Additional information added to notes 13-11 and 22 for clarification

2 6 7 9 4 2 0 1 9 2 0 1 0 0 1 0 5

PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2019
OF THE CONDITION AND AFFAIRS OF THE

Plans' Liability Insurance Company

NAIC Group Code 0000 (Current) 0023 (Prior) NAIC Company Code 26794 Employer's ID Number 36-3503382

Organized under the Laws of Ohio, State of Domicile or Port of Entry OH

Country of Domicile United States of America

Incorporated/Organized 05/15/1986 Commenced Business 06/17/1986

Statutory Home Office 6740 North High Street (Street and Number), Worthington, OH, US 43085 (City or Town, State, Country and Zip Code)

Main Administrative Office 80 South Main Street (Street and Number)
Hanover, NH, US 03755 (City or Town, State, Country and Zip Code), 603-640-2200 (Area Code) (Telephone Number)

Mail Address 80 South Main Street (Street and Number or P.O. Box), Hanover, NH, US 03755 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 80 South Main Street (Street and Number)
Hanover, NH, US 03755 (City or Town, State, Country and Zip Code), 603-640-2200 (Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact John Sinkus (Name), 603-640-2225 (Area Code) (Telephone Number)
jsinkus@whitemountains.com (E-mail Address), 603-643-4562 (FAX Number)

OFFICERS

President	Todd Clinton Pozefsky #	Secretary	Wesley Conger Bell #
Treasurer	David Grant Staples #		

OTHER

DIRECTORS OR TRUSTEES

Todd Clinton Pozefsky #	David Grant Staples #	Wesley Conger Bell #
Brendon Douglas Luby #	Reid Tarlton Campbell #	

State of New Hampshire
County of Grafton SS:

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

Todd Clinton Pozefsky	David Grant Staples	Wesley Conger Bell
President	Treasurer	Secretary

Subscribed and sworn to before me this
day of

a. Is this an original filing? Yes [ ] No [X]
b. If no,
1. State the amendment number 1
2. Date filed 03/02/2020
3. Number of pages attached 2

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Plans' Liability Insurance Company (the Company) are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The state of Ohio requires insurance companies domiciled in the state of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) subject to any deviations prescribed or permitted by the Ohio Insurance Department.

	SSAP #	F/S Page	F/S Line #		2019		2018
NET INCOME							
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	$	(1,449,438)	$	(4,966,013)
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					-		-
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP					-		-
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	$	(1,449,438)	$	(4,966,013)
SURPLUS							
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	$	6,035,366	$	27,481,228
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					-		-
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP					-		-
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	$	6,035,366	$	27,481,228

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

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

Direct and ceded premiums are earned over the terms of the related 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. An estimate of earned but unbilled premiums is recorded as an asset/liability and is a component of unearned premiums.

Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Net investment income earned consists of interest less investment related expenses. Interest is recognized on an accrual 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 considered to be other than temporary.

In addition, the Company uses the following accounting policies:

1. Short-term Investments are stated at amortized cost using the interest method. Non-investment grade short-term investments are stated at the lower of amortized value or fair value.

2. Investment grade bonds not backed by other loans are stated at amortized cost using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6 would be stated at the lower of amortized cost or fair value. The Company does not currently have any of these non-investment grade bonds. The Company's bond portfolio is reviewed quarterly and as a result the carrying value of a bond may be reduced to reflect changes in valuation resulting from asset impairment. The Company does not hold any mandatory convertible securities or SVO-Identified investments identified in SSAP No. 26R.

3. Common Stock is stated at fair value. The value is based on the underlying book value of Federal Home Loan Bank of Cincinnati.

4. Preferred Stocks

   Not applicable

5. Mortgage Loans

   Not applicable

6. Loan-backed Securities

   Not applicable

7. Subsidiaries, Controlled and Affiliated Companies

   Not applicable

8. Joint ventures, Partnerships and Limited Liability Companies

   Not applicable

NOTES TO FINANCIAL STATEMENTS

9. Derivatives

   Not applicable

10. Anticipated Investment Income

    Not applicable

11. Unpaid losses and loss adjustment expenses

    Not applicable

12. Capitalization Policy

    Not applicable

13. Pharmaceutical Rebate Receivables

    Not applicable

D. Going Concern

Not Applicable

2. Accounting Changes and Corrections of Errors

   None

3. Business Combinations and Goodwill

   A. Statutory Purchase Method

      None

   B. Statutory Merger

      None

   C. Impairment Loss

      None

4. Discontinued Operations

   Not Applicable

5. Investments

   A. Mortgage Loans, including Mezzanine Real Estate Loans

      None

   B. Debt Restructuring

      None

   C. Reverse Mortgages

      None

   D. Loan-Backed Securities

      None

   E. Dollar Repurchase Agreements and/or Securities Lending Transactions

      None

   F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

      None

   G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

      None

   H. Repurchase Agreements Transactions Accounted for as a Sale

      None

NOTES TO FINANCIAL STATEMENTS

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

None

J. Real Estate

None

K. Low Income Housing Tax Credits (LIHTC)

None

L. Restricted Assets

1. Restricted Assets (Including Pledged)

	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year					6	7			Percentage	
	1	2	3	4	5			8	9	10	11
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Non-admitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Non-admitted)	Admitted Restricted
a. Subject to contractual obligation for which liability is not shown											
b. Collateral held under security lending agreements											
c. Subject to repurchase agreements											
d. Subject to reverse repurchase											
e. Subject to dollar repurchase agreements											
f. Subject to dollar reverse repurchase											
g. Placed under option contracts											
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock											
i. FHLB capital stock	$ 44,100	$ -	$ -	$ -	$ 44,100	$ 128,100	$ (84,000)	$ -	$ 44,100	0.693%	0.727%
j. On deposit with states	$ 4,814,376	$ -	$ -	$ -	$ 4,814,376	$ 4,813,237	$ 1,139	$ -	$ 4,814,376	75.602%	79.397%
k. On deposit with other regulatory bodies											
l. Pledged 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	$4,858,476	$ -	$ -	$ -	$4,858,476	$ 4,941,337	$ (82,861)	$ -	$4,858,476	76.295%	80.125%

(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. Detail of Assets Pledged as Collateral Not Captured in Other Categories

None

3. Detail of Other Restricted Assets
None

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

None

M. Working Capital Finance Investments

1. Aggregate Working Capital Finance Investments (WCFI) Book/Adjusted Carrying Value by NAIC designation

None

2. Aggregate Maturity Distribution the Underlying Working Capital Finance Programs

None

3. Events of Default of Working Capital Finance Investments During the Reporting Period

None

N. Offsetting and Netting of Assets and Liabilities

None

O. 5GI Securities

None

P. Short Sales

None

Q. Prepayment Penalty and Acceleration Fees

None

NOTES TO FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Companies

   A. Detail for Those Greater than 10% of Admitted Assets

      Not Applicable

   B. Write-downs for Impairments

      Not Applicable

7. Investment Income

   A. Accrued Investment Income

      The Company does not admit investment income due and accrued if amounts are over 90 days past due.

   B. Amounts Non-admitted

      Not Applicable

8. Derivative Instruments

      Not Applicable

9. Income Taxes

   A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

      1.

	As of End of Current Period			12/31/2018			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
(a) Gross Deferred Tax Assets	4,396	-	4,396	$ 10,681,770	-	$ 10,681,770	$ (10,677,374)	-	$ (10,677,374)
(b) Statutory Valuation Allowance	-	-	-	$ 10,663,041	-	$ 10,663,041	$(10,663,041)	-	$(10,663,041)
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	4,396	-	4,396	$ 18,729	-	$ 18,729	$ (14,333)	-	$ (14,333)
(d) Deferred Tax Assets Nonadmitted	4,396	-	4,396	$ -	-	$ -	$ 4,396	-	$ 4,396
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	-	-	-	$ 18,729	-	$ 18,729	$ (18,729)	-	$ (18,729)
(f) Deferred Tax Liabilities	-	-	-	$ -	-	$ -	$ -	-	$ -
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	-	-	-	$ 18,729	-	$ 18,729	$ (18,729)	-	$ (18,729)

      2.

	As of End of Current Period			12/31/2018			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	-	-	-	-	-	-	-	-	-
(b) Adjusted Gross Deferred Tax 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.	XXX	XXX	$ 905,305	XXX	XXX	$ 4,122,184	XXX	XXX	$ (3,216,879)
(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.	-	-	-	$ 18,729	-	$ 18,729	$ (18,729)	-	$ (18,729)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	-	-	-	$ 18,729	-	$ 18,729	$ (18,729)	-	$ (18,729)

      3.

	2019	2018
a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	85523%	41964%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	$ 6,035,366	$ 27,481,228

NOTES TO FINANCIAL STATEMENTS

4.

	As of End of Current Period		12/31/2018		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col. 1 - 3) Ordinary	(6) (Col. 2 - 4) Capital
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.						
1. Adjusted Gross DTAs amount from Note 9A1(c)	4,3		$ 18,72		$ (14,333	
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.000%	0.000%	0.000%		0.000%	
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)			$ 18,72		$ (18,72	
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.000%		0.000%		0.000%	

B. Unrecognized Deferred Tax Liabilities

Not Applicable

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

	(1) As of End of Current Period	(2) 12/31/2018	(3) (Col. 1 - 2) Change
1. Current Income Tax			
(a) Federal	-	$ (275,585)	$ 275,585
(b) Foreign	-	-	-
(c) Subtotal	-	(275,585)	275,585
(d) Federal income tax on net capital gains	-	275,585	(275,585)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	-	-	-
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	$ -	$ -	$ -
(2) Unearned premium reserve	$ -	333	(333)
(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	$ 4,396	10,681,395	(10,676,999)
(12) Tax credit carry-forward	$ -	-	-
(13) Other (including items <5% of total ordinary tax assets)	$ -	42	(42)
(99) Subtotal	$ 4,396	10,681,770	(10,677,374)
(b) Statutory valuation allowance adjustment	$ -	10,663,041	(10,663,041)
(c) Nonadmitted	$ 4,396	-	4,396
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	$ -	18,729	(18,729)
(e) Capital:			
(1) Investments	$ -	-	-
(2) Net capital loss carry-forward	$ -	-	-
(3) Real estate	$ -	-	-
(4) Other (including items <5% of total ordinary tax assets)	$ -	-	-
(99) Subtotal	$ -	-	-
(f) Statutory valuation allowance adjustment	$ -	-	-
(g) Nonadmitted	$ -	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	$ -	-	-
(i) Admitted deferred tax assets (2d + 2h)	$ -	$ 18,729	$ (18,729)
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	$ -	$ -	$ -
(2) Fixed Assets	$ -	-	-
(3) Deferred and uncollected premium	$ -	-	-
(4) Policyholder reserves	$ -	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	$ -	-	-
(99) Subtotal	$ -	-	-
(b) Capital:			
(1) Investments	-	18,729	(18,729)
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	-	18,729	(18,729)
(c) Deferred tax liabilities (3a99 + 3b99)	-	18,729	(18,729)
4. Net deferred tax assets/liabilities (2i - 3c)	$ -	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

D. Among the more significant book to tax adjustments

None

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

At December 31, 2019, the Company had net operating loss carryforwards of $20,934. The Company does not have any AMT Credit or Capital Loss carryforwards.

F. Consolidated Federal Income Tax Return

A tax sharing agreement is currently being drafted to include the Company in the consolidated tax return of Guilford Holdings, Inc.

G. Federal or Foreign Federal Income Tax Loss Contingencies

Not Applicable

H. Repatriation Transition Tax (RTT)

Not Applicable

I. Alternative Minimum Tax (AMT) Credit

Not Applicable

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

A. Nature of Relationships

At December 31, 2018, outstanding stock of the Company was distributed among forty-nine corporate shareholders. At that time, the Company reinsured directors' and officers' professional liability insurance and fidelity insurance on a claims-made basis for certain Blue Cross Blue Shield Plans (Plans) and their affiliates written through BCS Insurance Company (BCSIC). The Plans purchasing liability insurance through BCSIC were required to purchase a proportionate share of the Company's common stock. The Company was under common management with BCSIC and BCSIC's parent, BCS Financial Corporation (BCSF).

On December 9, 2019, the Company became a part of the White Mountains Insurance Group, Ltd. (WMIG) when White Mountains Capital, Inc. purchased 100% of the issued and outstanding capital stock shares of the Company from BCSF. WMIG elected to treat it as a Section 338(h)(10) purchase.

WMIG intends to hold the Company for future use as a potential separate platform within WMIG and its subsidiaries for the expansion of direct U.S. insurance operations. Until such time as a detailed business plan has been finalized and such plan has been filed with, and approved by, the Ohio Department of Insurance, no new business will be written by the Company, and WMIG will continue to manage the Company consistent with its current shell status.

B. Detail of Transactions Greater than ½% of 1% of Admitted Assets

None

C. Amounts of Transactions

Not Applicable

D. Amounts Due to or from Related Parties

At December 31, 2019, the Company reported $28,290 payable to WMIG.

E. Guarantees or Contingencies for Related Parties

None

F. Management or Service Contracts and Cost Sharing Arrangements

None

G. Nature of Control Relationship

Not Applicable

H. Amount Deducted for Investment in Upstream Company

Not Applicable

I. Detail of Investments in SCA Entities That Exceed 10% of Admitted Assets

Not Applicable

J. Write-downs for Impaired SCA Entities

Not Applicable

NOTES TO FINANCIAL STATEMENTS

K. Foreign Insurance Subsidiary

Not Applicable

L. Investment in Downstream Noninsurance Holding Company

Not Applicable

M. All SCA Investments

Not Applicable

N. Investment in Insurance SCAs with statutory departure

Not Applicable

O. SCA and SSAP No. 48 Entity Loss Tracking

Not Applicable

11. Debt

A. Debt

Not Applicable

B. Federal Home Loan Bank (FHLB) Agreements

1. The Company is a member of Federal Home Loan Bank (FHLB) of Cincinnati. Through its membership, the Company can conduct business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds for general operations.

2. FHLB Capital Stock

a. Aggregate Totals

	1 Total 2+3	2 General Account	3 Protected Cell Accounts
1. Current Year			
(a) Membership Stock - Class A	$ -	$ -	$ -
(b) Membership Stock - Class B	44,041	44,041	-
(c) Activity Stock	59	59	-
(d) Excess Stock	-	-	-
(e) Aggregate Total (a+b+c+d)	44,100	44,100	-
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	-	XXX	XXX
2. Prior Year-end			
(a) Membership Stock - Class A	$ -	$ -	$ -
(b) Membership Stock - Class B	128,099	128,099	-
(c) Activity Stock	1	1	-
(d) Excess Stock	-	-	-
(e) Aggregate Total (a+b+c+d)	128,100	128,100	-
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	-	XXX	XXX

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)
11B(2)a2(f) should be equal to or greater than 11B(4)a2(c

b. Membership Stock (Class A and B) Eligible for Redemption

	1	2	Eligible for Redemption			
			3	4	5	6
	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
Membership Stock						
1. Class A	$ -	$ -	$ -	$ -	$ -	$ -
2. Class B	$ 44,041	$ 44,041	$ -	$ -	$ -	$ -

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column
11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1)

3. Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

None

NOTES TO FINANCIAL STATEMENTS

b. Maximum Amount of Collateral Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Protected Cell Account Maximum Collateral Pledged (Lines 2+3)	$ -	$ -	$ -
2. Current Year General Account Maximum Collateral Pledged		$ -	$ -
3. Current Year Protected Cell Account Maximum Collateral	$ -	$ -	$ -
4. Prior Year-end Total General and Protected Cell Account Maximum Collateral Pledged	$ 4,262,817	$ 4,296,716	$ 3,800,000

4. Borrowing from FHLB

None

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

A. Defined Benefit Plan

None

B. Investment Policies & Strategies

None

C. Fair Value of Each Class of Plan Assets

None

D. Basis Used to Determine the Overall Expected Long-Term Rate-of-Return-on-Assets

None

E. Defined Contribution Plans

None

F. Multiemployer Plans

None

G. Consolidated/Holding Company Plans

None

H. Postemployment Benefits and Compensated Absences

None

I. Impact of Medicare Modernization Act on Postretirement Benefits

Not Applicable

13. Capital and Surplus, Shareholders' Dividend Restrictions, and Quasi-Reorganizations

1. Issued and Outstanding Shares

The Company has 1,000 shares of $6,000 par value common stock authorized and 490.4 shares issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

2. Dividend Rate of Preferred Stock

Not Applicable

3. , 4, & 5. Dividend Restrictions

All dividends require notification to the Director of the Ohio Department of Insurance. The amount of dividends that can be paid by insurance companies domiciled in Ohio without prior approval of the Director of the Ohio Department of Insurance is subject to restriction and cannot exceed the greater of ten percent of the prior year end surplus or the prior year's net income. The Company did not declare or pay dividends during 2019.

6. Restrictions on Unassigned Funds

None

7. Mutual Surplus Advances

None

NOTES TO FINANCIAL STATEMENTS

8. Company Stock Held for Special Purposes

   None

9. Changes in Special Surplus Funds

   None

10. Cumulative Unrealized Gains (Losses)

    The portion of unassigned funds (surplus) represented by cumulative unrealized gains and losses is $0 at December 31, 2019.

11. Surplus Notes

    A surplus note was issued as of December 31, 2017 to BCS Insurance Company for the principal sum of $22,000,000 borrowed and approved by the Insurance Director of Ohio (Director) for the purpose of providing additional surplus funds in cash. Interest was to be paid semi-annually in arrears on June 15 and December 15 in each year commencing June 15, 2018 at an annual rate of 6.50%. No payments of principal or interest on this note were to be repaid without the prior approval of the Director. The surplus note was settled in cash in the first quarter of 2018. If the Director were to have approved it, there would have been $1,235,361 of accrued interest on this note as of December 31, 2018.

    On February 28, 2019 the Company repaid $20,000,000 principal as well as interest of $1,469,722 after receiving approval from the Director. On July 15, 2019, the Company received approval from the Director to repay the remaining $2,000,000 principal with a capital contribution from its parent at the time (BCSF), as well as interest of $49,472.

12.& 13. Quasi Reorganizations

   None

14. Liabilities, Contingencies and Assessments

    A. Contingent Commitments

       None

    B. Assessments

       None

    C. Gain Contingencies

       None

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

       None

    E. Product Warranties

       None

    F. Joint and Several Liabilities

       None

    G. All Other Contingencies

       None

15. Leases

    None

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

    None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

    A. Transfer of Receivables Reported as Sales

       Not Applicable

    B. Transfer and Servicing of Financial Assets

       Not Applicable

    C. Wash Sales

       Not Applicable

NOTES TO FINANCIAL STATEMENTS

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

    A. Administrative Services Only (ASO) Plans

       Not Applicable

    B. Administrative Services Contract (ASC) Plans

       Not Applicable

    C. Medicare or Similarly Structured Cost Based Reimbursement Contracts

       Not Applicable

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

    None

20. Fair Value Measurements

    SSAP 100, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described as follows:

    Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

    Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

    Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

    The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Company believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

    A. Inputs used for assets measured and reported at Fair Value

       1. Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Common Stock					
Federal Home Loan Bank	$	$ 44,1	$	$	$ 44,1
Total assets at fair value/NAV	$	$ 44,1	$	$	$ 44,1

       2. Fair Value Measurements in Level 3 of the Fair Value Hierarchy

          None

       3. Policy for Determining Transfers Between Levels

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

       4. Inputs and valuation techniques used for level 2 and level 3

          Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations as quoted markets prices for similar instruments in an active market were utilized.

          The Company has no assets or liabilities measured at fair value in the Level 3 category.

       5. Derivative Fair Values

          Not applicable

    B. Other Fair Value Disclosures

       Not applicable

    C. Fair Value for all financial instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	$ 4,814,880	$ 4,814,376	$ 4,814,880	$ -	$ -	$ -	$ -
Stocks	$ 44,100	$ 44,100	$ -	$ 44,100	$ -	$ -	$ -

NOTES TO FINANCIAL STATEMENTS

D. Financial instruments for which not practicable to Estimate Fair Value

Not applicable

E. Instruments Measured at Net Asset Value (NAV)

Not applicable

21. Other Items

A. Unusual or Infrequent Items

None

B. Troubled Debt Restructuring for Debtors

None

C. Other Disclosures

None

D. Business Interruption Insurance Recoveries

None

E. State Transferable and Non-transferrable Tax Credits

None

F. Subprime-Mortgage-Related Risk Exposure

Not Applicable

G. Insurance-Linked Securities (ILS) Contracts

None

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through February 25, 2020 for the statutory statement issued on February 28, 2020.

In February 2020, after receiving approval from the Ohio Department of Insurance, the Company accepted a capital contribution of $2,000,000 from its immediate parent, White Mountains Capital, Inc., in order to increase its capital and surplus to maintain the minimum requirements of all the jurisdictions that the Company is licensed in. This capital contribution, which is in addition to the $2,000,000 contribution received in July 2019 for the repayment of surplus notes (See Note 13), will be recognized in the Company's quarterly statement to be filed as of March 30, 2020.

Type II – Non-recognized Subsequent Events:

Subsequent events have been considered through February 25, 2020 for the statutory statement issued on February 28, 2020.

A. Did the reporting entity write accident or health insurance premium that is subject to Section 9010 of the federal Affordable Care Act?

No

B. -H. Not Applicable

23. Reinsurance

A. Unsecured Reinsurance Recoverable

None

B. Reinsurance Recoverable in Dispute

None

C. Reinsurance Assumed and Ceded

1. Maximum return commission

None

2. Additional or return commission

None

NOTES TO FINANCIAL STATEMENTS

3. Risks attributed to protected cells

   None

D. Uncollectible Reinsurance

   None

E. Commutation of Ceded Reinsurance

   None

F. Retroactive Reinsurance

   None

G. Reinsurance Accounted for as a Deposit

   Not Applicable

H. Disclosure for the Transfer of Property and Casualty Run-off Agreements

   Not Applicable

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

   Not Applicable

J. Reinsurance Agreements Qualifying for Reinsurance Aggregation

   Not Applicable

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Methods Used to Estimate

   Not Applicable

B. Method Used to Record

   Not Applicable

C. Amount and Percent of Net Retrospective Premiums

   None

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

   None

E. Calculation of Non-admitted Accrued Retrospective Premium

   None

F. Risk-Sharing Provisions of the Affordable Care Act (ACA)

1. Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?

   No

2. Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

   Not Applicable

3. Roll-Forward of Prior Year ACA Risk-Sharing Provisions

   Not Applicable

4. Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

   Not Applicable

5. ACA Risk Corridors Receivable as of Reporting Date

   Not Applicable

NOTES TO FINANCIAL STATEMENTS

25. Changes in Incurred Losses and Loss Adjustment Expenses

Due to the July 1, 2018 Reinsurance Assumption and Novation Agreement between the Company, BCSIC and BCS Re, all of the Company's loss and LAE liabilities were novated and transferred to BCS Re. This was reflected as a reversal of incurred losses of $58,562,115. That amount was partially reduced by loss and LAE development related to prior years of $7,353,745 that occurred in the first half of 2018.

26. Intercompany Pooling Arrangements

Not Applicable

27. Structured Settlements

A. Reserves Released Due to Purchase of Annuities

Not Applicable

B. Annuity Insurers with Balances Due

Not Applicable

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

None

B. Risk Sharing Receivables

None

29. Participating Policies

Not Applicable

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	$	-
2. Date of the most recent evaluation of this liability	02/28/2020	
3. Was anticipated investment income utilized in the calculation?	Yes [ ] No [X]	

31. High Deductibles

Not Applicable

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

A. Tabular Basis

Not Applicable

B. Non-Tabular Basis

Not Applicable

C. Changes in Discount Assumptions

Not Applicable

33. Asbestos/ Environmental Reserves

Not Applicable

34. Subscriber Savings Accounts

Not Applicable

35. Multiple Peril Crop Insurance

Not Applicable

36. Financial Guaranty Insurance

Not Applicable