

AMENDED FILING EXPLANATION

The Company evaluated the need to record a premium deficiency reserve as of March 21, 2019. This evaluation was completed on June 25, 2019, and it was determined that the Company did not have a premium deficiency, therefore the premium deficiency reserve from prior year was taken down. The Company anticipates investment income as a factor in the premium deficiency calculation.



QUARTERLY STATEMENT

As of March 31, 2019 of the Condition and Affairs of the VERTI INSURANCE COMPANY

| | | |
|---|--|--|
| NAIC Group Code.....0411, 0411 (Current Period) (Prior Period) | NAIC Company Code..... 15736 | Employer's ID Number..... 47-2744441 |
| Organized under the Laws of OH | State of Domicile or Port of Entry OH | Country of Domicile US |
| Incorporated/Organized..... January 8, 2015 | Commenced Business..... January 8, 2015 | |
| Statutory Home Office | 3590 Twin Creeks Drive .. COLUMBUS .. OH .. US .. 43204 (Street and Number) (City or Town, State, Country and Zip Code) | |
| Main Administrative Office | 211 MAIN STREET .. WEBSTER .. MA .. US .. 01570-0758 (Street and Number) (City or Town, State, Country and Zip Code) | 508-943-9000 (Area Code) (Telephone Number) |
| Mail Address | 211 MAIN STREET .. WEBSTER .. MA .. US .. 01570-0758 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code) | |
| Primary Location of Books and Records | 211 MAIN STREET .. WEBSTER .. MA .. US .. 01570-0758 (Street and Number) (City or Town, State, Country and Zip Code) | 508-943-9000 (Area Code) (Telephone Number) |
| Internet Web Site Address | www.mapfreinsurance.com | |
| Statutory Statement Contact | CHRISTINE A CONRAD (Name) cconrad@mapfreusa.com (E-Mail Address) | 508-943-9000-14376 (Area Code) (Telephone Number) (Extension) |
| | | 508-949-4246 (Fax Number) |

OFFICERS

| Name | Title | Name | Title |
|--------------------------|----------------------|------------------------------|----------------------------------|
| 1. ALFREDO CASTELO | PRESIDENT | 2. DANIEL PATRICK OLOHAN | SECRETARY, GENERAL COUNSEL & EVP |
| 3. ROBERT EDWARD MCKENNA | TREASURER, CAO & SVP | 4. JOSE LUIS BERNAL ZUNIGA # | CEO |

OTHER

DIRECTORS OR TRUSTEES

| | | | |
|-----------------|----------------------|-------------------------|-----------------------|
| ALFREDO CASTELO | FRANCOIS JEAN FACION | PATRICK JOSEPH MCDONALD | DANIEL PATRICK OLOHAN |
|-----------------|----------------------|-------------------------|-----------------------|

State of..... MASSACHUSETTS
County of.... WORCESTER

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)

ALFREDO CASTELO

1. (Printed Name)

PRESIDENT

(Title)

(Signature)

DANIEL PATRICK OLOHAN

2. (Printed Name)

SECRETARY, GENERAL COUNSEL & EVP

(Title)

(Signature)

ROBERT EDWARD MCKENNA

3. (Printed Name)

TREASURER, CAO & SVP

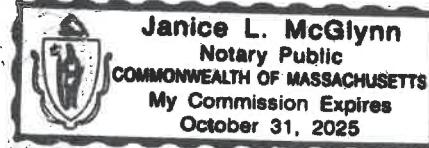
(Title)

Subscribed and sworn to before me
This 14th day of May, 2019

a. Is this an original filing?

b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

Yes No



LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Statement Date | 2 December 31 Prior Year |
|--|--------------------------------|--------------------------------|
| 1. Losses (current accident year \$.....126,000). |775,757 |577,180 |
| 2. Reinsurance payable on paid losses and loss adjustment expenses. | | |
| 3. Loss adjustment expenses..... |129,756 |83,500 |
| 4. Commissions payable, contingent commissions and other similar charges..... | | |
| 5. Other expenses (excluding taxes, licenses and fees)..... |701,507 |970,218 |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes)..... |27,402 |71,691 |
| 7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses))..... | | |
| 7.2 Net deferred tax liability..... | | |
| 8. Borrowed money \$.....0 and interest thereon \$.....0. | | |
| 9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 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)..... |884,546 |630,373 |
| 10. Advance premium..... |2,329 |2,532 |
| 11. Dividends declared and unpaid: | | |
| 11.1 Stockholders..... | | |
| 11.2 Policyholders..... | | |
| 12. Ceded reinsurance premiums payable (net of ceding commissions)..... | | |
| 13. Funds held by company under reinsurance treaties..... | | |
| 14. Amounts withheld or retained by company for account of others..... | | |
| 15. Remittances and items not allocated..... | | |
| 16. Provision for reinsurance (including \$.....0 certified)..... | | |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates..... | | |
| 18. Drafts outstanding..... | | |
| 19. Payable to parent, subsidiaries and affiliates..... |2,234,713 |1,734,248 |
| 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 |117,000 |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)..... |4,756,010 |4,186,742 |
| 27. Protected cell liabilities..... | | |
| 28. Total liabilities (Lines 26 and 27)..... |4,756,010 |4,186,742 |
| 29. Aggregate write-ins for special surplus funds..... |0 |0 |
| 30. Common capital stock..... |3,600,000 |3,600,000 |
| 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..... |42,275,000 |37,900,000 |
| 35. Unassigned funds (surplus)..... |(20,727,723) |(16,901,836) |
| 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)..... |25,147,277 |24,598,164 |
| 38. Totals (Page 2, Line 28, Col. 3)..... |29,903,287 |28,784,905 |

DETAILS OF WRITE-INS

| | | |
|--|--------|--------------|
| 2501. PREMIUM DEFICIENCY RESERVE..... | |117,000 |
| 2502. | | |
| 2503. | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... |0 |0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)..... |0 |117,000 |
| 2901. | | |
| 2902. | | |
| 2903. | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page..... |0 |0 |
| 2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)..... |0 |0 |
| 3201. | | |
| 3202. | | |
| 3203. | | |
| 3298. Summary of remaining write-ins for Line 32 from overflow page..... |0 |0 |
| 3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)..... |0 |0 |

VERTI INSURANCE COMPANY

STATEMENT OF INCOME

| | 1 Current Year to Date | 2 Prior Year to Date | 3 Prior Year Ended December 31 |
|---|------------------------------|----------------------------|--------------------------------------|
| UNDERWRITING INCOME | | | |
| 1. Premiums earned: | | | |
| 1.1 Direct..... (written \$....882,065) | 627,892 | 7,313 | 884,750 |
| 1.2 Assumed..... (written \$.....0) | ..... | ..... | ..... |
| 1.3 Ceded..... (written \$.....0) | ..... | ..... | ..... |
| 1.4 Net..... (written \$....882,065) | 627,892 | 7,313 | 884,750 |
| DEDUCTIONS: | | | |
| 2. Losses incurred (current accident year \$....364,000): | | | |
| 2.1 Direct..... | 625,270 | ..... | 956,476 |
| 2.2 Assumed..... | ..... | ..... | ..... |
| 2.3 Ceded..... | ..... | ..... | ..... |
| 2.4 Net..... | 625,270 |0 | 956,476 |
| 3. Loss adjustment expenses incurred..... | 463,716 | 367,275 | 1,309,552 |
| 4. Other underwriting expenses incurred..... | 4,707,039 | 3,034,261 | 17,844,510 |
| 5. Aggregate write-ins for underwriting deductions..... | (117,000) | 0 | 117,000 |
| 6. Total underwriting deductions (Lines 2 through 5)..... | 5,679,025 | 3,401,536 | 20,227,538 |
| 7. Net income of protected cells..... | ..... | ..... | ..... |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)..... | (5,051,132) | (3,394,223) | (19,342,788) |
| INVESTMENT INCOME | | | |
| 9. Net investment income earned..... | 108,830 | (92,990) | 305,311 |
| 10. Net realized capital gains (losses) less capital gains tax of \$.....0 | ..... | (32,370) | (101,283) |
| 11. Net investment gain (loss) (Lines 9 + 10)..... | 108,830 | (125,360) | 204,028 |
| OTHER INCOME | | | |
| 12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)..... | 0 | ..... | ..... |
| 13. Finance and service charges not included in premiums..... | 22,409 | 370 | 43,331 |
| 14. Aggregate write-ins for miscellaneous income..... | 0 | 0 | 0 |
| 15. Total other income (Lines 12 through 14)..... | 22,409 | 370 | 43,331 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)..... | (4,919,893) | (3,519,213) | (19,095,429) |
| 17. Dividends to policyholders..... | ..... | ..... | ..... |
| 18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)..... | (4,919,893) | (3,519,213) | (19,095,429) |
| 19. Federal and foreign income taxes incurred..... | (1,104,667) | 7,970 | (4,220,488) |
| 20. Net income (Line 18 minus Line 19) (to Line 22)..... | (3,815,226) | (3,527,183) | (14,874,941) |
| CAPITAL AND SURPLUS ACCOUNT | | | |
| 21. Surplus as regards policyholders, December 31 prior year..... | 24,598,164 | 22,135,804 | 22,135,804 |
| 22. Net income (from Line 20)..... | (3,815,226) | (3,527,183) | (14,874,941) |
| 23. Net transfers (to) from Protected Cell accounts..... | ..... | ..... | ..... |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0 | ..... | ..... | ..... |
| 25. Change in net unrealized foreign exchange capital gain (loss)..... | ..... | ..... | ..... |
| 26. Change in net deferred income tax..... | ..... | ..... | ..... |
| 27. Change in nonadmitted assets..... | (10,661) | 227,383 | 356,358 |
| 28. Change in provision for reinsurance..... | ..... | ..... | ..... |
| 29. Change in surplus notes..... | ..... | ..... | ..... |
| 30. Surplus (contributed to) withdrawn from protected cells..... | ..... | ..... | ..... |
| 31. Cumulative effect of changes in accounting principles..... | ..... | ..... | ..... |
| 32. Capital changes: | | | |
| 32.1 Paid in..... | ..... | ..... | ..... |
| 32.2 Transferred from surplus (Stock Dividend)..... | ..... | ..... | ..... |
| 32.3 Transferred to surplus..... | ..... | ..... | ..... |
| 33. Surplus adjustments: | | | |
| 33.1 Paid in..... | 4,375,000 | ..... | 15,500,000 |
| 33.2 Transferred to capital (Stock Dividend)..... | ..... | ..... | ..... |
| 33.3 Transferred from capital..... | ..... | ..... | ..... |
| 34. Net remittances from or (to) Home Office..... | ..... | ..... | ..... |
| 35. Dividends to stockholders..... | ..... | ..... | ..... |
| 36. Change in treasury stock..... | ..... | ..... | ..... |
| 37. Aggregate write-ins for gains and losses in surplus..... | 0 | 1,480,943 | 1,480,943 |
| 38. Change in surplus as regards policyholders (Lines 22 through 37)..... | 549,113 | (1,818,857) | 2,462,360 |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)..... | 25,147,277 | 20,316,947 | 24,598,164 |

DETAILS OF WRITE-INS

| | | | |
|--|-----------|-----------|-----------|
| 0501. PREMIUM DEFICIENCY RESERVE..... | (117,000) | ..... | 117,000 |
| 0502. ..... | ..... | ..... | ..... |
| 0503. ..... | ..... | ..... | ..... |
| 0598. Summary of remaining write-ins for Line 5 from overflow page..... | 0 | 0 | 0 |
| 0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)..... | (117,000) | 0 | 117,000 |
| 1401. ..... | ..... | ..... | ..... |
| 1402. ..... | ..... | ..... | ..... |
| 1403. ..... | ..... | ..... | ..... |
| 1498. Summary of remaining write-ins for Line 14 from overflow page..... | 0 | 0 | 0 |
| 1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)..... | 0 | 0 | 0 |
| 3701. CHANGE IN POOLING CASH SETTLEMENT..... | ..... | 1,480,943 | 1,480,943 |
| 3702. ..... | ..... | ..... | ..... |
| 3703. ..... | ..... | ..... | ..... |
| 3798. Summary of remaining write-ins for Line 37 from overflow page..... | 0 | 0 | 0 |
| 3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)..... | 0 | 1,480,943 | 1,480,943 |

VERTI INSURANCE COMPANY

CASH FLOW

| | 1 Current Year to Date | 2 Prior Year To Date | 3 Prior Year Ended December 31 |
|---|------------------------------|----------------------------|--------------------------------------|
| CASH FROM OPERATIONS | | | |
| 1. Premiums collected net of reinsurance..... | 686,601 | (5,990,505) | (4,945,213) |
| 2. Net investment income..... | 79,156 | (64,135) | 401,893 |
| 3. Miscellaneous income..... | 22,409 | 370 | 43,331 |
| 4. Total (Lines 1 through 3)..... | 788,167 | (6,054,270) | (4,499,989) |
| 5. Benefit and loss related payments..... | 426,693 | 7,415,530 | 7,794,826 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | 5,320,499 | 2,896,725 | 18,490,617 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions..... | | | |
| 8. Dividends paid to policyholders..... | | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)..... | | (393,669) | (63,038) |
| 10. Total (Lines 5 through 9)..... | 5,747,192 | 9,918,586 | 26,222,405 |
| 11. Net cash from operations (Line 4 minus Line 10)..... | (4,959,025) | (15,972,856) | (30,722,394) |
| CASH FROM INVESTMENTS | | | |
| 12. Proceeds from investments sold, matured or repaid: | | | |
| 12.1 Bonds..... | 1,000,000 | 3,000,000 | 7,922,968 |
| 12.2 Stocks..... | | | |
| 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..... | | (40,340) | (46,575) |
| 12.7 Miscellaneous proceeds..... | | | |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7)..... | 1,000,000 | 2,959,660 | 7,876,393 |
| 13. Cost of investments acquired (long-term only): | | | |
| 13.1 Bonds..... | | | |
| 13.2 Stocks..... | | | |
| 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)..... | 0 | 0 | 0 |
| 14. Net increase or (decrease) in contract loans and premium notes..... | | | |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)..... | 1,000,000 | 2,959,660 | 7,876,393 |
| 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..... | 4,375,000 | | 15,500,000 |
| 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)..... | 318,365 | 424,553 | 1,417,436 |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)..... | 4,693,365 | 424,553 | 16,917,436 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)..... | 734,340 | (12,588,643) | (5,928,565) |
| 19. Cash, cash equivalents and short-term investments: | | | |
| 19.1 Beginning of year..... | 13,326,507 | 19,255,072 | 19,255,072 |
| 19.2 End of period (Line 18 plus Line 19.1)..... | 14,060,847 | 6,666,429 | 13,326,507 |

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

| | | | |
|--------|--|--|--|
| 20.001 | | | |
|--------|--|--|--|

NOTES TO FINANCIAL STATEMENTS**Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

The accompanying financial statements of VERTI Insurance Company (the Company) (formerly Cube Insurance Company) have been prepared in conformity with the accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio. The NAIC Accounting Practices and Procedures manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

There are no differences between Ohio prescribed practices and NAIC statutory accounting practices (NAIC SAP) as noted below:

| | SSAP # | F/S Page | F/S Line # | Current Year to Date | 2018 |
|---|--------|----------|------------|----------------------|-----------------|
| NET INCOME | | | | | |
| (1) VERTI INSURANCE COMPANY Company state basis (Page 4, Line 20, Columns 1 & 2) | XXX | XXX | XXX | \$ (3,815,226) | \$ (14,874,941) |
| (2) State Prescribed Practice that are an increase/(decrease) from NAIC SAP | | | | \$ | \$ |
| (3) State Permitted Practice that are an increase/(decrease) from NAIC SAP | | | | \$ | \$ |
| (4) NAIC SAP (1 – 2 – 3 = 4) | XXX | XXX | XXX | \$ (3,815,226) | \$ (14,874,941) |
| SURPLUS | | | | | |
| (5) VERTI INSURANCE COMPANY Company state basis (Page 3, line 37, Columns 1 & 2) | XXX | XXX | XXX | \$ 25,147,277 | \$ 24,598,164 |
| (6) State Prescribed Practice that are an increase/(decrease) from NAIC SAP | | | | \$ | \$ |
| (7) State Permitted Practice that are an increase/(decrease) from NAIC SAP | | | | \$ | \$ |
| (8) NAIC SAP (5 – 6 – 7 = 8) | XXX | XXX | XXX | \$ 25,147,277 | \$ 24,598,164 |

B. Use of Estimates in the Preparation of the Financial Statement

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy**(2) Basis for Bonds and Amortization Schedule**

Bonds, excluding Loan-Backed and Structured Securities, are accounted for in accordance with SAAP No. 26. Amortized cost is calculated using the scientific interest method. Bonds containing call provisions are amortized to either the call or maturity value and date, whichever produces the lowest asset value (yield to worst). Investment grade bonds are stated at amortized cost. Non-investment grade bonds are stated at the lower of amortized cost or fair value. Bonds whose decline has been determined to be other than temporary are written down to a new cost basis and the write-down amount is accounted for as a realized loss.

(6) Basis for Loan-Backed Securities and Adjustment Methodology

The Company does not hold Loan-Backed Securities

D. Going Concern

Based on 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

No significant changes

Note 3 – Business Combinations and Goodwill

No significant changes

Note 4 – Discontinued Operations

No significant changes

Note 5 – Investments**D. Loan-Backed Securities**

None

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

None

NOTES TO FINANCIAL STATEMENTS

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

None

M. Working Capital Finance Investments

None

N. Offsetting and Netting of Assets and Liabilities

None

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

No significant changes

Note 7 – Investment Income

No significant changes

Note 8 – Derivative Instruments

No significant changes

Note 9 – Income Taxes

No significant changes

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

No significant changes

Note 11 – Debt

B. FHLB (Federal Home Loan Bank) Agreements

(1) Nature of the FHLB Agreement

Not applicable

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

A. Defined Benefit Plan

(4) Components of Net Periodic Benefit Cost

Not applicable

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

No significant changes

Note 14 – Liabilities, Contingencies and Assessments

No significant changes

Note 15 – Leases

No significant changes

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

No significant changes

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

B. Transfer and Servicing of Financial Assets

(2) Servicing Assets and Servicing Liabilities

None

(4) Securitizations, Asset-Based Financing Arrangements and Similar Transfers Accounted for as Sales

None

C. Wash Sales

(1) Description of the Objectives Regarding These Transactions

None

NOTES TO FINANCIAL STATEMENTS

(2) The details by NAIC designation 3 or below, or unrated of securities sold during the current period and reacquired within 30 days of the sale date are:
Not applicable

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

No significant changes

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

No significant changes

Note 20 – Fair Value Measurements

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

(1) Summary of Financial Assets Measured and Reported at Fair Value at 03/31/19

The Company has no assets or liabilities measured and reported at fair value.

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Not applicable

(3) Policies when Transfers Between Levels are Recognized

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of a level.

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

Financial Assets included in Level 1 of the Fair Value Hierarchy include US Treasury securities and exchange traded common stock where prices are obtained directly from active markets.

Financial Assets included in Level 2 of the Fair Value Hierarchy are securities priced by the company's custodial bank and based on observable market data.

Financial Assets included in Level 3 of the Fair Value Hierarchy are securities priced utilizing broker quotes or internal pricing determined by insurer.

(5) Derivative Fair Value

The Company does not hold Derivative assets or liabilities.

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

Not applicable

C. Fair Value for all Financial Instruments by Levels 1, 2, and 3

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, joint ventures, partnerships, and limited liability corporations). The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20A(4).

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|--------------|-----------|-----------|-----------------------|----------------------------------|
| Bonds | \$ 9,855,201 | \$ 9,996,703 | \$ 9,855,201 | \$ | \$ | \$ | \$ |

D. Not Practicable to Estimate Fair Value

None

E. NAV Practical Expedient Investments

None

Note 21 – Other Items

No significant changes

Note 22 – Events Subsequent

Subsequent events have been considered through May 13, 2019 for these statutory financial statements which are to be issued on May 15, 2019. There were no events occurring subsequent to the end of the quarter that merited recognition or disclosure in these statements.

Note 23 – Reinsurance

No significant changes

NOTES TO FINANCIAL STATEMENTS**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

F. Risk Sharing Provisions of the Affordable Care Act

Not applicable

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

A. Change in Incurred Losses and Loss Adjustment Expenses

The company experienced no Loss development for 2018. Please refer to Note 26.

Effective January 1, 2018, the pooling agreement was amended to eliminate affiliate company Verti Insurance Company. The prior year end balance utilized for unpaid loss in this computation and LAE reserves has been adjusted to the new pooling percentage for comparative purposes.

B. Information about Significant Changes in Methodologies and Assumptions

There have been no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses from December 31, 2017 to December 31, 2018.

Note 26 – Intercompany Pooling Arrangements

Not applicable

Note 27 – Structured Settlements

No significant changes

Note 28 – Health Care Receivables

No significant changes

Note 29 – Participating Policies

No significant changes

Note 30 – Premium Deficiency Reserves

The Company evaluated the need to record a premium deficiency reserve as of March 21, 2019. This evaluation was completed on June 25, 2019, and it was determined that the Company did not have a premium deficiency, therefore the premium deficiency reserve from prior year was taken down. The Company anticipates investment income as a factor in the premium deficiency calculation.

Note 31 – High Deductibles

No significant changes

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

No significant changes

Note 33 – Asbestos/Environmental Reserves

No significant changes

Note 34 – Subscriber Savings Accounts

No significant changes

Note 35 – Multiple Peril Crop Insurance

No significant changes

Note 36 – Financial Guaranty Insurance

B. Schedule of Insured Financial Obligations at the End of the Period:

Not applicable