Medicare Supplement Insurance. ....

\$ \_\_\_\_\_

1.6

Individual policies:

Most current three years:

1.61

Total premium earned .....

\$ \_\_\_\_\_

1.62

Total incurred claims .....

\$ \_\_\_\_\_

1.63

Number of covered lives .....

.....

All years prior to most current three years

1.64

Total premium earned .....

\$ \_\_\_\_\_

1.65

Total incurred claims .....

\$ \_\_\_\_\_

1.66

Number of covered lives .....

.....

1.7

Group policies:

Most current three years:

1.71

Total premium earned .....

\$ \_\_\_\_\_

1.72

Total incurred claims .....

\$ \_\_\_\_\_

1.73

Number of covered lives .....

.....

All years prior to most current three years

1.74

Total premium earned .....

\$ \_\_\_\_\_

1.75

Total incurred claims .....

\$ \_\_\_\_\_

1.76

Number of covered lives .....

.....

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator .....

.....

.....

2.2

Premium Denominator .....

27,932,568

25,742,456

2.3

Premium Ratio (2.1/2.2) .....

0.000

0.000

2.4

Reserve Numerator .....

.....

.....

2.5

Reserve Denominator .....

52,924,534

50,181,616

2.6

Reserve Ratio (2.4/2.5) .....

0.000

0.000

3.1

Does the reporting entity issue both participating and non-participating policies? .....

Yes [ ] No [ X ]

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies .....

\$ \_\_\_\_\_

3.22

Non-participating policies .....

\$ \_\_\_\_\_

4.

For mutual reporting Entities and Reciprocal Exchanges Only:

4.1

Does the reporting entity issue assessable policies? .....

Yes [ ] No [ ]

4.2

Does the reporting entity issue non-assessable policies? .....

Yes [ ] No [ ]

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....

%

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. ....

\$ \_\_\_\_\_

5.

For Reciprocal Exchanges Only:

5.1

Does the Exchange appoint local agents? .....

Yes [ ] No [ ]

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation.....

Yes [ ] No [ ] N/A [ ]

5.22

As a direct expense of the exchange.....

Yes [ ] No [ ] N/A [ ]

5.3

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

.....

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? .....

Yes [ ] No [ ]

5.5

If yes, give full information .....

.....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
The Company purchases Excess of Loss Reinsurance .....
- 6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.  
The Company has reviewed property catastrophe model results provided by its reinsurance intermediary, Willis Re, Philadelphia, PA. Willis reviewed the Company's probable maximum property loss using the RiskLink system of RMS v17 and AIR's Touchstone v5. The models indicated that the probable maximum loss would be caused by a hurricane striking Long Island, New York, where the Company has significant exposed personal and commercial lines property values. ....
- 6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
The Company purchases Catastrophe Reinsurance .....
- 6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? .....

Yes [ X ] No [ ]
- 6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.  
.....
- 7.1

Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provisions)?.....

Yes [ ] No [ X ]
- 7.2

If yes, indicate the number of reinsurance contracts containing such provisions: .....
- 7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?.....

Yes [ ] No [ ]
- 8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? .....

Yes [ ] No [ X ]
- 8.2

If yes, give full information  
.....
- 9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
(c) Aggregate stop loss reinsurance coverage;  
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. ....

Yes [ ] No [ X ]
- 9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. ....

Yes [ ] No [ X ]
- 9.3

If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4

Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? .....

Yes [ ] No [ X ]
- 9.5

If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
(a) The entity does not utilize reinsurance; or, .....  
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or .....  
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. ....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]  
Yes [ ] No [ X ]
10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? .....

Yes [ X ] No [ ] N/A [ ]

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? ..... Yes [ ] No [ X ]

11.2 If yes, give full information  
.....

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses .....\$

12.12 Unpaid underwriting expenses (including loss adjustment expenses) .....\$

12.2 Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds .....\$

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? ..... Yes [ ] No [ X ] N/A [ ]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From ..... %

12.42 To ..... %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves , including unpaid losses under loss deductible features of commercial policies? ..... Yes [ X ] No [ ]

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

12.61 Letters of credit .....\$ 88,163

12.62 Collateral and other funds.....\$

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): .....\$ 360,000

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? ..... Yes [ ] No [ X ]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. ....3

14.1 Is the company a cedant in a multiple cedant reinsurance contract? ..... Yes [ ] No [ X ]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
.....

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? ..... Yes [ ] No [ ]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? ..... Yes [ ] No [ ]

14.5 If the answer to 14.4 is no, please explain:  
.....

15.1 Has the reporting entity guaranteed any financed premium accounts? ..... Yes [ ] No [ X ]

15.2 If yes, give full information  
.....

16.1 Does the reporting entity write any warranty business? ..... Yes [ ] No [ X ]  
If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home .....					
16.12 Products .....					
16.13 Automobile .....					
16.14 Other*					

\* Disclose type of coverage:

.....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that is exempt from the statutory provision for unauthorized reinsurance? .....

Yes [   ] No [ ☒ ]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

17.11

Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance .....

\$ .....

17.12

Unfunded portion of Interrogatory 17.11 .....

\$ .....

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11.....

\$ .....

17.14

Case reserves portion of Interrogatory 17.11 .....

\$ .....

17.15

Incurred but not reported portion of Interrogatory 17.11 .....

\$ .....

17.16

Unearned premium portion of Interrogatory 17.11 .....

\$ .....

17.17

Contingent commission portion of Interrogatory 17.11 .....

\$ .....

18.1

Do you act as a custodian for health savings accounts? .....

Yes [   ] No [ ☒ ]

18.2

If yes, please provide the amount of custodial funds held as of the reporting date. ....

\$ .....

18.3

Do you act as an administrator for health savings accounts? .....

Yes [   ] No [ ☒ ]

18.4

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

\$ .....

19.

Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? .....

Yes [ ☒ ] No [   ]

19.1

If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? .....

Yes [   ] No [   ]

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2018	2 2017	3 2016	4 2015	5 2014
<b>Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 &amp; 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	148,226,359	134,569,406	126,899,230	112,242,145	102,277,606
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	19,116,401	17,380,582	16,671,517	16,544,385	15,520,548
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	112,542,379	103,072,771	95,646,107	90,141,600	78,021,148
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	29,378	33,366	31,298	31,743	39,960
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	3	3	4	3	4
6. Total (Line 35)	279,914,521	255,056,129	239,248,156	218,959,875	195,859,266
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	18,568,544	17,512,544	15,897,223	14,580,124	12,983,324
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	3,171,762	3,146,839	2,958,913	2,829,596	2,264,582
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	9,413,015	8,450,474	7,728,409	7,201,301	6,576,914
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	24,662	28,660	26,592	27,037	35,404
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	3	3	4	3	4
12. Total (Line 35)	31,177,986	29,138,520	26,611,142	24,638,061	21,860,228
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	884,434	283,240	74,010	(236,417)	(583,266)
14. Net investment gain or (loss) (Line 11)	3,242,977	2,908,862	2,695,066	2,638,811	2,860,690
15. Total other income (Line 15)	(1,099)	2,977	79,969	143,434	391,504
16. Dividends to policyholders (Line 17)	381,066	246,362	266,333	300,198	234,432
17. Federal and foreign income taxes incurred (Line 19)	584,806	1,023,133	789,009	49,702	1,321,333
18. Net income (Line 20)	3,160,441	1,925,583	1,793,704	2,195,928	1,113,163
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	117,694,440	112,605,146	107,593,340	104,332,678	102,517,168
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	9,892,521	8,949,078	7,884,168	7,980,606	6,530,516
20.2 Deferred and not yet due (Line 15.2)	638,254	636,846	598,915	580,748	616,724
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	60,898,249	58,101,758	55,191,804	53,887,043	53,481,367
22. Losses (Page 3, Line 1)	32,406,684	31,252,404	30,015,045	28,537,561	28,801,741
23. Loss adjustment expenses (Page 3, Line 3)	7,904,375	7,543,413	7,243,805	7,307,825	7,415,803
24. Unearned premiums (Page 3, Line 9)	15,164,259	14,128,718	12,922,766	12,054,079	11,226,279
25. Capital paid up (Page 3, Lines 30 & 31)	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	56,796,191	54,503,388	52,401,536	50,445,635	49,035,801
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	5,015,448	4,398,229	4,934,836	169,348	1,595,293
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	56,796,191	54,503,388	52,401,536	50,445,635	49,035,801
29. Authorized control level risk-based capital	4,223,818	4,089,843	3,632,236	3,465,631	3,869,046
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0</b>					
30. Bonds (Line 1)	94.8	93.5	94.6	94.5	91.2
31. Stocks (Lines 2.1 & 2.2)	4.4	5.9	5.2	4.8	8.4
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	0.8	0.5	0.2	0.7	0.4
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47					
49. Total Investment in Parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)					

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2018	2 2017	3 2016	4 2015	5 2014
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24) .....	(517,698)	872,969	530,429	(157,038)	191,827
52. Dividends to stockholders (Line 35) .....					
53. Change in surplus as regards policyholders for the year (Line 38) .....	2,292,803	2,101,853	1,955,901	1,409,834	1,442,924
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	63,432,723	53,106,790	55,398,086	49,470,615	50,095,779
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	9,842,341	8,539,224	9,272,394	9,040,619	8,918,019
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	49,530,756	40,718,495	30,970,307	55,527,541	43,674,965
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	2,568	353	8,226	7,085	(1,543)
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....				0	2
59. Total (Line 35) .....	122,808,388	102,364,862	95,649,011	114,045,861	102,687,222
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	8,413,454	8,040,729	7,798,379	7,964,462	6,660,493
61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	1,871,809	1,736,113	1,724,289	1,597,390	1,326,902
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27) .....	3,871,764	3,557,756	2,834,503	3,309,435	2,993,368
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	2,568	353	8,226	7,085	(1,543)
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....				0	2
65. Total (Line 35) .....	14,159,594	13,334,952	12,365,397	12,878,373	10,979,222
<b>Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0</b>					
66. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2) .....	50.8	52.2	53.8	53.0	53.6
68. Loss expenses incurred (Line 3) .....	11.9	12.3	11.7	12.5	12.6
69. Other underwriting expenses incurred (Line 4) .....	34.4	34.5	34.2	35.5	36.5
70. Net underwriting gain (loss) (Line 8) .....	2.9	1.0	0.3	(1.0)	(2.7)
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0) .....	33.3	33.1	32.8	33.7	34.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	62.7	64.4	65.5	65.5	66.2
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0) .....	54.9	53.5	50.8	48.8	44.6
<b>One Year Loss Development (\$000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11) .....	(942)	(310)	(369)	(528)	(802)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0) .....	(1.7)	(0.6)	(0.7)	(1.1)	(1.7)
<b>Two Year Loss Development (\$000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12) .....	(669)	(644)	(1,178)	(1,226)	71
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0) .....	(1.3)	(1.3)	(2.4)	(2.6)	0.2

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

Yes [ ] No [ ]

If no, please explain: .....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**

**SCHEDULE P - PART 1 - SUMMARY**

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1  Direct and Assumed	2  Ceded	3  Net (1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported Direct and Assumed
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded	Salvage and Subrogation Received	Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	
1. Prior.....	XXX	XXX	XXX	891	420	380	318	80	1	10	612	XXX
2. 2009.....	21,910	998	20,913	9,910	370	1,773	25	1,684	2	440	12,971	XXX
3. 2010.....	21,845	1,175	20,670	10,765	546	1,887	95	1,598	5	501	13,603	XXX
4. 2011.....	22,312	1,249	21,063	14,198	1,556	1,830	57	1,717	4	566	16,128	XXX
5. 2012.....	21,832	1,300	20,531	11,649	438	1,461	23	1,334	4	566	13,980	XXX
6. 2013.....	22,776	1,425	21,351	9,632	117	1,276	8	1,485	0	495	12,269	XXX
7. 2014.....	24,080	1,325	22,756	10,895	483	1,139	10	1,349	2	488	12,887	XXX
8. 2015.....	25,162	1,351	23,810	10,449	142	1,094	7	1,102	1	520	12,496	XXX
9. 2016.....	27,150	1,408	25,742	9,679	87	819	2	1,215	0	482	11,623	XXX
10. 2017.....	29,362	1,429	27,933	8,256	94	541	3	1,350	0	493	10,050	XXX
11. 2018.....	31,629	1,487	30,142	5,953	134	263	2	1,101	0	279	7,181	XXX
12. Totals	XXX	XXX	XXX	102,276	4,387	12,463	550	14,017	20	4,840	123,800	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior.....	3,188	709	6,427	4,703	159	27	3,011	2,680	379	250	32	4,795	XXX
2. 2009.....	260		247	27	20		62	3	22	0	11	581	XXX
3. 2010.....	322		233	24	30	2	66	3	27		12	649	XXX
4. 2011.....	412	19	325	34	33	3	90	4	30		18	829	XXX
5. 2012.....	317		434	44	40		103	5	42		25	888	XXX
6. 2013.....	644	16	585	57	68	1	150	7	61	0	33	1,428	XXX
7. 2014.....	1,033	12	827	77	99	3	239	10	90		44	2,185	XXX
8. 2015.....	1,799	147	1,188	103	179	5	412	17	159	0	72	3,466	XXX
9. 2016.....	2,374	6	1,867	156	260	0	616	24	237		113	5,167	XXX
10. 2017.....	3,034	5	3,205	261	288		931	36	369		210	7,525	XXX
11. 2018.....	4,216	94	6,434	471	317	0	1,605	59	851	1	526	12,799	XXX
12. Totals	17,599	1,008	21,772	5,957	1,492	41	7,285	2,849	2,268	251	1,094	40,311	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	4,203	592
2. 2009.....	13,978	426	13,552	63.8	42.7	64.8				480	101
3. 2010.....	14,928	676	14,252	68.3	57.5	68.9				531	118
4. 2011.....	18,635	1,678	16,957	83.5	134.3	80.5				684	145
5. 2012.....	15,381	513	14,868	70.5	39.5	72.4				707	181
6. 2013.....	13,902	205	13,697	61.0	14.4	64.2				1,157	272
7. 2014.....	15,670	598	15,072	65.1	45.2	66.2				1,771	414
8. 2015.....	16,384	422	15,962	65.1	31.2	67.0				2,737	728
9. 2016.....	17,067	277	16,790	62.9	19.6	65.2				4,079	1,088
10. 2017.....	17,973	398	17,575	61.2	27.8	62.9				5,974	1,552
11. 2018.....	20,741	762	19,980	65.6	51.2	66.3				10,085	2,714
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	32,407	7,904

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018	11 One Year	12 Two Year
1. Prior.....	29,298	29,059	30,975	31,078	31,066	31,046	31,033	30,761	31,010	31,149	139	388
2. 2009.....	12,521	12,126	12,029	12,121	12,090	11,813	11,856	11,862	11,847	11,858	11	(4)
3. 2010.....	XXX	12,832	12,853	12,854	12,897	12,654	12,582	12,548	12,633	12,633	1	85
4. 2011.....	XXX	XXX	15,390	15,366	15,549	15,389	15,263	15,344	15,238	15,236	(3)	(108)
5. 2012.....	XXX	XXX	XXX	13,117	13,669	13,705	13,691	13,602	13,472	13,500	28	(102)
6. 2013.....	XXX	XXX	XXX	XXX	12,622	12,483	12,242	12,140	12,174	12,154	(19)	15
7. 2014.....	XXX	XXX	XXX	XXX	XXX	14,169	14,065	13,824	13,783	13,649	(134)	(176)
8. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	14,899	15,180	14,830	14,705	(125)	(475)
9. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,635	15,600	15,343	(257)	(292)
10. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,445	15,862	(583)	XXX
11. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,032	XXX	XXX
12. Totals											(942)	(669)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
1. Prior.....	.000	5,457	10,248	20,074	22,125	23,306	24,405	25,100	25,666	26,199	XXX	XXX
2. 2009.....	3,371	5,636	7,277	8,750	9,845	10,458	10,812	11,045	11,215	11,289	XXX	XXX
3. 2010.....	XXX	3,682	6,222	8,116	9,653	10,622	11,201	11,481	11,699	12,010	XXX	XXX
4. 2011.....	XXX	XXX	5,099	8,190	10,339	11,875	13,015	13,778	14,229	14,415	XXX	XXX
5. 2012.....	XXX	XXX	XXX	4,242	7,288	9,319	10,926	11,774	12,241	12,650	XXX	XXX
6. 2013.....	XXX	XXX	XXX	XXX	3,653	6,247	7,976	9,069	10,245	10,784	XXX	XXX
7. 2014.....	XXX	XXX	XXX	XXX	XXX	4,699	7,530	9,435	10,760	11,541	XXX	XXX
8. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	5,156	8,247	10,032	11,394	XXX	XXX
9. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,996	8,283	10,408	XXX	XXX
10. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,393	8,700	XXX	XXX
11. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,080	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1. Prior.....	10,972	8,202	8,538	3,710	3,088	2,745	2,228	2,048	2,161	2,120
2. 2009.....	5,595	3,484	2,002	1,230	884	533	405	313	279	281
3. 2010.....	XXX	5,361	3,441	2,048	1,422	769	508	366	308	273
4. 2011.....	XXX	XXX	5,697	3,360	2,199	1,474	843	615	470	378
5. 2012.....	XXX	XXX	XXX	5,002	3,175	1,879	1,206	830	580	492
6. 2013.....	XXX	XXX	XXX	XXX	5,451	3,300	1,894	1,150	883	676
7. 2014.....	XXX	XXX	XXX	XXX	XXX	5,662	3,308	1,997	1,372	984
8. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	5,764	3,582	2,198	1,484
9. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,115	3,900	2,307
10. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,030	3,844
11. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,513

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories									
States, Etc.	1	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status (a)	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
1. Alabama	AL	N							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	L	27,851,003	28,196,143	223,833	18,559,073	13,767,938	22,603,758	176,527
8. Delaware	DE	L	1,596,133	1,599,456	1,504	334,526	322,433	2,205,441	3,617
9. District of Columbia	DC	L	136,384	122,261		4,909	(1,095)	23,679	204
10. Florida	FL	N							
11. Georgia	GA	L	11,569,483	11,454,783		5,374,670	8,930,016	12,573,121	44,566
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	L	7,545,195	7,049,923	28,449	2,843,286	2,214,442	3,929,270	30,220
15. Indiana	IN	L	914,983	933,832		177,397	257,760	303,884	1,900
16. Iowa	IA	N							
17. Kansas	KS	L	147,535	159,276			308,476	329,309	430
18. Kentucky	KY	N							
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	L	5,647,960	5,259,280	395	2,247,185	4,847,848	9,114,125	12,647
22. Massachusetts	MA	L	15,669,004	14,561,410	800,486	8,684,395	7,205,591	11,748,501	43,352
23. Michigan	MI	L	2,936,447	2,952,149		536,935	275,674	1,149,149	3,844
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	N							
27. Montana	MT	N							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	L	1,100,733	983,309	35,889	1,096,072	1,128,879	445,000	3,203
31. New Jersey	NJ	L	53,218,576	50,424,804	414,624	18,727,213	33,347,299	67,418,261	95,046
32. New Mexico	NM	N							
33. New York	NY	L	73,621,265	70,017,513	1,618,088	27,199,277	25,601,300	69,986,078	267,529
34. North Carolina	NC	L	8,048,659	8,498,023	4,949	5,369,769	6,307,067	4,985,238	50,736
35. North Dakota	ND	N							
36. Ohio	OH	L	7,299,998	6,957,081	78,212	1,780,564	3,046,017	3,932,522	25,580
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	L	11,609,905	11,325,695	34,652	5,028,388	8,105,700	11,721,323	46,220
40. Rhode Island	RI	L	464,093	524,379	8,111	345,664	353,408	482,697	4,283
41. South Carolina	SC	L	143,481	20,760			3,056	3,056	219
42. South Dakota	SD	N							
43. Tennessee	TN	L	1,841,444	1,733,385		635,099	2,034,282	2,331,439	8,167
44. Texas	TX	L	11,252,744	9,530,738		3,998,665	5,220,925	7,477,585	49,547
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	L	5,248,300	5,133,061	8,882	3,408,335	4,256,821	2,834,556	26,757
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	L	871,507	873,555		2,287,056	(1,054,172)	1,207,639	2,705
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien	OT	XXX							
59. Totals	XXX	248,734,832	238,310,816	3,258,074	108,638,478	126,479,665	236,805,631	897,299	
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX								

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....22

E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI).....

D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile.....

R - Registered - Non-domiciled RRGs.....

Q - Qualified - Qualified or accredited reinsurer. ....

N - None of the above - Not allowed to write business in the state .....35

(b) Explanation of basis of allocation of premiums by states, etc.

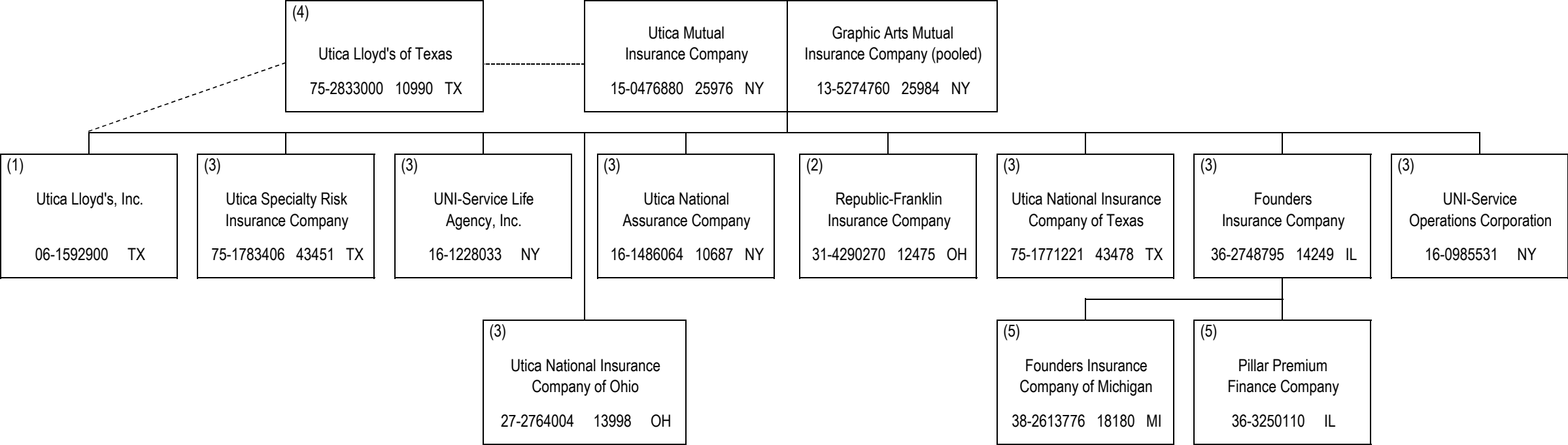
All of the premiums with respect to every kind of insurance are allocated to the state in which the property or insured is located.

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

PART 1 - ORGANIZATIONAL CHART

UTICA NATIONAL INSURANCE GROUP      ORGANIZATION STRUCTURE      DECEMBER 31, 2018

96



1. Owned 100% by Utica Mutual Insurance Company; operates as attorney-in-fact for Utica Lloyd's of Texas.  
2. Owned 94% by Utica Mutual Insurance Company and 6% by Graphic Arts Mutual Insurance Company.  
3. Owned 100% by Utica Mutual Insurance Company.

4. A Texas Lloyd's association of twelve underwriters under sponsorship of the Utica Mutual Insurance Company.  
5. Owned 100% by Founders Insurance Company.  
6. Shares common management with the group.

(6)  
Utica National Group Foundation, Inc.  
16-1313450 NY

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE REPUBLIC-FRANKLIN INSURANCE COMPANY

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504.	Miscellaneous Office Equipment .....	1,035,770	1,035,770		.96
2505.	Clearing Accounts .....	80,156	80,156		416
2506.	Deposits .....	400	400		
2597.	Summary of remaining write-ins for Line 25 from overflow page	1,116,325	1,116,325		512

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 24

		1	2	3	4
		Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
2404.	Services Performed .....	(1)	(624,106)		(624,107)
2405.	Intercompany Adjustments .....		0		0
2406.	Interest Expense .....	0		4,065	4,065
2407.	Miscellaneous Expense .....	150	378	6	534
2408.	Change in ULAE Reserves .....	17,021			17,021
2497.	Summary of remaining write-ins for Line 24 from overflow page	17,170	(623,727)	4,071	(602,487)

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504.	Equities and Deposits in Pools and Associations .....	2,017	2,112	.95
2505.	Miscellaneous Office Equipment .....	1,035,770	1,023,808	(11,962)
2506.	Prepaid Expenses .....	355,340	127,664	(227,676)
2597.	Summary of remaining write-ins for Line 25 from overflow page	1,393,127	1,153,584	(239,542)

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