



ANNUAL STATEMENT

For the Year Ended December 31, 2018

of the Condition and Affairs of the

COLONY SPECIALTY INSURANCE COMPANY

NAIC Group Code.....	457, 457	NAIC Company Code.....	36927	Employer's ID Number.....	34-1266871
	(Current Period) (Prior Period)				
Organized under the Laws of OH		State of Domicile or Port of Entry OH		Country of Domicile	US
Incorporated/Organized.....	December 20, 1978	Commenced Business.....	April 16, 1979		
Statutory Home Office	52 East Gay Street .. Columbus .. OH .. US .. 43215 (Street and Number) (City or Town, State, Country and Zip Code)				
Main Administrative Office	8720 Stony Point Pkwy, Suite 400 .. Richmond .. VA .. US .. 23235 (Street and Number) (City or Town, State, Country and Zip Code)			804-560-2000 (Area Code) (Telephone Number)	
Mail Address	P.O. Box 469012 .. San Antonio .. TX .. US .. 78246 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)				
Primary Location of Books and Records	8720 Stony Point Pkwy, Suite 400 .. Richmond .. VA .. US .. 23235 (Street and Number) (City or Town, State, Country and Zip Code)			804-560-2000 (Area Code) (Telephone Number)	
Internet Web Site Address	www.colonyspecialty.com				
Statutory Statement Contact	Lauren Therese Welch (Name)			800-470-7958-8479 (Area Code) (Telephone Number) (Extension)	
	taxgroup@argogroupus.com (E-Mail Address)			804-560-4820 (Fax Number)	

OFFICERS

Name	Title	Name	Title
1. Gary Eugene Grose #	President	2. Oscar Guerrero	Senior Vice President, CFO
3. Craig Stephen Comeaux	Secretary	4. Barbara Lou Sutherland	Vice President
OTHER			
Susan R Coates #	Vice President	Lynn Kelly Geurin	Vice President
Andrew John Hendrix	Vice President	David Arthur Higley #	Vice President
Craig Edward Landi	Vice President	Erwin Eduardo Caban Morciglio	Vice President & Assistant Secretary
Dale Linn Scholl II	Vice President - Tax	Mary Moczygemba Stulting	Vice President
Phillip Isaac Vedell	Senior Vice President	Mark Gerard Wade	Senior Vice President
Lauren Therese Welch	AVP, Head of US Segment Acct	Julian Candler Westbrook III	Vice President

DIRECTORS OR TRUSTEES

Craig Stephen Comeaux

Gary Eugene Grose #

Barbara Lou Sutherland

State of..... Texas

County of..... Bexar

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

(Signature)	(Signature)	(Signature)
Gary Eugene Grose	Oscar Guerrero	Craig Stephen Comeaux
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Senior Vice President, CFO	Secretary
(Title)	(Title)	(Title)
Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This 20th day of February 2019	b. If no	1. State the amendment number
		2. Date filed
		3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	43,410,862		43,410,862	40,528,832
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	7,458,074		7,458,074	10,646,753
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....372,175, Schedule E-Part 1), cash equivalents (\$....12,156,957, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	12,529,132		12,529,132	8,284,103
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	1,654
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	63,398,068	0	63,398,068	59,461,342
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	303,408		303,408	297,233
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	2,040,859	282,957	1,757,902	2,908,547
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$....86,533 earned but unbilled premiums).....	86,533	8,653	77,880	77,880
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	969,232		969,232	995,934
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	307,993		307,993	4,157,423
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	122,746	0	122,746	202
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	67,228,838	291,610	66,937,228	67,898,561
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	67,228,838	291,610	66,937,228	67,898,561

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Miscellaneous Assets.....	122,746		122,746	202
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	122,746	0	122,746	202

COLONY SPECIALTY INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....		
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).....		
4. Commissions payable, contingent commissions and other similar charges.....	29,515	33,098
5. Other expenses (excluding taxes, licenses and fees).....		
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	245,252	368,261
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	1,806,693	1,370,710
7.2 Net deferred tax liability.....	698,723	1,041,898
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....12,644,018 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....		
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	8,084,241	5,320,794
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20).....	30,197,554	34,479,193
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....784,154 certified) (Schedule F, Part 3, Column 78).....	1,009,498	1,026,227
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	809,042	517,915
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	42,880,518	44,158,096
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	42,880,518	44,158,096
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,500,000	3,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	8,002,700	8,002,700
35. Unassigned funds (surplus).....	12,554,011	12,237,765
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	24,056,711	23,740,465
38. TOTAL (Page 2, Line 28, Col. 3).....	66,937,228	67,898,561

DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	0	0
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

COLONY SPECIALTY INSURANCE COMPANY
STATEMENT OF INCOME

UNDERWRITING INCOME			1	2
			Current Year	Prior Year
1.	Premiums earned (Part 1, Line 35, Column 4).....		0	
DEDUCTIONS:				
2.	Losses incurred (Part 2, Line 35, Column 7).....			
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....			
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....		(17,157)	5,004
5.	Aggregate write-ins for underwriting deductions.....		0	0
6.	Total underwriting deductions (Lines 2 through 5).....		(17,157)	5,004
7.	Net income of protected cells.....			
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....		17,157	(5,004)
INVESTMENT INCOME				
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....		1,609,387	1,345,311
10.	Net realized capital gains (losses) less capital gains tax of \$.....116,117 (Exhibit of Capital Gains (Losses)).....		436,823	86,790
11.	Net investment gain (loss) (Lines 9 + 10).....		2,046,210	1,432,101
OTHER INCOME				
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....75,227).....		(75,227)	(69,600)
13.	Finance and service charges not included in premiums.....			
14.	Aggregate write-ins for miscellaneous income.....		(330,665)	(280,979)
15.	Total other income (Lines 12 through 14).....		(405,892)	(350,579)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....		1,657,475	1,076,518
17.	Dividends to policyholders.....			
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....		1,657,475	1,076,518
19.	Federal and foreign income taxes incurred.....		325,512	233,331
20.	Net income (Line 18 minus Line 19) (to Line 22).....		1,331,962	843,187
CAPITAL AND SURPLUS ACCOUNT				
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....		23,740,465	20,870,159
22.	Net income (from Line 20).....		1,331,962	843,187
23.	Net transfers (to) from Protected Cell accounts.....			
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$....(318,853).....		(1,199,491)	1,650,777
25.	Change in net unrealized foreign exchange capital gain (loss).....			
26.	Change in net deferred income tax.....		24,322	(89,381)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....		142,724	560,323
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		16,729	(94,599)
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.....		0	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37).....		316,246	2,870,307
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....		24,056,711	23,740,465
DETAILS OF WRITE-INS				
0501.	.....			
0502.	.....			
0503.	.....			
0598.	Summary of remaining write-ins for Line 5 from overflow page.....		0	0
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....		0	0
1401.	Intercompany interest expense.....		(330,665)	(280,979)
1402.	.....			
1403.	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page.....		0	0
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....		(330,665)	(280,979)
3701.	.....			
3702.	.....			
3703.	.....			
3798.	Summary of remaining write-ins for Line 37 from overflow page.....		0	0
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....		0	0

COLONY SPECIALTY INSURANCE COMPANY
CASH FLOW

		1	2
		Current Year	Prior Year
CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance.....	4,056,816	3,568,270
2.	Net investment income.....	1,741,918	1,513,816
3.	Miscellaneous income.....	(405,892)	(350,579)
4.	Total (Lines 1 through 3).....	5,392,842	4,731,507
5.	Benefit and loss related payments.....	(26,702)	(755,248)
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7.	Commissions, expenses paid and aggregate write-ins for deductions.....	109,436	(394,554)
8.	Dividends paid to policyholders.....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	5,647	(138,566)
10.	Total (Lines 5 through 9).....	88,381	(1,288,368)
11.	Net cash from operations (Line 4 minus Line 10).....	5,304,461	6,019,875
CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds.....	26,023,923	21,555,954
12.2	Stocks.....	2,291,728	578,983
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.....	804	(3,371)
12.7	Miscellaneous proceeds.....	1,654	1,096
12.8	Total investment proceeds (Lines 12.1 to 12.7).....	28,318,109	22,132,662
13.	Cost of investments acquired (long-term only):		
13.1	Bonds.....	29,113,919	23,556,389
13.2	Stocks.....		106,529
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).....	29,113,919	23,662,918
14.	Net increase (decrease) in contract loans and premium notes.....		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(795,810)	(1,530,256)
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).....	(263,623)	(5,368,093)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(263,623)	(5,368,093)
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).....	4,245,029	(878,474)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year.....	8,284,103	9,162,578
19.2	End of year (Line 18 plus Line 19.1).....	12,529,132	8,284,103

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

20.0001		
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COLONY SPECIALTY 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 December 31 Prior Year- per Col. 3, Last Year's Part 1	Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....	0	.....	.....0	0
2.	Allied lines.....	0	.....	.....0	0
3.	Farmowners multiple peril.....	0	.....	.....0	0
4.	Homeowners multiple peril.....	0	.....	.....0	0
5.	Commercial multiple peril.....	0	.....	.....0	0
6.	Mortgage guaranty.....	0	.....	.....0	0
8.	Ocean marine.....	0	.....	.....0	0
9.	Inland marine.....	0	.....	.....0	0
10.	Financial guaranty.....	0	.....	.....0	0
11.1	Medical professional liability - occurrence.....	0	.....	.....0	0
11.2	Medical professional liability - claims-made.....	0	.....	.....0	0
12.	Earthquake.....	0	.....	.....0	0
13.	Group accident and health.....	0	.....	.....0	0
14.	Credit accident and health (group and individual).....	0	.....	.....0	0
15.	Other accident and health.....	0	.....	.....0	0
16.	Workers' compensation.....	0	.....	.....0	0
17.1	Other liability - occurrence.....	0	.....	.....0	0
17.2	Other liability - claims-made.....	0	.....	.....0	0
17.3	Excess workers' compensation.....	0	.....	.....0	0
18.1	Products liability - occurrence.....	0	.....	.....0	0
18.2	Products liability - claims-made.....	0	.....	.....0	0
19.1, 19.2	Private passenger auto liability.....	0	.....	.....0	0
19.3, 19.4	Commercial auto liability.....	0	.....	.....0	0
21.	Auto physical damage.....	0	.....	.....0	0
22.	Aircraft (all perils).....	0	.....	.....0	0
23.	Fidelity.....	0	.....	.....0	0
24.	Surety.....	0	.....	.....0	0
26.	Burglary and theft.....	0	.....	.....0	0
27.	Boiler and machinery.....	0	.....	.....0	0
28.	Credit.....	0	.....	.....0	0
29.	International.....	0	.....	.....0	0
30.	Warranty.....	0	.....	.....0	0
31.	Reinsurance - nonproportional assumed property.....	0	.....	.....0	0
32.	Reinsurance - nonproportional assumed liability.....	0	.....	.....0	0
33.	Reinsurance - nonproportional assumed financial lines.....	0	.....	.....0	0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0
35.	TOTALS.....	0	0	0	0

DETAILS OF WRITE-INS

3401.	.....	.....0	.....	.....0	0
3402.	.....	.....0	.....	.....0	0
3403.	.....	.....0	.....	.....0	0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0

COLONY SPECIALTY INSURANCE COMPANY
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.....	.....	.....	.....	.....	.....0
2.	Allied lines.....	.....	.....	.....	.....	.....0
3.	Farmowners multiple peril.....	.....	.....	.....	.....	.....0
4.	Homeowners multiple peril.....	.....	.....	.....	.....	.....0
5.	Commercial multiple peril.....	.....	.....	.....	.....	.....0
6.	Mortgage guaranty.....	.....	.....	.....	.....	.....0
8.	Ocean marine.....	.....	.....	.....	.....	.....0
9.	Inland marine.....	.....	.....	.....	.....	.....0
10.	Financial guaranty.....	.....	.....	.....	.....	.....0
11.1	Medical professional liability - occurrence.....	.....	.....	.....	.....	.....0
11.2	Medical professional liability - claims-made.....	.....	.....	.....	.....	.....0
12.	Earthquake.....	.....	.....	.....	.....	.....0
13.	Group accident and health.....	.....	.....	.....	.....	.....0
14.	Credit accident and health (group and individual).....	.....	.....	.....	.....	.....0
15.	Other accident and health.....	.....	.....	.....	.....	.....0
16.	Workers' compensation.....	.....	.....	.....	.....	.....0
17.1	Other liability - occurrence.....	.....	.....	.....	.....	.....0
17.2	Other liability - claims-made.....	.....	.....	.....	.....	.....0
17.3	Excess workers' compensation.....	.....	.....	.....	.....	.....0
18.1	Products liability - occurrence.....	.....	.....	.....	.....	.....0
18.2	Products liability - claims-made.....	.....	.....	.....	.....	.....0
19.1, 19.2	Private passenger auto liability.....	.....	.....	.....	.....	.....0
19.3, 19.4	Commercial auto liability.....	.....	.....	.....	.....	.....0
21.	Auto physical damage.....	.....	.....	.....	.....	.....0
22.	Aircraft (all perils).....	.....	.....	.....	.....	.....0
23.	Fidelity.....	.....	.....	.....	.....	.....0
24.	Surety.....	.....	.....	.....	.....	.....0
26.	Burglary and theft.....	.....	.....	.....	.....	.....0
27.	Boiler and machinery.....	.....	.....	.....	.....	.....0
28.	Credit.....	.....	.....	.....	.....	.....0
29.	International.....	.....	.....	.....	.....	.....0
30.	Warranty.....	.....	.....	.....	.....	.....0
31.	Reinsurance - nonproportional assumed property.....	.....	.....	.....	.....	.....0
32.	Reinsurance - nonproportional assumed liability.....	.....	.....	.....	.....	.....0
33.	Reinsurance - nonproportional assumed financial lines.....	.....	.....	.....	.....	.....0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	0	0	0	0	0
36.	Accrued retrospective premiums based on experience.....					.....
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					0

DETAILS OF WRITE-INS					
3401.	.....	.....	.....	.....	.....0
3402.	.....	.....	.....	.....	.....0
3403.	.....	.....	.....	.....	.....0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0

(a) State here basis of computation used in each case: Daily Pro Rata

COLONY SPECIALTY INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
			2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1.	Fire.....	23,438			17,734	5,704	0
2.	Allied lines.....	407,881			254,374	153,507	0
3.	Farmowners multiple peril.....						0
4.	Homeowners multiple peril.....						0
5.	Commercial multiple peril.....	444,621			408,424	36,197	0
6.	Mortgage guaranty.....						0
8.	Ocean marine.....						0
9.	Inland marine.....	4,774,720			3,522,963	1,251,757	0
10.	Financial guaranty.....						0
11.1	Medical professional liability - occurrence.....						0
11.2	Medical professional liability - claims-made.....	150			(169)	319	0
12.	Earthquake.....	20		1,213,729	1,213,711	38	0
13.	Group accident and health.....						0
14.	Credit accident and health (group and individual).....						0
15.	Other accident and health.....						0
16.	Workers' compensation.....	10,359,944			10,359,944		0
17.1	Other liability - occurrence.....	9,006,082			5,165,629	3,840,453	0
17.2	Other liability - claims-made.....	1,811,539			1,282,956	528,583	0
17.3	Excess workers' compensation.....						0
18.1	Products liability - occurrence.....	2,218,632			1,015,025	1,203,607	0
18.2	Products liability - claims-made.....	129,055			92,147	36,908	0
19.1, 19.2	Private passenger auto liability.....						0
19.3, 19.4	Commercial auto liability.....	280,830			276,926	3,904	0
21.	Auto physical damage.....	152,458			149,282	3,176	0
22.	Aircraft (all perils).....						0
23.	Fidelity.....						0
24.	Surety.....						0
26.	Burglary and theft.....						0
27.	Boiler and machinery.....						0
28.	Credit.....						0
29.	International.....						0
30.	Warranty.....						0
31.	Reinsurance - nonproportional assumed property.....	XXX					0
32.	Reinsurance - nonproportional assumed liability.....	XXX					0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35.	TOTALS.....	29,609,370	0	1,213,729	23,758,946	7,064,153	0

DETAILS OF WRITE-INS

3401.	.....					0
3402.	.....					0
3403.	.....					0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0

(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 \$.0.
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.0.

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.....	77,632		77,632	.0	.0		0	0.0
2.	Allied lines.....	420,804		420,804	.0	.0		0	0.0
3.	Farmowners multiple peril.....				.0	.0		0	0.0
4.	Homeowners multiple peril.....				.0	.0		0	0.0
5.	Commercial multiple peril.....	475,143		475,143	.0	.0		0	0.0
6.	Mortgage guaranty.....				.0	.0		0	0.0
8.	Ocean marine.....				.0	.0		0	0.0
9.	Inland marine.....	7,773,523		7,773,523	.0	.0		0	0.0
10.	Financial guaranty.....				.0	.0		0	0.0
11.1	Medical professional liability - occurrence.....				.0	.0		0	0.0
11.2	Medical professional liability - claims-made.....				.0	.0		0	0.0
12.	Earthquake.....				.0	.0		0	0.0
13.	Group accident and health.....				.0	.0		0	0.0
14.	Credit accident and health (group and individual).....				.0	.0		0	0.0
15.	Other accident and health.....				.0	.0		0	0.0
16.	Workers' compensation.....	4,952,636		4,952,636	.0	.0		0	0.0
17.1	Other liability - occurrence.....	2,055,650	43,212	2,098,862	.0	.0		0	0.0
17.2	Other liability - claims-made.....	1,748,373		1,748,373	.0	.0		0	0.0
17.3	Excess workers' compensation.....				.0	.0		0	0.0
18.1	Products liability - occurrence.....	3,698		3,698	.0	.0		0	0.0
18.2	Products liability - claims-made.....				.0	.0		0	0.0
19.1, 19.2	Private passenger auto liability.....				.0	.0		0	0.0
19.3, 19.4	Commercial auto liability.....	76,424		76,424	.0	.0		0	0.0
21.	Auto physical damage.....	19,875		19,875	.0	.0		0	0.0
22.	Aircraft (all perils).....				.0	.0		0	0.0
23.	Fidelity.....				.0	.0		0	0.0
24.	Surety.....				.0	.0		0	0.0
26.	Burglary and theft.....				.0	.0		0	0.0
27.	Boiler and machinery.....				.0	.0		0	0.0
28.	Credit.....				.0	.0		0	0.0
29.	International.....				.0	.0		0	0.0
30.	Warranty.....				.0	.0		0	0.0
31.	Reinsurance - nonproportional assumed property.....	XXX			.0	.0		0	0.0
32.	Reinsurance - nonproportional assumed liability.....	XXX			.0	.0		0	0.0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			.0	.0		0	0.0
34.	Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	0	0	0.0
35.	TOTALS.....	17,603,758	43,212	17,646,970	.0	.0	.0	0	0.0
DETAILS OF WRITE-INS									
3401.	.....				.0	.0		0	0.0
3402.	.....				.0	.0		0	0.0
3403.	.....				.0	.0		0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0	.0	0	0	XXX
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0	.0	0	0	0.0

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	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded		
1.	Fire.....				0	1,097,646		1,097,646	0	
2.	Allied lines.....	7,501		7,501	0	(654,177)		(654,177)	0	
3.	Farmowners multiple peril.....				0				0	
4.	Homeowners multiple peril.....				0				0	
5.	Commercial multiple peril.....	60,050		60,050	0	581,145		581,145	0	
6.	Mortgage guaranty.....				0				0	
8.	Ocean marine.....				0				0	
9.	Inland marine.....	1,198,886		1,198,886	0	(1,310,664)		(1,310,664)	0	
10.	Financial guaranty.....				0				0	
11.1	Medical professional liability - occurrence.....				0	2,578		2,578	0	
11.2	Medical professional liability - claims-made.....				0	70,045		70,045	0	
12.	Earthquake.....				0	14		14	0	
13.	Group accident and health.....				0				(a) 0	
14.	Credit accident and health (group and individual).....				0				0	
15.	Other accident and health.....				0				(a) 0	
16.	Workers' compensation.....	5,107,466		5,107,466	0	5,468,275		5,468,275	0	
17.1	Other liability - occurrence.....	2,921,824		2,921,824	0	9,132,562	121,623	9,254,185	0	
17.2	Other liability - claims-made.....	1,405,061		1,405,061	0	4,093,916		4,093,916	0	
17.3	Excess workers' compensation.....				0				0	
18.1	Products liability - occurrence.....	188,262		188,262	0	1,566,672		1,566,672	0	
18.2	Products liability - claims-made.....				0	575,193		575,193	0	
19.1, 19.2	Private passenger auto liability.....				0				0	
19.3, 19.4	Commercial auto liability.....	40,500		40,500	0	143,000		143,000	0	
21.	Auto physical damage.....	8,000		8,000	0	21,430		21,430	0	
22.	Aircraft (all perils).....				0				0	
23.	Fidelity.....				0				0	
24.	Surety.....				0				0	
26.	Burglary and theft.....				0	(52)		(52)	0	
27.	Boiler and machinery.....				0				0	
28.	Credit.....				0				0	
29.	International.....				0				0	
30.	Warranty.....				0				0	
31.	Reinsurance - nonproportional assumed property.....	XXX			0	XXX			0	
32.	Reinsurance - nonproportional assumed liability.....	XXX			0	XXX			0	
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35.	TOTALS.....	10,937,550	0	10,937,550	0	20,787,583	121,623	20,909,207	0	0
DETAILS OF WRITE-INS										
3401.	.....				0				0	
3402.	.....				0				0	
3403.	.....				0				0	
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0	0

(a) Including \$.....0 for present value of life indemnity claims.

COLONY SPECIALTY 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.....	1,844,244			1,844,244
1.2 Reinsurance assumed.....				0
1.3 Reinsurance ceded.....	1,844,244			1,844,244
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	0	0	0	0
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		4,445,218		4,445,218
2.2 Reinsurance assumed, excluding contingent.....				0
2.3 Reinsurance ceded, excluding contingent.....		4,445,218		4,445,218
2.4 Contingent - direct.....		29,515		29,515
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....		29,515		29,515
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	0	0	0
3. Allowances to manager and agents.....				0
4. Advertising.....				0
5. Boards, bureaus and associations.....				0
6. Surveys and underwriting reports.....				0
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....				0
8.2 Payroll taxes.....				0
9. Employee relations and welfare.....				0
10. Insurance.....				0
11. Directors' fees.....				0
12. Travel and travel items.....				0
13. Rent and rent items.....				0
14. Equipment.....				0
15. Cost or depreciation of EDP equipment and software.....				0
16. Printing and stationery.....				0
17. Postage, telephone and telegraph, exchange and express.....				0
18. Legal and auditing.....				0
19. Totals (Lines 3 to 18).....	0	0	0	0
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		(17,620)		(17,620)
20.2 Insurance department licenses and fees.....				0
20.3 Gross guaranty association assessments.....				0
20.4 All other (excluding federal and foreign income and real estate).....				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	(17,620)	0	(17,620)
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	0	463	35	498
25. Total expenses incurred.....	0	(17,157)	35	(a).....(17,122)
26. Less unpaid expenses - current year.....		274,766		274,766
27. Add unpaid expenses - prior year.....		401,359		401,359
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	0	109,436	35	109,471

DETAILS OF WRITE-INS				
2401. Miscellaneous Expense.....		463	35	498
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	0	463	35	498

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....70,002	63,053
1.1 Bonds exempt from U.S. tax.....	(a).....103,771	78,250
1.2 Other bonds (unaffiliated).....	(a).....1,013,083	1,050,304
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	328,709	335,635
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).....89,405	89,405
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	(7,226)	(7,226)
10. Total gross investment income.....	1,597,744	1,609,422
11. Investment expenses.....	.....	(g).....35
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).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....35
17. Net investment income (Line 10 minus Line 16).....	.....	.....1,609,387

DETAILS OF WRITE-INS

0901. Miscellaneous expense.....	(7,226)	(7,226)
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	(7,226)	(7,226)
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....24,094 accrual of discount less \$.....162,800 amortization of premium and less \$....57,259 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	(57,630)	.....	.....(57,630)	44,035	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	(49,583)	.....	.....(49,583)	(6,080)	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	692,965	(33,755)	659,210	(1,556,159)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	944	.....	.....944	(140)	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	586,695	(33,755)	552,940	(1,518,344)	0

DETAILS OF WRITE-INS

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page...	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	0	0	0	0	0

COLONY SPECIALTY INSURANCE COMPANY
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	282,957	425,681	142,724
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	8,653	8,653	0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	291,610	434,334	142,724
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	291,610	434,334	142,724

DETAILS OF WRITE-INS

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

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices, Impact of NAIC/State Differences

The accompanying financial statements of Colony Specialty Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Department of Insurance in the State of Ohio.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. 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 accompanying financial statements contain no differences as a result of practices prescribed or permitted by Ohio that differ from NAIC SAP.

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) COLONY SPECIALTY INSURANCE COMPANY state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 1,331,962	\$ 843,187
(2) State Prescribed Practices that increase/decrease NAIC SAP					
(3) State Permitted Practices that increase/decrease NAIC SAP					
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 1,331,962	\$ 843,187
SURPLUS					
(5) COLONY SPECIALTY INSURANCE COMPANY state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 24,056,711	\$ 23,740,465
(6) State Prescribed Practices that increase/decrease NAIC SAP					
(7) State Permitted Practices that increase/decrease NAIC SAP					
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 24,056,711	\$ 23,740,465

B. Use of Estimates

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the amounts reported in these financial statements and notes. Such estimates and assumptions could change in the future, as more information becomes known, which could impact the amounts reported and disclosed herein.

C. Accounting Policies

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct and ceded business, and are based on reports received from ceding companies for reinsurance assumed.

The cost of acquiring and renewing business are expensed when incurred, including acquisition costs such as commissions. Commissions allowed by the reinsurers on business ceded are reported as income when the ceded premium is written.

Net investment income earned consists primarily of interest and dividends less investment related expenses. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed, or otherwise disposed. Realized capital losses include write-downs for impairments of securities considered to be other-than-temporary.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at cost, except short-term bonds are stated at amortized cost using the interest method under NAIC valuation standards.
- (2) Investments in bonds are stated at amortized cost using the interest method or lower of amortized cost or market under NAIC valuation standards.
- (3) Common stocks are stated at fair value.
- (4) The Company has no investments in preferred stocks.
- (5) The Company has no mortgage loans.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. All loan-backed securities that are of high investment grade are valued using the retrospective adjustment method. All other loan-backed securities are valued using the prospective adjustment method.
- (7) The Company has no investments in subsidiaries, parents or affiliates.
- (8) The Company does not own any interests in joint ventures, partnerships or limited liability companies.
- (9) The Company has not invested in derivatives.
- (10) The Company has no premium deficiency reserves at December 31, 2018. See Note 30 for additional discussion on premium deficiency reserves.

NOTES TO FINANCIAL STATEMENTS

- (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 routinely reviewed, and any adjustments are reflected in the period determined.
- (12)

The Company has a written capitalization policy for prepaid expenses and fixed assets. Fixed assets include furniture and fixtures, leasehold improvements, buildings, computer hardware, computer software (internally designed and purchased), automobiles and non-depreciable assets (artwork and land) requiring all costs greater than \$5,000 be capitalized. The predefined capitalization policy thresholds have not changed from the prior year.
- (13)

Not applicable as the Company does not write major medical insurance with prescription drug coverage.
- (14)

On December 22, 2017, the Tax Cuts and Jobs Act ("TCJA") was enacted in the United States. Among many changes resulting from TCJA, the new law (i) reduces the corporate tax rate to 21% effective January 1, 2018, (ii) eliminates the corporate alternative minimum tax for tax years beginning after December 31, 2017, (iii) allows businesses to immediately expense, for tax purposes, the cost of new investments in certain qualified depreciable assets, (iv) modifies the computation of loss reserve discounting for tax purposes, (v) modifies the recognition of income rules by requiring the recognition of income for certain items no later than the tax year in which an item is taken into account as income on an applicable financial statement and (vi) significantly modifies the United States international tax system.

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in net income in the period in which the change is enacted.

In 2017, the SEC issued Staff Accounting Bulletin ("SAB") No. 118 which permitted the recording of provisional amounts related to the impact of the U.S. Tax Cuts and Jobs Act of 2017 (the "TCJA") during a measurement period not to exceed one year from the enactment date of the TCJA. In 2017 and 2018 we recorded provisional amounts for certain enactment-date effects of the TCJA by applying guidance in SAB 118 because we had not yet completed the enactment-date accounting for these effects. Upon further analysis of the TCJA and notices and regulations issued and proposed by the United States Department of Treasury and the Internal Revenue Service, we finalized our calculations and completed our accounting for the enactment-date income tax effects of the TCJA in December 2018. Our accounting for these items is now complete. Current period adjustments related to the provisional items were immaterial.

D. Going Concern

Based upon its evaluation of relevant conditions and events, management does not have substantial doubt about the Company's ability to continue as a going concern.

Note 2 – Accounting Changes and Corrections of Errors

The accompanying financial statements do not contain any adjustments for changes in accounting principles and/or corrections of errors in the current period.

Note 3 – Business Combinations and Goodwill

A. - C. Not Applicable

Note 4 – Discontinued Operations

The Company had no operations that were discontinued.

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company has not invested in mortgage loans.

B. Debt Restructuring

The Company has not invested in restructured debt.

C. Reverse Mortgages

The Company has not invested in reverse mortgages.

D. Loan-Backed Securities

(1) Description of Sources Used to Determined Prepayment Assumptions

Prepayment assumptions for loan-backed securities are obtained by the Company's third-party accounting provider, from industry standard external data providers.

(2) The Company did not have any securities with a recognized other-than-temporary impairment loss in 2018.

(3) Not applicable

NOTES TO FINANCIAL STATEMENTS

- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$ (168,075)
	2. 12 Months or Longer	\$
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$ 9,006,010
	2. 12 Months or Longer	\$

- (5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary

The Company evaluates its investments for impairment. In accordance with policy, the determination that a security has incurred an other-than-temporary decline in fair value and the associated amount of any loss recognition requires the judgment by the Company's management and a continual review of its investments. Investments in an unrealized loss position are reviewed on a quarterly basis to determine whether a decline in fair value below the amortized cost basis is other-than-temporary. In general, the process for identifying other-than-temporary declines in fair value involves the consideration of a number of factors, including but not limited to, whether the issuer has been downgraded to below investment-grade, the length of time in which there has been a significant decline in value, the liquidity, business prospects, and overall financial condition of the issuer, the nature and performance of the collateral or other credit support backing the security, the significance of the decline in value, and whether the Company has the intent to sell the security or may be required to sell the security before its anticipated recovery. If consideration of the factors above results in a conclusion that the decline in fair value is other-than-temporary, the cost basis of the security is written down to expected recovery (which may be fair value) and the write-down is recorded as a realized loss. For loan-backed securities the aforementioned factors were evaluated and it was determined that there was no other-than-temporary impairment at December 31, 2018.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions

The Company has no dollar repurchase agreements or securities lending transactions.

- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company has no repurchase agreements.

- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

The Company has no reverse repurchase agreements.

- H. Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Taker – Overview of Sale Transactions

The Company has no repurchase agreements.

- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Provider – Overview of Sale Transactions

The Company has no reverse repurchase agreements.

- J. Real Estate

The Company has no investments in real estate.

- K. Low-Income Housing Tax Credits (LIHTC)

The Company has no investments in low-income housing tax credits.

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						Current Year				
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
	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)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)		
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending arrangements										%	%
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 – excluding FHLB capital stock										%	%
i. FHLB capital stock										%	%
j. On deposit with states	6,377,295				6,377,295	6,411,897	(34,602)		6,377,295	9.2%	9.3%
k. On deposit with other regulatory bodies										%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)										%	%
m. Pledged as collateral not captured in other categories										%	%
n. Other restricted assets										%	%
o. Total Restricted Assets	\$ 6,377,295	\$	\$	\$	\$ 6,377,295	\$ 6,411,897	\$ (34,602)	\$	\$ 6,377,295	9.2%	9.3%

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Column 5 divided by Asset Page, Column 1, Line 28
- (d) Column 9 divided by Asset Page, Column 3, Line 28

(2) Not Applicable

(3) Not Applicable

(4) Not Applicable

M. Working Capital Finance Investments

The Company has no working capital finance investments.

N. Offsetting and Netting of Assets and Liabilities

The Company has no offsetting or netting of assets and liabilities.

O. Structured Notes

The Company has no structured notes.

P. 5GI Securities

The Company has no 5GI securities.

Q. Short Sales

The Company has no short sales.

R. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
(1) Number of CUSIPs	1	
(2) Aggregate Amount of Investment Income	\$ 2,400	\$

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies.

NOTES TO FINANCIAL STATEMENTS

Note 7 – Investment Income

The Company has not excluded any investment income due and accrued from the financial statements and has no amounts non-admitted.

Note 8 – Derivative Instruments

The Company has no derivative financial instruments.

Note 9 – Income Taxes

A. Deferred Tax Assets/(Liabilities)

1. Components of Net Deferred Tax Asset/(Liability)

	2018			2017			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
a. Gross deferred tax assets	\$ 61,238	\$ 47,121	\$ 108,359	\$ 91,210	\$ 108,735	\$ 199,945	\$ (29,972)	\$ (61,614)	\$ (91,586)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 61,238	\$ 47,121	\$ 108,359	\$ 91,210	\$ 108,735	\$ 199,945	\$ (29,972)	\$ (61,614)	\$ (91,586)
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 61,238	\$ 47,121	\$ 108,359	\$ 91,210	\$ 108,735	\$ 199,945	\$ (29,972)	\$ (61,614)	(91,586)
f. Deferred tax liabilities	118,290	688,792	807,082	181,366	1,060,477	1,241,843	(63,076)	(371,685)	(434,761)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ (57,052)	\$ (641,671)	\$ (698,723)	\$ (90,156)	\$ (951,742)	\$ (1,041,898)	\$ 33,104	\$ 310,071	\$ 343,175

2. Admission Calculation Components SSAP No. 101

	2018			2017			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 61,238	\$ 47,121	\$ 108,359	\$ 91,210	\$ 108,735	\$ 199,945	\$ (29,972)	\$ (61,614)	\$ (91,586)
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)									
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date									
2. Adjusted gross deferred tax assets allowed per limitation threshold			3,608,507			3,608,507			
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities									
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 61,238	\$ 47,121	\$ 108,359	\$ 91,210	\$ 108,735	\$ 199,945	\$ (29,972)	\$ (61,614)	\$ (91,586)

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes (continued)

3. Other Admissibility Criteria

	2018	2017
a. Ratio percentage used to determine recovery period and threshold limitation amount	2,413.0%	1,401.0%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 24,056,711	\$ 23,740,467

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	
	1	2	3	4	5	6
	Ordinary	Capital	Ordinary	Capital	(Col. 1-3) Ordinary	(Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 61,238	\$ 47,121	\$ 91,210	\$ 108,735	\$ (29,972)	\$ (61,614)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	100.0%	%	100.0%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 61,238	\$ 47,121	\$ 91,210	\$ 108,735	\$ (29,972)	\$ (61,614)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	100.0%	%	100.0%	%	%

(b) Does the company’s tax planning strategies include the use of reinsurance? NO

B. Deferred Tax Liabilities Not Recognized

Not Applicable

C. Current and Deferred Income Taxes

1. Current Income Tax

	1	2	3
	2018	2017	(Col 1-2) Change
a. Federal	\$ 319,865	\$ 227,341	\$ 92,524
b. Foreign	\$ 5,647	\$ 5,990	\$ (343)
c. Subtotal	\$ 325,512	\$ 233,331	\$ 92,181
d. Federal income tax on net capital gains	\$ 116,117	\$ 46,733	\$ 69,384
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$	\$	\$
g. Federal and Foreign income taxes incurred	\$ 441,630	\$ 280,064	\$ 161,566

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes (continued)

2. Deferred Tax Assets

	1	2	3
	2018	2017	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$	\$	\$
2. Unearned premium reserve			
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted			
11. Net operating loss carry-forward			
12. Other assets - nonadmitted	61,238	91,210	(29,972)
Other (items listed individually >5%of total ordinary tax assets)			
99. Subtotal	61,238	91,210	(29,972)
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	61,238	91,210	(29,972)
e. Capital:			
1. Investments	\$	\$	\$
2. Other temporary impairment	41,180	102,511	(61,332)
3. Reverse tax free exchange	5,941	6,223	(282)
99. Subtotal	\$ 47,121	\$ 108,735	\$ (61,614)
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	47,121	108,735	(61,614)
i. Admitted deferred tax assets (2d+2h)	\$ 108,359	\$ 199,945	\$ (91,586)

3. Deferred Tax Liabilities

	1	2	3
	2018	2017	(Col 1-2) Change
a. Ordinary:			
1. Investments	\$	\$	\$
2. Accrued dividends	11,523	11,572	(49)
3. Bond discount adjustments	23,612	20,069	3,543
4. Tax / book difference on partnership interest	83,155	149,725	(66,570)
99. Subtotal	118,290	181,366	(63,076)
b. Capital:			
1. Investments	496,439	815,292	(318,853)
2. Real estate			
3. Deferred IC Gain	192,352	245,185	(52,833)
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	688,792	1,060,477	(371,685)
c. Deferred tax liabilities (3a99+3b99)	\$ 807,082	\$ 1,241,843	\$ (434,761)
4. Net Deferred Tax Assets (2i – 3c)	\$ (698,723)	\$ (1,041,898)	\$ 343,175

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes (continued)

D. Reconciliation of Federal Income Tax Rate

The significant items causing a difference between the statutory federal income tax rate and the company's effective income tax rate are as follows:

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	\$ 372,454	21.0%
Proration of tax exempt investment income		%
Tax exempt income deduction	(12,324)	(0.6)%
Dividends received deduction	(23,064)	(1.3)%
Disallowed travel and entertainment		%
Other permanent differences	97	%
Statutory valuation allowance adjustment	29,972	1.7%
Accrual adjustment – prior year	44,526	2.5%
Other	5,647	0.2%
Totals	417,308	23.5%
Federal and foreign income taxes incurred	325,512	18.4%
Realized capital gains (losses) tax	116,117	6.5%
Change in net deferred income taxes	(24,322)	(1.4)%
Total statutory income taxes	\$ 417,308	23.5%

E. Operating Loss Carryforwards and Income Taxes Available for Recoupment

1. At December 31, 2018, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
2. The following is income tax expense that is available for recoupment in the event of future net losses:

Year	Amount Ordinary	Amount Capital
2018	208,546	116,117
2017	237,399	300,992
2016	N/A	-

3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

1. The Company’s federal income tax return is consolidated with the following entities:

Argo Group US, Inc. (Parent)
AGI Properties, Inc.
Argonaut Claims Management, LLC.
Argonaut Management Services, Inc.
Alteris Inc.
Alteris Insurance Services, Inc.
Central Insurance Management, Inc.
Colony Agency Services, Inc.
Colony Management Services, Inc.
Commercial Deposit Insurance Agency, Inc.
Grocers Insurance Agency, Inc.
Insight Insurance Services, Inc.
John Satak Insurance Brokers, Inc.
Sonoma Risk Management, LLC
Trident Insurance Services, LLC
Argonaut Great Central Insurance Company
Argonaut Insurance Company
Argonaut Limited Risk Insurance Company
Argonaut Midwest Insurance Company
Argonaut-Southwest Insurance Company
ARIS Title Insurance Corporation
Colony Insurance Company
Peleus Insurance Company
Rockwood Casualty Insurance Company
Select Markets Insurance Company
Somerset Casualty Insurance Comp
2. The method of allocation between companies is subject to a written agreement. The allocation is based upon a separate calculation for each Company at the consolidated return tax rate. In the event the Company has a tax liability on separate company basis, its taxes will be paid to Argo Group US, Inc. In the event the Company has a refund of taxes on a separate company basis, the amount will be received from Argo Group US, Inc. Income tax settlements by the Company are made on the normal due dates as prescribed by the Internal Revenue Service with a settlement with Argo Group US, Inc. made within thirty days after the date of filing the consolidated federal income tax return.

NOTES TO FINANCIAL STATEMENTS

- G. Federal or Foreign Federal Income Tax Loss Contingencies
- The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.
- H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA
- Not Applicable
- I. Alternative Minimum Tax (AMT Credit)
- The Company did not report an AMT Credit.

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

- A. Nature of Relationships
- The Company is a wholly owned subsidiary of Colony Insurance Company (CIC). Effective January 2009, the Company entered into a quota share reinsurance agreement with CIC, whereby the Company cedes 100% of its premiums, losses, loss adjusting expenses, and other underwriting expenses to CIC, net of all other reinsurance.
- B. Transactions with Affiliates Greater than 1/2% of Admitted Assets
- Not Applicable
- C. Change in Terms of Intercompany Arrangements
- Not Applicable
- D. Amounts Due (to) or from Related Parties:
- | Affiliated Party | 2018
Due (to)/from | 2017
Due (to)/from |
|------------------------------------|-----------------------|-----------------------|
| Argo Re Ltd. | (73,495) | (78,118) |
| Argonaut Insurance Company | 205,770 | (1,883) |
| Argonaut Management Services, Inc. | (735,546) | (439,797) |
| Colony Insurance Company | 102,223 | 4,155,541 |
- E. Guarantees or Undertakings for Related Parties
- The Company has no undisclosed guarantees or undertakings for the benefit of any affiliate.
- F. Intercompany Management, Service and Cost-sharing Agreements
- As a result of corporate restructuring, all Colony Management Services, Inc. personnel were transferred to Argonaut Management Services, Inc. Effective January 1, 2017, the Company became a party to an intercompany general services agreement with Argonaut Management Services, Inc. The transaction was approved by the Virginia Bureau of Insurance on November 14, 2016.
- Under a general services agreement, Argonaut Management Services, Inc. provides the Company with certain accounting, administrative, underwriting and claims services. The fees incurred for such services are allocated to the Company on a basis approximating the cost of providing the services.
- Colony Insurance Company (CIC) provides claims payment services to the Company and affiliates, in which CIC serves as the paying agent for the Company's claims payments. Claims paid by CIC on behalf of the Company are reimbursed the following month.
- G. Nature of the Control Relationship
- The Company is a wholly-owned subsidiary of Colony Insurance Company (CIC), a property and casualty insurance company domiciled in the Commonwealth of Virginia. All outstanding shares of CIC are owned by Argonaut Insurance Company (AIC) domiciled in the state of Illinois. The parent of AIC is Argo Group US, Inc., a Delaware corporation. The ultimate parent company is Argo Group International Holdings, Ltd., domiciled in Bermuda.
- Additional details regarding the relationship between the Company and all related parties are included in Schedule Y of this Annual Statement.
- H. Amount Deducted for Investment in Upstream Company
- Not Applicable
- I. Detail of Investments in Subsidiaries, Controlled, or Affiliate Entities Greater than 10% of Admitted Assets
- The Company has no investment in a subsidiary, controlled, or affiliated entity that exceeds 10% of its admitted assets, either individually or in aggregate.
- J. Writedowns for Impairment of Investments in Affiliates
- Not Applicable
- K. Foreign Insurance Subsidiary Valued Using CARVM
- Not Applicable

NOTES TO FINANCIAL STATEMENTS

- L.

Downstream Holding Company Valued Using Look-Through Method

Not Applicable
- M.

All SCA Investments

Not Applicable
- N.

Investment in Insurance SCAs

Not Applicable

Note 11 – Debt

The Company has no outstanding debt.

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

The Company has no employees, and therefore, has no benefit plans. Human resource services are provided via contract as detailed in Note 10F of these notes.

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

- (1)

Outstanding Shares

The Company has 1,400 shares of \$2,500 par common stock authorized, issued, and outstanding.
- (2)

Dividend Rate of Preferred Stock

Not Applicable
- (3)

Dividend Restrictions

The maximum amount of dividends that can be paid by the state of Ohio insurance companies to shareholders without prior approval of the Ohio Department of Insurance is subject to restrictions relating to statutory surplus. Statutory surplus at December 31, 2018 was \$24,056,711. The maximum dividend payment that the Company may make without prior approval in 2019 is \$2,405,671.
- (4)

Dates and Amounts of Dividends Paid

The Company did not pay out dividends in 2018.
- (5)

Amount of Ordinary Dividends That May Be Paid

Other than the limitations described above in paragraph 3, there are no other limitations on the amount of ordinary dividends that may be paid other than the general restrictions under the insurance regulations of Ohio that no dividend (ordinary or extraordinary) may be declared or paid from any source other than unassigned funds without approval of the Commissioner of Insurance of Ohio.
- (6)

Restrictions on Unassigned Funds

There are no restrictions on the unassigned funds of the Company other than those described above in paragraph 3 and 5 and these unassigned funds are held for the benefit of the owner and policyholders.
- (7)

Mutual Surplus Advances

Not Applicable
- (8)

Company Stock Held for Special Purposes

Not Applicable
- (9)

Changes in Special Surplus Funds

Not Applicable
- (10)

Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains is \$2,363,997 less applicable deferred taxes of \$496,439, for net balance of \$1,869,558.
- (11)

Surplus Notes

Not Applicable
- (12-13)

Impact and Dates of Quasi Reorganizations

Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 14 – Liabilities, Contingencies and Assessments

- A.

Contingent Commitments

The Company has no commitments or contingent commitments to affiliates or other entities. The Company has made no guarantees on behalf of affiliates.
- B.

Assessments

At December 31, 2018, based on information available from the states in which the Company is licensed to write business, there were no material unpaid assessments. The Company did not accrue a liability for guaranty fund or other assessments.
- C.

Gain Contingencies

The Company has no gain contingencies.
- D.

Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The Company has no claims related to extra contractual obligations or bad faith losses to report for 2018.
- E.

Product Warranties

Not Applicable
- F.

Joint and Several Liabilities

Not Applicable
- G.

Other Contingencies

At December 31, 2018 and 2017, the Company had admitted assets of \$1,835,782 and \$2,986,428, respectively, in premiums receivable due from agents. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectible premiums receivable as of December 31, 2018 are not expected to exceed the non-admitted amounts totaling \$291,610, and therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

Various lawsuits against the Company have arisen in the course of the Company's business. Management of the Company believes that the resolution of these matters will not materially affect the Company's financial condition or results of operation.

The Company recognized other-than-temporary impairment losses on its unaffiliated common stock portfolio of \$33,755 and \$119,926 in 2018 and 2017, respectively.

Note 15 – Leases

- A.

Lessee Leasing Arrangements

Not Applicable
- B.

Lessor Leasing Arrangements

(1)

The Company does not hold property for lease.

(2)

The Company does not invest in leveraged leases.

Note 16 – Information About Financial Instruments with Off-Balance Sheet Risk

The Company has not invested in financial instruments with off-balance sheet risk or financial instruments with concentration of credit risk.

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

The Company has no sale, transfer or servicing of financial assets or extinguishments of liabilities.

The Company had no wash sales as defined in SSAP No. 102, Transfer and Servicing of Financial Assets and Extinguishments of liabilities, involving transactions for securities with a NAIC designation of 3 or below, or unrated.

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

- A.

Administrative Services Only (ASO) Plans

Not Applicable
- B.

Administrative Services Contract (ASC) Plans

Not Applicable
- C.

Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not Applicable

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

The Company does not have any managing general agents or third party administrators as defined by Appendix A-225 of the NAIC *Accounting Practices and Procedures Manual*.

NOTES TO FINANCIAL STATEMENTS

Note 20 – Fair Value Measurements

A. Fair Value Measurements

The Company's financial assets carried at fair value have been classified for disclosure purposes based on a three-level hierarchy shown below. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values using methodologies and models with unobservable inputs (Level 3). An asset's classification is based on the lowest level input that is significant to its measurement. The levels of the fair value hierarchy are as follows:

- Level 1 values are quoted prices (unadjusted) in active markets for identical assets that can be accessed at the reporting date. Actively traded, as defined by the Company, is a security that has traded in the past seven days.
- Level 2 values are inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 values are unobservable inputs reflecting the Company's assumptions using the best information available in the circumstances.

(1) Fair Value Measurements at December 31, 2018:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Cash Equivalent (E-2)	\$ 12,156,953	\$	\$	\$
Long Term (D-1)		303,103		
Common Stock (D-2.2)	7,458,074			
Total	\$ 19,615,027	\$ 303,103	\$	\$

(2) The company has no level 3 items.

(3) Policies when Transfers Between Levels are Recognized

The Company had no transfers between levels in 2018.

(4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

For Level 2 investments, fair value prices are obtained from third-party sources, where available. For securities where the Company is unable to obtain fair values from a pricing source, fair values are obtained from a broker or investment manager. Prices are determined using observable market information such as dealer quotes, market spreads, cash flows, yield curves, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the security's terms and conditions, among other things.

(5) Fair Value Disclosures

The Company has no derivatives.

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Not Applicable

C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds (Sch D Pt 1)	\$ 42,860,686	\$ 43,410,862	\$ 4,921,681	\$ 37,939,005	\$	\$
CS (Sch D Pt 2.2)	7,458,074	7,458,074	7,458,074			
ST (Sch E Pt 2)	12,156,957	12,156,957	12,156,957			
Cash (Sch E Pt 1)	372,174	372,174	372,174			
TOTAL	62,847,891	63,398,067	24,908,886	37,939,005		

D. Items for Which Not Practicable to Estimate Fair Values

None

E. NAV Practical Expedient Investments

None

Note 21 – Other Items

A. Unusual or Infrequent Items

Not Applicable

B. Troubled Debt Restructuring Debtors

Not Applicable

C. Other Disclosures

Not Applicable

D. Business Interruption Insurance Recoveries

Not Applicable

NOTES TO FINANCIAL STATEMENTS

- E. State Transferable and Non-Transferable Tax Credits
- Not Applicable
- F. Subprime Mortgage Related Risk Exposure
- Not Applicable
- G. Insurance-Linked Securities (ILS) Contracts
- Not Applicable

Note 22 – Events Subsequent

Subsequent events have been considered through February 22, 2019, the date of issuance of these financial statements. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

Note 23 – Reinsurance

- A. Unsecured Reinsurance Recoverables

At December 31, 2018, the Company had the following unsecured aggregate reinsurance recoverables for losses and loss adjustment expenses, paid and unpaid including IBNR, unearned premiums, and ceded payable with the following individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company's policyholders surplus (i.e., greater than \$721,701).

Federal ID #	NAIC Company Code	Name of Reinsurer	Amount
25-1620138	35505	Rockwood Cas Ins Co	15,414,335
35-2293075	11551	Endurance Reinsurance Corp of America	1,084,785

- B. Reinsurance Recoverables in Dispute

The Company has no reinsurance recoverable in dispute with any one reinsurer exceeding 5% of policyholders' surplus or any reinsurance recoverable in dispute that in the aggregate exceeds 10% of policyholders' surplus.

- C. Reinsurance Assumed and Ceded and Protected Cells

- (1) The following table summarizes ceded and assumed unearned premiums, excluding retrospective premiums and the related commission equity at December 31, 2018:

		Assumed Reinsurance		Ceded Reinsurance		Net	
		Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a.	Affiliates	\$		\$ 8,948,905	\$ 848,783	\$ (8,948,905)	\$ (848,783)
b.	All Other	763,131	248,018	3,695,112	1,161,889	(2,931,981)	(913,871)
c.	Total	\$ 763,131	\$ 248,018	\$ 12,644,017	\$ 2,010,672	\$ (11,880,886)	\$ (1,762,654)
d.	Direct Unearned Premium Reserves			\$ 11,880,886			

- (2) Certain agency agreements and ceded reinsurance contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at the end of the current year are as follows:

		Direct	Assumed	Ceded	Net
a.	Contingent commission	\$ 29,515	\$	\$ 29,515	\$
b.	Sliding scale adjustments				
c.	Other profit commission arrangements				
d.	Total	\$ 29,515	\$	\$ 29,515	\$

- (3) The Company has no protected cells.

- D. Uncollectable Reinsurance

The Company did not write off any reinsurance balances in the current year.

- E. Commutation of Ceded Reinsurance

The Company did not commute any of its ceded reinsurance agreements during the year.

- F. Retroactive Reinsurance

The Company did not have any retroactive reinsurance contracts.

- G. Reinsurance Accounted for as a Deposit

The Company did not have any reinsurance accounted for as a deposit.

- H. Run-off Agreements

The Company did not have any reinsurance contracts of this nature.

- I. Certified Reinsurer Downgraded or Status Subject to Revocation

The Company did not have any certified reinsurance downgraded or status subject to revocation.

NOTES TO FINANCIAL STATEMENTS

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

The Company did not have any reinsurance contracts of this nature.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

The Company does not have any contracts of this nature.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

As a result of the 100% quota share agreement that the Company has in place, there has been no change in incurred loss and loss adjustment expenses.

Note 26 – Intercompany Pooling Arrangements

Not Applicable

Note 27 – Structured Settlements

The Company has not purchased any structured settlements.

Note 28 – Health Care Receivables

A. and B. Not Applicable

Note 29 – Participating Policies

The Company does not write life insurance or accident and health coverages.

Note 30 – Premium Deficiency Reserves

The Company did not have any calculated premium deficiency reserves at December 31, 2018. The premium deficiency reserve is calculated at the parent level, Colony Insurance Company (CIC), due to the 100% quota share whereby all premium and losses are ceded up to CIC, after all external reinsurance.

Note 31 – High Deductibles

The Company has not recorded any reserve credit for high deductibles.

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

The Company has not discounted any of its reserve liabilities.

NOTES TO FINANCIAL STATEMENTS

Note 33 – Asbestos/Environmental Reserves

The Company has exposure to asbestos claims arising from the sale of general liability insurance written on an occurrence basis. The Company has identified the policies that had potential liability for asbestos claims. These policies had terms of up to five years (the latest of which expired in 1989). In addition, these policies covered relatively small manufacturers or distributors who sold limited use products; therefore, the asbestos related claim liabilities cannot be projected by traditional loss reserving techniques. Case reserves (and the cost of related litigation) have been established when sufficient information has been developed to indicate the involvement of a specific insurance policy. In addition, incurred but not reported reserves have been established to cover additional exposure on both known and unasserted claims. The Company does not write policies that cover environmental exposures other than policies written specifically cover those exposures. The Company's asbestos related losses (including the cost related litigation) for each of the five most recent calendar years are as follows:

CALENDAR YEAR:

Asbestos - Direct	2014	2015	2016	2017	2018
Beginning loss and LAE reserves	1,401,047	2,056,123	1,813,847	2,787,673	2,756,540
Incurred losses and LAE	1,093,877	425,331	2,880,708	393,460	582,901
Paid losses and LAE	438,801	667,607	1,906,882	424,593	1,497,838
Ending loss and LAE reserves	2,056,123	1,813,847	2,787,673	2,756,540	1,841,603
Asbestos - Assumed Reinsurance					
Beginning loss and LAE reserves	-	-	-	-	-
Incurred losses and LAE	-	-	-	-	-
Paid losses and LAE	-	-	-	-	-
Ending loss and LAE reserves	-	-	-	-	-
Asbestos - Net of Ceded Reinsurance					
Beginning loss and LAE reserves	-	-	-	-	-
Incurred losses and LAE	-	-	-	-	-
Paid losses and LAE	-	-	-	-	-
Ending loss and LAE reserves	-	-	-	-	-
Environmental - Direct					
Beginning loss and LAE reserves	-	-	-	-	-
Incurred losses and LAE	-	-	-	-	-
Paid losses and LAE	-	-	-	-	-
Ending loss and LAE reserves	-	-	-	-	-
Environmental - Assumed Reinsurance					
Beginning loss and LAE reserves	-	-	-	-	-
Incurred losses and LAE	-	-	-	-	-
Paid losses and LAE	-	-	-	-	-
Ending loss and LAE reserves	-	-	-	-	-
Environmental - Net of Ceded Reinsurance					
Beginning loss and LAE reserves	-	-	-	-	-
Incurred losses and LAE	-	-	-	-	-
Paid losses and LAE	-	-	-	-	-
Ending loss and LAE reserves	-	-	-	-	-

The Company had reserves for Bulk and IBNR losses at December 31, 2018 as follows:

	Asbestos	Environmental
Direct Basis	\$ 1,131,116	\$ -
Assumed Reinsurance Basis	\$ -	\$ -
Net of Ceded Reinsurance Basis	\$ -	\$ -

The Company had reserves for loss adjustment expenses at December 31, 2018 as follows:

	Asbestos	Environmental
Direct Basis	\$ 484,397	\$ -
Assumed Reinsurance Basis	\$ -	\$ -
Net of Ceded Reinsurance Basis	\$ -	\$ -

Note 34 – Subscriber Savings Accounts

Not Applicable

Note 35 – Multiple Peril Crop Insurance

Not Applicable

Note 36 – Financial Guaranty Insurance

A. 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 publicly traded group?

Yes [X] No []

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.

1091748

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.

12/31/2017

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).

06/13/2016

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?

Yes [] No [X]

4.12

renewals?

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?

Yes [] No [X]

4.22

renewals?

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 the answer is YES, complete and file the merger history data file with the NAIC.

Yes [] No [X]

5.2

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

1	2	3
Name of Entity	NAIC Company Code	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 [X] No []

7.2

If yes,

7.21

State the percentage of foreign control

100.0%

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, government, manager or attorney-in-fact).

1	2
Nationality	Type of Entity
Bermuda	Corporation

8.1

Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board?

Yes [] No [X]

8.2

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

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]

8.4

If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial 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?
Ernst & Young LLP 100 W. Houston St., Suite 1800, San Antonio, TX 78205

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 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 []

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 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?
Ronald Swanstrom, MAAA, FCAS Senior Vice President and Chief Reserving Actuary, Argo Group US 225 West Washington, 24th Floor, Chicago, IL 60606
- 12.1

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

Yes ☐ No ☒
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved

0
- 12.13

Total book/adjusted carrying value

\$0
- 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 ☒ 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 ☐ No ☒
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

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

Yes ☐ No ☒
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).
- 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 ☒
- 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	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	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 subordinator committee thereof?

Yes ☒ 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 ☒ 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 or is likely to conflict with the official duties of such person?

Yes ☒ 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 ☒
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11

To directors or other officers

\$0
- 20.12

To stockholders not officers

\$0
- 20.13

Trustees, supreme or grand (Fraternal only)

\$0
- 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

\$0
- 20.22

To stockholders not officers

0
- 20.23

Trustees, supreme or grand (Fraternal only)

0
- 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 reporting in the statement?

Yes ☐ No ☒
- 21.2

If yes, state the amount thereof at December 31 of the current year:
- 21.21

Rented from others

\$0
- 21.22

Borrowed from others

\$0
- 21.23

Leased from others

\$0
- 21.24

Other

\$0
- 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 ☒
- 22.2

If answer is yes:
- 22.21

Amount paid as losses or risk adjustment

\$0
- 22.22

Amount paid as expenses

\$0
- 22.23

Other amounts paid

\$0
- 23.1

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

Yes ☒ No ☐

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

23.2

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

\$102,223

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 [X]No []

24.02

If no, give full and complete information, relating thereto:

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.

\$0

24.06

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

\$0

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]

24.10

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

24.101

Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$0

24.102

Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$0

24.103

Total payable for securities lending reported on the liability page:

\$0

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 current 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

\$0

25.22

Subject to reverse repurchase agreements

\$0

25.23

Subject to dollar repurchase agreements

\$0

25.24

Subject to reverse dollar repurchase agreements

\$0

25.25

Placed under option agreements

\$0

25.26

Letter stock or securities restricted as sale – excluding FHLB Capital Stock

\$0

25.27

FHLB Capital Stock

\$0

25.28

On deposit with states

\$6,377,294

25.29

On deposit with other regulatory bodies

\$0

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$0

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$0

25.32

Other

\$0

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?
If no, attach a description with this statement.

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

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:

\$0

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
US Bank Institutional Trust & Custody	2204 Lakeshore Dr, Ste 205, Birmingham, AL 35209

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

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
Blackrock Financial Management	U

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

Fayez Sarofim & Company	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	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
107105	Blackrock Financial Management	549300LVXYIVJKE13M84	SEC	NO
106584	Fayez Sarofim & Company	6XVM462T1LQQ9Z76F075	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 [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		\$
29.2999 TOTAL		\$

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

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
		\$	

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	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 43,410,862	\$ 0	\$ (43,410,862)
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 43,410,862	\$ 0	\$ (43,410,862)

30.4 Describe the sources or methods utilized in determining the fair values:

Reuters

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 [] No [X]

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 []

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:

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:

33. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designation 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 an 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 []

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 0

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
	\$

36.1 Amount of payments for legal expenses, if any? \$ 0

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

		\$
37.1	Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?	\$ 0
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 & 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.

\$

0

1.3

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

\$

0

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.

\$

0

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

0

1.62

Total incurred claims

\$

0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$

0

1.65

Total incurred claims

\$

0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

0

1.72

Total incurred claims

\$

0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$

0

1.75

Total incurred claims

\$

0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2.1

Premium Numerator

\$

0

2.2

Premium Denominator

\$

0

2.3

Premium Ratio (2.1/2.2)

0.0%

2.4

Reserve Numerator

\$

0

2.5

Reserve Denominator

\$

0

2.6

Reserve Ratio (2.4/2.5)

0.0%

2

Prior Year

2.1

Premium Numerator

\$

0

2.2

Premium Denominator

\$

0

2.3

Premium Ratio (2.1/2.2)

0.0%

2.4

Reserve Numerator

\$

0

2.5

Reserve Denominator

\$

0

2.6

Reserve Ratio (2.4/2.5)

0.0%

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

\$

0

3.22

Non-participating policies

\$

0

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.

\$

0

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:

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?
Worker's Compensation policies issued by the Company are reinsured under a 100% quota share agreement with an affiliate, Rockwood Casualty Insurance Company, which has catastrophe reinsurance in place.

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 evaluation of the probable maximum loss was conducted using RMS catastrophe modeling software with the greatest concentration of risk coming from US Hurricane and California Earthquake.

6.3

What provision has this reporting entity made (such as 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?
To protect the Company from excessive loss due to exposures comprising the PML, the Company purchases property 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 unreinsured catastrophic loss:

16

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

7.1	Has the 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 cap, an aggregate limit or any similar provisions)?	Yes ☒ X	No ☐]
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	0	
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 ☒ X	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 31 of SSAP No. 62R, <i>Property and Casualty Reinsurance</i> , 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
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 ☐]
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 assets schedule, Page 2, state the amount of corresponding liabilities recorded for: 12.11 Unpaid losses 12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$	0
		\$	0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$	0
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 ☐]	No ☒ X
12.6	If yes, state the amount thereof at December 31 of current year: 12.61 Letters of Credit 12.62 Collateral and other funds	\$	0
		\$	0
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$	0

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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 ☒

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.

0

14.1

Is the reporting entity a cedant in a multiple cedant reinsurance contract?

Yes ☒ No ☐

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:
Reinsurance premium is allocated amongst the cedant based on underlying exposure. Reinsurance recoveries are allocated based on each cedant's percentage of ultimate net loss to the total net loss.

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 ☒

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes ☐ No ☒

If yes, disclose the following information for each of the following types of warranty coverage:

	1	2	3	4	5
	Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
16.11 Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.12 Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.13 Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.14 Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

* Disclose type of coverage:

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	\$ 0
17.12	Unfunded portion of Interrogatory 17.11	\$ 0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ 0
17.14	Case reserves portion of Interrogatory 17.11	\$ 0
17.15	Incurred but not reported portion of Interrogatory 17.11	\$ 0
17.16	Unearned premium portion of Interrogatory 17.11	\$ 0
17.17	Contingent commission portion of Interrogatory 17.11	\$ 0

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.

\$ 0

18.3

Do you act as an administrator for health savings accounts?

Yes ☐ No ☒

18.4

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

\$ 0

19.

Is the reporting entity licensed or chartered, registered, qualified, eligible, or writing business in at least 2 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 ☐

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
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
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).....	23,806,232	25,584,890	23,171,687	21,939,910	20,638,252
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	6,572,246	12,319,928	12,892,126	20,004,932	9,585,968
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	444,621	578,257	1,457,029	1,817,832	447,407
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	30,823,099	38,483,075	37,520,843	43,762,673	30,671,627
Net Premiums Written (Page 8, Part 1B, Col. 6)					
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).....					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	0				
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	0	0	0	0	0
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	17,157	(5,004)	3,937	(0)	0
14. Net investment gain (loss) (Line 11).....	2,046,210	1,432,101	979,924	1,497,265	1,239,163
15. Total other income (Line 15).....	(405,892)	(350,579)	(212,742)	(219,567)	(299,515)
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	325,512	233,331	403,357	(39,578)	182,068
18. Net income (Line 20).....	1,331,962	843,187	367,762	1,317,276	757,580
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	66,937,228	67,898,561	62,205,718	64,128,165	65,324,235
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	1,757,902	2,908,547	2,922,804	2,299,248	2,292,292
20.2 Deferred and not yet due (Line 15.2).....	77,880	77,880	77,880	86,533	86,533
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	42,880,517	44,158,096	41,335,559	43,944,756	45,335,316
22. Losses (Page 3, Line 1).....					
23. Loss adjustment expenses (Page 3, Line 3).....					
24. Unearned premiums (Page 3, Line 9).....					
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).....	24,056,711	23,740,465	20,870,159	20,183,410	19,988,919
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	5,304,461	6,019,875	81,874	2,837,819	(512,445)
Risk-Based Capital Analysis					
28. Total adjusted capital.....	24,056,711	23,740,465	20,870,159	20,183,410	19,988,919
29. Authorized control level risk-based capital.....	997,037	1,694,052	1,384,102	1,583,096	2,146,682
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	68.5	68.2	67.4	69.9	62.8
31. Stocks (Lines 2.1 & 2.2).....	11.8	17.9	16.6	17.9	31.3
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	19.8	13.9	16.0	12.2	5.9
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivables for securities (Line 9).....		0.0	0.0		
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
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
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).....	0.0				

COLONY SPECIALTY INSURANCE COMPANY
FIVE-YEAR HISTORICAL DATA
(Continued)

	1	2	3	4	5
	2018	2017	2016	2015	2014
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(1,199,492)	1,650,778	691,246	(1,182,442)	(34,657)
52. Dividends to stockholders (Line 35).....					(7,400,000)
53. Change in surplus as regards policyholders for the year (Line 38).....	316,246	2,870,308	686,750	194,490	(7,268,304)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
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).....	8,879,992	7,255,351	9,402,170	8,585,640	15,062,514
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	8,291,834	9,472,356	13,517,882	9,389,130	5,480,695
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	475,143	304,287	503,383	158,224	714,801
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	17,646,970	17,031,994	23,423,435	18,132,994	21,258,009
Net Losses Paid (Page 9, Part 2, Col. 4)					
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).....					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	0	0	0	0	0
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....					
68. Loss expenses incurred (Line 3).....					
69. Other underwriting expenses incurred (Line 4).....	(85,784,999.9)				
70. Net underwriting gain (loss) (Line 8).....	85,785,099.9				
Other Percentages					
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).....	1,943,675,155.5				
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....					
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).....	0.0				
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....					1
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).....					0.0
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....				1	1
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).....				0.0	0.0

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*?
If no, please explain:

Yes[] No[]

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 Number of Claims Reported- Direct and Assumed
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	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.....	108	108	696	696	133	133	.....	.....0	XXX.....
2. 2009.....	17,062	17,062	0	6,940	6,940	1,636	1,636	257	257	54	0	XXX.....
3. 2010.....	22,933	22,933	0	13,648	13,648	6,560	6,560	590	590	124	0	XXX.....
4. 2011.....	22,578	22,578	0	7,082	7,082	2,771	2,771	472	472	202	0	XXX.....
5. 2012.....	23,623	23,623	0	15,332	15,332	3,114	3,114	454	454	47	0	XXX.....
6. 2013.....	23,374	23,374	0	7,071	7,071	1,115	1,115	347	347	101	0	XXX.....
7. 2014.....	27,039	27,039	0	14,662	14,662	1,487	1,487	441	441	510	0	XXX.....
8. 2015.....	38,826	38,826	0	19,167	19,167	1,549	1,549	1,256	1,256	591	0	XXX.....
9. 2016.....	41,207	41,207	0	18,087	18,087	1,270	1,270	752	752	488	0	XXX.....
10. 2017.....	38,003	38,003	0	16,082	16,082	1,061	1,061	770	770	498	0	XXX.....
11. 2018.....	34,085	34,085	0	7,522	7,522	153	153	477	477	362	0	XXX.....
12. Totals.....	XXX.....	XXX.....	XXX.....	125,701	125,701	21,410	21,410	5,949	5,949	2,977	0	XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding- Direct and Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	1,017	1,017	867	867	89	89	202	202	793	793	.....	.....0	XXX.....
2. 2009.....	.....	.....	.....114	114	.....	.....	.....17	17	34	34	.....	.....0	XXX.....
3. 2010.....	.....	.....	.....199	199	.....	.....	.....52	52	95	95	.....	.....0	XXX.....
4. 2011.....	.....	.....	.....253	253	.....	.....	.....69	69	(28)	(28)	.....	.....0	XXX.....
5. 2012.....	210	210	533	533	8	8	126	126	67	67	.....	.....0	XXX.....
6. 2013.....	196	196	478	478	7	7	127	127	(12)	(12)	.....	.....0	XXX.....
7. 2014.....	160	160	379	379	37	37	100	100	84	84	.....	.....0	XXX.....
8. 2015.....	419	419	982	982	166	166	267	267	506	506	.....	.....0	XXX.....
9. 2016.....	2,229	2,229	3,654	3,654	99	99	836	836	408	408	.....	.....0	XXX.....
10. 2017.....	3,739	3,739	3,411	3,411	260	260	947	947	860	860	.....	.....0	XXX.....
11. 2018.....	2,967	2,967	10,039	10,039	92	92	2,460	2,460	1,206	1,206	.....	.....0	XXX.....
12. Totals...	10,938	10,938	20,909	20,909	757	757	5,203	5,203	4,013	4,013	0	0	XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	.....	.....	.....XXX.....	0	0
2. 2009.	8,997	8,997	0	52.7	52.7	0.0	.....	.....	.....	.....0	0
3. 2010.	21,144	21,144	0	92.2	92.2	0.0	.....	.....	.....	.....0	0
4. 2011.	10,618	10,618	0	47.0	47.0	0.0	.....	.....	.....	.....0	0
5. 2012.	19,844	19,844	0	84.0	84.0	0.0	.....	.....	.....	.....0	0
6. 2013.	9,329	9,329	0	39.9	39.9	0.0	.....	.....	.....	.....0	0
7. 2014.	17,351	17,351	0	64.2	64.2	0.0	.....	.....	.....	.....0	0
8. 2015.	24,313	24,313	0	62.6	62.6	0.0	.....	.....	.....	.....0	0
9. 2016.	27,334	27,334	0	66.3	66.3	0.0	.....	.....	.....	.....0	0
10. 2017.	27,131	27,131	0	71.4	71.4	0.0	.....	.....	.....	.....0	0
11. 2018.	24,915	24,915	0	73.1	73.1	0.0	.....	.....	.....	.....0	0
12. Totals	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	XXX.....	0	0	XXX.....	0	0

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	2	3	4	5	6	7	8	9	10	11	12
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	One Year	Two Year
1. Prior.....						1	1	1	1	1	0	0
2. 2009.....											0	0
3. 2010.....	XXX										0	0
4. 2011.....	XXX	XXX									0	0
5. 2012.....	XXX	XXX	XXX								0	0
6. 2013.....	XXX	XXX	XXX	XXX							0	0
7. 2014.....	XXX	XXX	XXX	XXX	XXX						0	0
8. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX					0	0
9. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX				0	0
10. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			0	XXX
11. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals.....											0	0

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	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
1. Prior.....	000				(2)	1	1	1	1	1	XXX	XXX
2. 2009.....											XXX	XXX
3. 2010.....	XXX										XXX	XXX
4. 2011.....	XXX	XXX									XXX	XXX
5. 2012.....	XXX	XXX	XXX								XXX	XXX
6. 2013.....	XXX	XXX	XXX	XXX							XXX	XXX
7. 2014.....	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		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.....										
2. 2009.....										
3. 2010.....	XXX									
4. 2011.....	XXX	XXX								
5. 2012.....	XXX	XXX	XXX							
6. 2013.....	XXX	XXX	XXX	XXX						
7. 2014.....	XXX	XXX	XXX	XXX	XXX					
8. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

NONE

COLONY SPECIALTY INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

		1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		Active Status (a)	2 Direct Premiums Written	3 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 (Incl. in Col. 2)
States, Etc.										
1.	Alabama.....AL	...L.....		12,745		86,840	16,602	282,057		
2.	Alaska.....AK	...L.....								
3.	Arizona.....AZ	...L.....	222,763	153,812		204,067	180,636	136,426		
4.	Arkansas.....AR	...L.....	10,504	111,980		15,753	17,633	66,881		
5.	California.....CA	...L.....	2,479,109	3,564,822		3,338,561	3,702,819	647,468		
6.	Colorado.....CO	...L.....	319,337	198,348		30,000	15,444	399,406		
7.	Connecticut.....CT	...L.....	7,827	1,872						
8.	Delaware.....DE	...L.....	400,003	319,776			78,058	132,742		
9.	District of Columbia.....DC	...L.....	124,293	87,258			12,594	118,390		
10.	Florida.....FL	...L.....	331,676	474,147		889,849	(123,556)	646,390		
11.	Georgia.....GA	...L.....	228,069	244,026		141,128	116,248	235,601		
12.	Hawaii.....HI	...L.....					(474)	6,207		
13.	Idaho.....ID	...L.....		10,926			(20,615)	300,193		
14.	Illinois.....IL	...L.....	1,331,035	1,942,199		1,495,125	1,736,739	398,249		
15.	Indiana.....IN	...L.....	35,550	82,698		168,580	16,023	190,792		
16.	Iowa.....IA	...L.....	20,350	1,919			508	508		
17.	Kansas.....KS	...L.....	7,375	100,005		223,485	211,515	18,790		
18.	Kentucky.....KY	...L.....	81,654	175,101		42,806	42,018	6,712		
19.	Louisiana.....LA	...L.....	64,374	61,842			16,079	19,367		
20.	Maine.....ME	...L.....					(509)	1,990		
21.	Maryland.....MD	...L.....	52,751	215,419		447,670	127,000	963,399		
22.	Massachusetts.....MA	...L.....	148,865	90,744			28,883	55,967		
23.	Michigan.....MI	...L.....	391,655	637,215		227,485	240,481	139,098		
24.	Minnesota.....MN	...L.....	136,221	82,970			37,525	37,525		
25.	Mississippi.....MS	...L.....	46,650	52,060			44,780	53,574		
26.	Missouri.....MO	...L.....	33,400	100,083		423,508	276,504	41,631		
27.	Montana.....MT	...L.....	851	4,562		1,010,000	98,722	4,111		
28.	Nebraska.....NE	...L.....								
29.	Nevada.....NV	...L.....	119,550	232,290			78,210	362,712		
30.	New Hampshire.....NH	...L.....	207	5,191			6,272	6,394		
31.	New Jersey.....NJ	...L.....	520,207	433,017		233,189	284,512	127,863		
32.	New Mexico.....NM	...L.....				(9,887)	(9,887)			
33.	New York.....NY	...L.....	483,949	597,655		21,973	12,644	81,972		
34.	North Carolina.....NC	...L.....	52,329	184,111		350,000	667,257	661,399		
35.	North Dakota.....ND	...L.....	36,460	23,634						
36.	Ohio.....OH	...L.....	316,800	169,645		176,584	(122,986)	501,295		
37.	Oklahoma.....OK	...L.....	236,118	233,332		458,461	450,960			
38.	Oregon.....OR	...L.....	127,125	155,852		50,326	(2,915)	100,360		
39.	Pennsylvania.....PA	...L.....	10,667,701	11,040,541		4,899,226	4,919,542	11,587,845		
40.	Rhode Island.....RI	...L.....								
41.	South Carolina.....SC	...L.....	(575)	29,951		305,286	224,144	169,754		
42.	South Dakota.....SD	...L.....	29,747	70,081		33,714	22,922	156,457		
43.	Tennessee.....TN	...L.....	65,441	31,072			(96,151)	572,476		
44.	Texas.....TX	...L.....	4,415,768	6,290,493		1,604,776	1,659,490	4,267,407		
45.	Utah.....UT	...L.....		2,963			(30,962)	175,081		
46.	Vermont.....VT	...L.....					(1,164)	4,096		
47.	Virginia.....VA	...E.....	5,944,506	5,349,194		735,251	1,476,698	7,947,022		
48.	Washington.....WA	...L.....	102,775	50,526			(2,412)	66,058		
49.	West Virginia.....WV	...L.....		319			75	185		
50.	Wisconsin.....WI	...L.....	16,950	8,399			(5,758)	33,281		
51.	Wyoming.....WY	...L.....								
52.	American Samoa.....AS	...N.....								
53.	Guam.....GU	...N.....								
54.	Puerto Rico.....PR	...N.....								
55.	US Virgin Islands.....VI	...N.....								
56.	Northern Mariana Islands.....MP	...N.....								
57.	Canada.....CAN	...N.....								
58.	Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59.	Totals.....	XXX	29,609,370	33,634,795	0	17,603,757	16,402,153	31,725,131	0	0

DETAILS OF WRITE-INS

58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

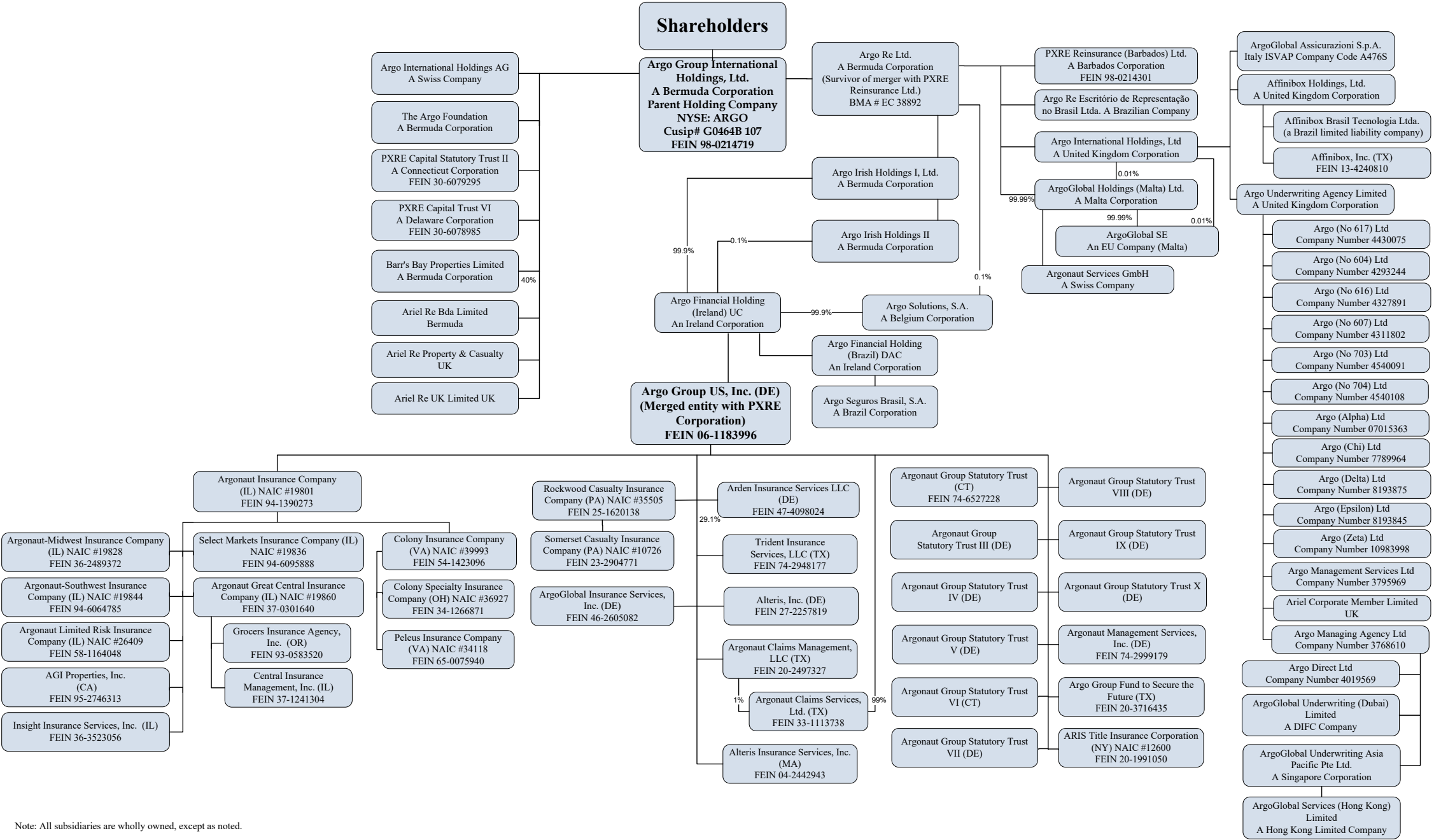
Explanation of Basis of Allocation of Premiums by States, etc.

Premiums are allocated by state based on allocation of risk

(a) Active Status Counts:			
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	50	R - Registered - Non-domiciled RRGs.....	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI).....	1	Q - Qualified - Qualified or accredited reinsurer.....	0
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile.....	0	N - None of the above - Not allowed to write business in the state.....	6

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

PART 1 – ORGANIZATIONAL CHART



Note: All subsidiaries are wholly owned, except as noted.

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