



ANNUAL STATEMENT
For the Year Ended December 31, 2019
OF THE CONDITION AND AFFAIRS OF THE
BCS Insurance Company

NAIC Group Code	00023	00023	NAIC Company Code	38245	Employer's ID Number	36-6033921
	(Current Period)	(Prior Period)				
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	Ohio		
Country of Domicile	United States					
Incorporated/Organized	12/05/1950		Commenced Business	11/30/1952		
Statutory Home Office	6740 North High Street		Worthington, OH, US 43085			
	(Street and Number)		(City or Town, State, Country and Zip Code)			
Main Administrative Office	2 Mid America Plaza, Suite 200		Oakbrook Terrace, IL, US 60181	630-472-7700		
	(Street and Number)		(City or Town, State, Country and Zip Code)	(Area Code) (Telephone Number)		
Mail Address	2 Mid America Plaza, Suite 200		Oakbrook Terrace, IL, US 60181			
	(Street and Number or P.O. Box)		(City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	2 Mid America Plaza, Suite 200		Oakbrook Terrace, IL, US 60181	630-472-7700		
	(Street and Number)		(City or Town, State, Country and Zip Code)	(Area Code) (Telephone Number)		
Internet Web Site Address	www.bcsins.com					
Statutory Statement Contact	David J. Burke		630-472-7815			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	DBurke@bcsf.com		630-472-7837			
	(E-Mail Address)		(Fax Number)			

OFFICERS

Name	Title	Name	Title
Peter Lorin Costello #	Chairman, President & Chief Executive Officer	Terry Michael Hackett	General Counsel & Secretary
Susan Ann Pickar	Chief Financial Officer & Treasurer		

OTHER OFFICERS

David John Jacobs	Chief Actuary		
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DIRECTORS OR TRUSTEES

Peter Lorin Costello	Terry Michael Hackett	David John Jacobs	Susan Chylla Lindquist #
Susan Ann Pickar			

State of Illinois

SS

County of DuPage

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.

Peter Lorin Costello	Terry Michael Hackett	Susan Ann Pickar
Chairman, President & Chief Executive Officer	General Counsel & Secretary	Chief Financial Officer & Treasurer

Subscribed and sworn to before me
this 25th day of February, 2020

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

Maria T. Arrez, Notary Public
10/03/2021



ANNUAL STATEMENT FOR THE YEAR 2019 OF THE BCS Insurance Company

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).....	222,668,696		222,668,696	225,365,397
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	.0		.0	.0
2.2 Common stocks	13,548,549		13,548,549	13,081,896
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			.0	.0
3.2 Other than first liens .....			.0	.0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			.0	.0
4.2 Properties held for the production of income (less \$ encumbrances) .....			.0	.0
4.3 Properties held for sale (less \$ encumbrances) .....			.0	.0
5. Cash (\$ (8,668,602) , Schedule E-Part 1), cash equivalents (\$9,183,558 , Schedule E-Part 2) and short-term investments (\$750,684 , Schedule DA).....	1,265,640		1,265,640	1,374,010
6. Contract loans (including \$ premium notes).....			.0	.0
7. Derivatives (Schedule DB).....	.0		.0	.0
8. Other invested assets (Schedule BA)	11,378,444		11,378,444	27,392,524
9. Receivables for securities .....			.0	.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	.0
11. Aggregate write-ins for invested assets .....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11)	248,861,329	.0	248,861,329	267,213,828
13. Title plants less \$ charged off (for Title insurers only).....			.0	.0
14. Investment income due and accrued	1,676,784		1,676,784	1,786,666
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	.54,721,767	4,010,142	.50,711,625	.38,071,635
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....	130,000		130,000	.566,667
15.3 Accrued retrospective premiums (\$3,211,593) and contracts subject to redetermination (\$)	3,211,593		3,211,593	7,833,485
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	9,546,514		9,546,514	.15,308,937
16.2 Funds held by or deposited with reinsured companies	75,000		75,000	.37,500
16.3 Other amounts receivable under reinsurance contracts .....			.0	.0
17. Amounts receivable relating to uninsured plans .....			.0	.0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			.0	.0
18.2 Net deferred tax asset.....	1,175,964		1,175,964	.1,630,769
19. Guaranty funds receivable or on deposit	1,204,077		1,204,077	.1,282,565
20. Electronic data processing equipment and software.....			.0	.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	.0
23. Receivables from parent, subsidiaries and affiliates .....	.843,367	.838,237	.5,130	.31,134
24. Health care (\$) and other amounts receivable.....			.0	.0
25. Aggregate write-ins for other-than-invested assets .....	.6,239,910	.0	.6,239,910	.2,886,665
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	.327,686,305	.4,848,379	.322,837,926	.336,649,851
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	.0
28. Total (Lines 26 and 27)	327,686,305	4,848,379	322,837,926	336,649,851
DETAILS OF WRITE-INS				
1101. ....			.0	.0
1102. ....			.0	.0
1103. ....			.0	.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. Unapplied Claim Payments.....	5,940,954		5,940,954	.2,500,505
2502. State Income Tax & Premium Tax Recoverable.....	176,170		176,170	.209,911
2503. Miscellaneous Accounts Receivable.....	122,786		122,786	.176,249
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)	6,239,910	0	6,239,910	2,886,665

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE BCS Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	23,304,687	19,082,874
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	3,450,303	3,838,828
4. Commissions payable, contingent commissions and other similar charges	782,648	626,167
5. Other expenses (excluding taxes, licenses and fees)	3,016,224	1,300,997
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,869,255	1,713,841
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	2,312,998	2,118,229
7.2 Net deferred tax liability		0
8. Borrowed money \$8,000,000 and interest thereon \$16,035	8,016,035	30,063,500
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$56,166,854 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	5,144,699	9,910,022
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	64,270,082	55,642,956
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	51,021,811	58,383,896
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated	1,187,875	3,178,763
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 3, Column 78)	3,537,000	480,000
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	4,388,295	6,847,818
20. Derivatives	0	0
21. Payable for securities		0
22. Payable for securities lending		0
23. Liability for amounts held under uninsured plans		0
24. Capital notes \$ and interest thereon \$		0
25. Aggregate write-ins for liabilities	1,818,421	1,547,142
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	175,120,333	194,735,033
27. Protected cell liabilities		0
28. Total liabilities (Lines 26 and 27)	175,120,333	194,735,033
29. Aggregate write-ins for special surplus funds	134,792	0
30. Common capital stock	3,000,000	3,000,000
31. Preferred capital stock		0
32. Aggregate write-ins for other-than-special surplus funds	0	0
33. Surplus notes		0
34. Gross paid in and contributed surplus	36,484,581	36,484,581
35. Unassigned funds (surplus)	108,098,220	102,430,237
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		0
36.2 shares preferred (value included in Line 31 \$)		0
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	147,717,593	141,914,818
38. Totals (Page 2, Line 28, Col. 3)	322,837,926	336,649,851
DETAILS OF WRITE-INS		
2501. Allowance for Doubtful Accounts.....	1,653,619	1,363,000
2502. Retroactive Reinsurance Reserve Assumed.....	144,278	183,279
2503. Escheat Liabilities.....	20,524	863
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)	1,818,421	1,547,142
2901. Special Surplus for ACA Taxes.....	134,792	0
2902.		0
2903.		0
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)	134,792	0
3201.		0
3202.		0
3203.		0
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

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	97,321,727	96,360,225
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	53,367,750	53,756,990
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	2,619,559	2,228,009
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	33,305,390	33,227,089
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	89,292,699	89,212,088
7. Net income of protected cells		0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	8,029,028	7,148,137
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	9,626,234	6,190,228
10. Net realized capital gains (losses) less capital gains tax of \$58,904 (Exhibit of Capital Gains (Losses)).....	441,449	627,310
11. Net investment gain (loss) (Lines 9 + 10)	10,067,683	6,817,538
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		0
13. Finance and service charges not included in premiums		0
14. Aggregate write-ins for miscellaneous income	(1,135,883)	(12,765)
15. Total other income (Lines 12 through 14)	(1,135,883)	(12,765)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	16,960,828	13,952,910
17. Dividends to policyholders		0
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)	16,960,828	13,952,910
19. Federal and foreign income taxes incurred	3,456,216	2,700,089
20. Net income (Line 18 minus Line 19) (to Line 22)	13,504,612	11,252,821
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	141,914,818	146,972,414
22. Net income (from Line 20)	13,504,612	11,252,821
23. Net transfers (to) from Protected Cell accounts		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$720,693	2,711,180	(2,040,005)
25. Change in net unrealized foreign exchange capital gain (loss)		0
26. Change in net deferred income tax	(1,276,450)	785,664
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	7,920,433	(4,691,075)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(3,057,000)	4,135,000
29. Change in surplus notes		0
30. Surplus (contributed to) withdrawn from protected cells		0
31. Cumulative effect of changes in accounting principles		0
32. Capital changes:		
32.1 Paid in		0
32.2 Transferred from surplus (Stock Dividend)		0
32.3 Transferred to surplus		0
33. Surplus adjustments:		
33.1 Paid in		0
33.2 Transferred to capital (Stock Dividend)		0
33.3 Transferred from capital		0
34. Net remittances from or (to) Home Office		0
35. Dividends to stockholders	(14,000,000)	(14,500,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
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)	5,802,775	(5,057,595)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	147,717,594	141,914,818
DETAILS OF WRITE-INS		
0501.		0
0502.		0
0503.		0
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. Miscellaneous Income.....	276,857	254,707
1402. Funds Held Interest Expense.....	(1,412,740)	(267,472)
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)	(1,135,883)	(12,765)
3701.		0
3702.		0
3703.		0
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

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	94,982,431	97,523,992
2. Net investment income	10,259,951	6,989,917
3. Miscellaneous income	(1,173,383)	(50,265)
4. Total (Lines 1 through 3)	104,068,999	104,463,644
5. Benefit and loss related payments	43,383,514	62,797,556
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	33,178,001	35,194,410
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	3,320,351	3,052,489
10. Total (Lines 5 through 9)	79,881,866	101,044,455
11. Net cash from operations (Line 4 minus Line 10)	24,187,133	3,419,189
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	47,548,912	47,174,568
12.2 Stocks	2,823,238	597,485
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	22,000,000	1,000,000
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	1,309	(2,987)
12.7 Miscellaneous proceeds	0	8,740
12.8 Total investment proceeds (Lines 12.1 to 12.7)	72,373,459	48,777,806
13. Cost of investments acquired (long-term only):		
13.1 Bonds	44,908,100	89,313,476
13.2 Stocks	6,700	350,200
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	2	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	44,914,802	89,663,676
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	27,458,657	(40,885,870)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	(22,047,465)	22,047,465
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	14,000,000	14,500,000
16.6 Other cash provided (applied)	(15,706,695)	30,361,823
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(51,754,160)	37,909,288
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)	(108,370)	442,607
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	1,374,010	931,403
19.2 End of year (Line 18 plus Line 19.1)	1,265,640	1,374,010

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	0	0	0	0
2.	Allied lines	0	0	0	0
3.	Farmowners multiple peril	0	0	0	0
4.	Homeowners multiple peril	0	0	0	0
5.	Commercial multiple peril	1,108,719	727,704	822,513	1,013,910
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	0	0	0	0
10.	Financial guaranty	0	0	0	0
11.1	Medical professional liability-occurrence	0	0	0	0
11.2	Medical professional liability-claims-made	0	0	0	0
12.	Earthquake	0	0	0	0
13.	Group accident and health	75,714,571	5,828,067	606,954	80,935,684
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	0	0	0	0
17.1	Other liability-occurrence	7,773,224	0	0	7,773,224
17.2	Other liability-claims-made	7,532,864	3,346,068	3,671,664	7,207,268
17.3	Excess workers' compensation.....	0	0	0	0
18.1	Products liability-occurrence	0	0	0	0
18.2	Products liability-claims-made	0	0	0	0
19.1,19.2	Private passenger auto liability	0	0	0	0
19.3,19.4	Commercial auto liability	0	0	0	0
21.	Auto physical damage	0	0	0	0
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	0	0	0	0
24.	Surety	0	0	0	0
26.	Burglary and theft	0	0	0	0
27.	Boiler and machinery	0	0	0	0
28.	Credit	0	0	0	0
29.	International	0	0	0	0
30.	Warranty	0	0	0	0
31.	Reinsurance-nonproportional assumed property	0	0	0	0
32.	Reinsurance-nonproportional assumed liability	0	0	0	0
33.	Reinsurance-nonproportional assumed financial lines	0	0	0	0
34.	Aggregate write-ins for other lines of business	427,026	8,183	43,568	391,641
35.	TOTALS	92,556,404	9,910,022	5,144,699	97,321,727
DETAILS OF WRITE-INS					
3401.	Special Risk.....	427,026	8,183	43,568	391,641
3402.	.....	0	0	0	0
3403.	.....			
3498.	Sum. 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)	427,026	8,183	43,568	391,641

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 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	807,873	14,640			822,513
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	606,954				606,954
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	3,657,834	13,830			3,671,664
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	43,568	0	0	0	43,568
35.	TOTALS	5,116,229	28,470	0	0	5,144,699
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Lines 35 through 37)					5,144,699
DETAILS OF WRITE-INS						
3401.	Special Risk	43,568				43,568
3402.	.....					0
3403.	.....					0
3498.	Sum. 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)	43,568	0	0	0	43,568

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

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						0
2. Allied lines						0
3. Farmowners multiple peril						0
4. Homeowners multiple peril						0
5. Commercial multiple peril	32,750,113				31,641,394	1,108,719
6. Mortgage guaranty						0
8. Ocean marine						0
9. Inland marine	197,695,778				197,695,778	0
10. Financial guaranty						0
11.1 Medical professional liability-occurrence						0
11.2 Medical professional liability-claims-made	116,366				116,366	0
12. Earthquake						0
13. Group accident and health	167,206,080	212,815,380	8,896,690	35,586,378	277,617,201	75,714,571
14. Credit accident and health (group and individual)						0
15. Other accident and health						0
16. Workers' compensation						0
17.1 Other liability-occurrence	18,126,118			7,768,237	2,584,657	7,773,224
17.2 Other liability-claims-made	17,380,013			30,500	9,816,649	7,532,864
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	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	8,932,279	0	0	0	8,505,253	427,026
35. TOTALS	442,206,747	212,815,380	8,896,690	43,385,115	527,977,298	92,556,404
DETAILS OF WRITE-INS						
3401. Special Risk	1,762,349				1,335,323	427,026
3402. Miscellaneous Casualty	7,169,930				7,169,930	0
3403.						0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	8,932,279	0	0	0	8,505,253	427,026

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

If yes: 1. The amount of such installment premiums \$ (176,667)

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ 390,000

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE BCS Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business		Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1.	Fire .....				.0	.0	0	.0	.0
2.	Allied lines .....				.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	6,187,586		6,137,544	50,042	861,442	107,420	804,064	79.3
6.	Mortgage guaranty .....				.0	.0	0	.0	.0
8.	Ocean marine .....				.0	.0	0	.0	.0
9.	Inland marine	53,461,929		53,461,929	.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	107,607,571	128,985,771	191,679,699	44,913,643	16,295,320	15,818,056	45,390,907	56.1
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 .....				.0	.0	0	.0	.0
17.1	Other liability-occurrence	25,818,609		22,057,594	3,761,015	2,337,717	295,044	5,803,688	74.7
17.2	Other liability-claims-made	15,918,036		15,471,956	446,080	3,775,827	2,845,005	1,376,902	19.1
17.3	Excess workers' compensation .....				.0	.0	0	.0	.0
18.1	Products liability-occurrence .....				.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 .....				.0	.0	0	.0	.0
21.	Auto physical damage .....				.0	.0	0	.0	.0
22.	Aircraft (all perils) .....				.0	.0	0	.0	.0
23.	Fidelity	(24,843)			(24,843)	939	939	(24,843)	.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	2,662,932	0	2,662,932	0	33,442	16,410	17,032	4.3
35.	TOTALS	211,631,820	128,985,771	291,471,654	49,145,937	23,304,687	19,082,874	53,367,750	54.8
DETAILS OF WRITE-INS									
3401.	Special Risk .....				.0	33,442	16,410	17,032	4.3
3402.	Miscellaneous Casualty	2,662,932		2,662,932	.0	.0	0	.0	.0
3403.	.....				.0	.0	0	.0	.0
3498.	Sum. of remaining write-ins for Line 34 from overflow page	0	0	0	.0	.0	0	.0	.0
3499.	Totals (Lines 3401 through 3403 + 3498) (Line 34 above)	2,662,932	0	2,662,932	0	33,442	16,410	17,032	4.3

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE BCS Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire .....				.0				.0	
2.	Allied lines .....				.0				.0	
3.	Farmowners multiple peril .....				.0				.0	
4.	Homeowners multiple peril .....				.0				.0	
5.	Commercial multiple peril	12,103,446		11,625,510	477,936	14,320,233		13,936,727	861,442	95,876
6.	Mortgage guaranty .....				.0				.0	
8.	Ocean marine .....				.0				.0	
9.	Inland marine .....				.0	18,890,646		18,890,646	.0	
10.	Financial guaranty .....				.0				.0	
11.1	Medical professional liability-occurrence .....				.0				.0	
11.2	Medical professional liability-claims-made .....				.0	175,000		175,000	.0	
12.	Earthquake .....				.0				.0	
13.	Group accident and health	4,668	3,009,760	3,014,428	.0	36,466,537	30,759,665	50,930,882	(a) 16,295,320	975,540
14.	Credit accident and health (group and individual) .....				.0				.0	
15.	Other accident and health .....				.0				(a) .0	
16.	Workers' compensation .....				.0				.0	
17.1	Other liability-occurrence .....				.0	7,510,466		5,172,749	2,337,717	51,037
17.2	Other liability-claims-made	351,416,092		350,329,978	1,086,114	67,837,610		65,147,897	3,775,827	2,323,414
17.3	Excess workers' compensation .....				.0				.0	
18.1	Products liability-occurrence .....				.0				.0	
18.2	Products liability-claims-made .....				.0				.0	
19.1,19.2	Private passenger auto liability .....				.0				.0	
19.3,19.4	Commercial auto liability .....				.0				.0	
21.	Auto physical damage .....				.0				.0	
22.	Aircraft (all perils) .....				.0				.0	
23.	Fidelity .....				.0	45,429		44,490	939	116
24.	Surety .....				.0				.0	
26.	Burglary and theft .....				.0				.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	386,543	.0	370,383	16,160	294,008	.0	276,726	33,442	4,320
35.	TOTALS	363,910,749	3,009,760	365,340,299	1,580,210	145,539,929	30,759,665	154,575,117	23,304,687	3,450,303
DETAILS OF WRITE-INS										
3401.	Special Risk	386,543		370,383	16,160	294,008		276,726	33,442	4,320
3402.	.....				.0				.0	
3403.	.....								
3498.	Sum. 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 + 3498) (Line 34 above)	386,543	0	370,383	16,160	294,008	0	276,726	33,442	4,320

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

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	6,471,902			6,471,902
1.2 Reinsurance assumed				0
1.3 Reinsurance ceded	5,441,881			5,441,881
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	1,030,021	0	0	1,030,021
2. Commission and brokerage:				
2.1 Direct, excluding contingent		152,625,334		152,625,334
2.2 Reinsurance assumed, excluding contingent		60,739,546		60,739,546
2.3 Reinsurance ceded, excluding contingent		211,143,182		211,143,182
2.4 Contingent-direct		711,637		711,637
2.5 Contingent-reinsurance assumed				0
2.6 Contingent-reinsurance ceded		(86)		(86)
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	2,933,421	0	2,933,421
3. Allowances to manager and agents				0
4. Advertising	12,231	206,570	3,831	222,632
5. Boards, bureaus and associations	2,187	29,141	801	32,129
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	910,426	10,605,401	288,523	11,804,350
8.2 Payroll taxes	51,553	586,239	15,173	652,965
9. Employee relations and welfare	287,641	3,353,191	88,928	3,729,760
10. Insurance				0
11. Directors' fees	83	1,223	38	1,344
12. Travel and travel items	71,715	841,375	22,314	935,404
13. Rent and rent items	45,739	533,145	14,265	593,149
14. Equipment	3,624	41,814	1,119	46,557
15. Cost or depreciation of EDP equipment and software	114,101	1,334,607	34,719	1,483,427
16. Printing and stationery	14,084	360,574	4,744	379,402
17. Postage, telephone and telegraph, exchange and express	2,913	33,019	69,748	105,680
18. Legal and auditing	72,458	1,554,931	407,572	2,034,961
19. Totals (Lines 3 to 18)	1,588,755	19,481,230	951,775	22,021,760
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		7,805,232		7,805,232
20.2 Insurance department licenses and fees		787,537		787,537
20.3 Gross guaranty association assessments		70,952		70,952
20.4 All other (excluding federal and foreign income and real estate)		1,363,368		1,363,368
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	10,027,089	0	10,027,089
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	783	863,650	267	864,700
25. Total expenses incurred	2,619,559	33,305,390	952,042	(a) 36,876,991
26. Less unpaid expenses-current year	3,450,303	6,659,064	9,063	10,118,430
27. Add unpaid expenses-prior year	3,838,828	3,334,788	306,217	7,479,833
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	3,008,084	29,981,114	1,249,196	34,238,394
DETAILS OF WRITE-INS				
2401. Donations.....	783	24,879	267	25,929
2402. Group Service Administration.....		838,771		838,771
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)	783	863,650	267	864,700

(a) Includes management fees of \$ 20,241,377 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....525,932	.....532,451
1.1	Bonds exempt from U.S. tax	(a).....724,633	.....638,917
1.2	Other bonds (unaffiliated)	(a).....6,849,821	.....6,859,490
1.3	Bonds of affiliates	(a).....0	.....
2.1	Preferred stocks (unaffiliated)	(b).....0	.....
2.11	Preferred stocks of affiliates	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....283,709	.....283,709
2.21	Common stocks of affiliates .....	.....0	.....0
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....477,601	.....440,292
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....2,116,833	.....2,113,788
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	10,978,530	10,868,647
11.	Investment expenses		(g).....952,042
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....290,371
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....1,242,413
17.	Net investment income (Line 10 minus Line 16)		9,626,234
DETAILS OF WRITE-INS			
0901.	.....		.....
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)	0	0
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 \$299,845 accrual of discount less \$853,542 amortization of premium and less \$86,139 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ 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 \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$14,389 accrual of discount less \$5,710 amortization of premium and less \$956 paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	(8,550)		(8,550)		
1.1	Bonds exempt from U.S. tax	120,041		120,041		
1.2	Other bonds (unaffiliated)	290,462		290,462	95,854	
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	884,894	0	884,894	1,911,697	0
2.21	Common stocks of affiliates	(789,230)	0	(789,230)	1,275,830	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	2,735		2,735	(1,426)	0
7.	Derivative instruments			0		
8.	Other invested assets	0	0	0	149,920	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	500,352	0	500,352	3,431,875	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

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	5,836,000	5,836,000
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	5,836,000	5,836,000
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	4,010,142	5,390,474	1,380,332
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	1,542,338	1,542,338
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	838,237	0	(838,237)
24. Health care and other amounts receivable.....	0	0	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 to 25).....	4,848,379	12,768,812	7,920,433
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	4,848,379	12,768,812	7,920,433
DETAILS OF WRITE-INS			
1101.		0	0
1102.		0	0
1103.		0	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	0
2502.		0	0
2503.			
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

1. Summary of Significant Accounting Policies

A. Accounting Practices and Going Concern

The accompanying financial statements of the Company have been prepared on the basis of accounting procedures 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 subject to any deviations prescribed or permitted by the Ohio Insurance Department.

	SSAP #	F/S Page	F/S Line #	2019	2018
Net Income					
(1) BCS Insurance Company State Basis (Page 4, Line 20, Columns 1 & 2)				\$ 13,504,612	\$ 11,252,821
State Prescribed Practices that increase/(decrease)					
(2) NAIC SAP:					
None				-	-
State Permitted Practices that increase/(decrease)					
(3) NAIC SAP:					
None				-	-
(4) NAIC SAP (1-2-3=4)				\$ 13,504,612	\$ 11,252,821
Surplus					
(5) BCS Insurance Company State Basis (Page 3, Line 37, Columns 1 & 2)				\$ 147,717,593	\$ 141,914,818
State Prescribed Practices that increase/(decrease)					
(6) NAIC SAP:					
Nonadmitted Surplus Notes	41R	2	8		(5,836,000)
State Permitted Practices that increase/(decrease)					
(7) NAIC SAP:					
None				-	-
(8) NAIC SAP (5-6-7=8)				\$ 147,717,593	\$ 147,750,818

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. 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 Policy

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium is established to cover the unexpired portion of premiums written. Such reserves are computed by the pro rata method. Expenses incurred in connection with acquiring new insurance business (acquisition costs) are charged to operations as incurred. Net investment income consists primarily of interest and dividends. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed.

In addition, the Company uses the following accounting policies:

- Short-term investments are stated at cost, which approximates market.
- Long-term bonds are generally stated at their amortized value using the scientific interest method. Non-investment grade securities with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value, with any unrealized losses recorded as a reduction to surplus. If a security is deemed to be other than temporarily impaired, it is written down to its fair value through a charge to earnings.
- Common Stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value.
- Preferred Stocks - Not applicable
- Mortgage Loans - Not applicable
- Prepayment assumptions for loan-backed securities are obtained from broker dealer survey values or Bloomberg System. These assumptions are consistent with current interest rates and the economic environment. The retrospective scientific method is used to value all loan backed and structured securities.
- Subsidiaries, Controlled and Affiliated Companies are on an equity basis.
- Joint ventures, Partnerships and Limited Liability Companies are stated at fair value.
- Derivatives - Not applicable
- Anticipated investment income is a factor for premium deficiency reserves.
- 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 reasonable, 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 liabilities are continually reviewed and any adjustments are reflected in the period determined.

NOTES TO FINANCIAL STATEMENTS

- 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

- 1. Anticipated prepayments for loan-backed and structured securities are used to determine the effective yield of an issue at purchase. Changes in the estimated cash flows of the issue are incorporated when determining the statement value at the end of each quarter and year-end. The Company calculates prepayment speeds for fixed-rate agency mortgage-backed securities utilizing Mortgage Industry Advisory Corporation (MIAC) Mortgage Industry Medians (MIMs). MIMs are derived from a semi-monthly dealer-consensus survey of long-term prepayment projections. For other mortgage-backed, loan-backed, and structured securities, the Company utilizes prepayment assumptions from Moody's Analytics. Moody's applies a flat economic credit model and utilizes a vector of multiple monthly speeds as opposed to a single speed for more robust projections. In instances where Moody's projections are not available, the Company uses data from Reuters, which utilizes the median prepayment speed from contributors' models. These assumptions are consistent with the current interest rate and economic environment. The retrospective scientific method is used to value most loan-backed and structured securities. For structured securities deemed to be high-risk, meaning the Company might not recover substantially all of its recorded investment due to unanticipated prepayment events, changes in investment yields due to changes in estimated future cash flows are accounted for on a prospective basis.
- 2. The following table summarizes by quarter other-than-temporary impairments (OTTI) for loan-backed securities recorded during the year because the Company had either the intent to sell the securities or the inability or lack of intent to retain as cited in the table:

None
- 3. The following table summarizes other-than-temporary impairments (OTTI) for loan-backed and structured securities held at the end of the year recorded based on the fact that the present value of projected cash flows expected to be collected was less than the amortized cost of the securities:

None
- 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):

NOTES TO FINANCIAL STATEMENTS

a. The aggregate amount of unrealized losses:

1. Less than 12 months	\$79,651
2. 12 Months or Longer	\$12,560

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 months	\$12,549,312
2. 12 Months or Longer	\$1,687,332

5. The Company periodically reviews its bonds on a case by case basis to determine whether any decline in fair value below amortized cost is other than temporary. Factors considered when determining whether a decline is other than temporary include the length of time a security has been in an unrealized loss position, reasons for the decline in value, expectations for the amount and timing of a recovery in fair value, and whether or not the Company has the intent and ability to hold the security. When the Company intends to sell an impaired security or has the intent and ability to sell an impaired security before recovery of its amortized cost basis, an other than temporary impairment is recognized in the statutory statements of operations as the difference between the amortized cost basis of the security and fair value. For structured securities, a credit loss also exists when an estimate of the present value of cash flows expected to be collected on the security is less than its amortized cost basis. For other bonds, a credit loss exists when the fair value of the security is less than the amortized cost basis and based on analysis, the decrease in value is thought to be other than temporary. Credit losses are recognized in the statutory statements of operations.

Generally, securities with fair values that are less than 80% of cost, other securities the Company determines are underperforming, or potential problem securities are subject to regular impairment review. To facilitate the review, securities with significant declines in value, or where objective criteria evidencing credit deterioration have been met, are included on a watch list. Among the criteria for securities to be included on a watch list are: credit deterioration, which has led to a significant decline in value of the security; rating downgrades, a significant covenant related to the security has been breached; and an issuer has filed or indicated a possibility of filing for bankruptcy, has missed or announced it intends to miss a scheduled interest or principal payment, or has experienced a specific material adverse change that may impair its creditworthiness.

When performing these reviews, the Company considers the relevant facts and circumstances relating to each investment and exercises considerable judgment in determining whether a security is other than temporarily impaired. Assessment factors include judgments about an obligor's current and projected financial position, an issuer's current and projected ability to service and repay its debt obligations, the existence of, and realizable value of, any collateral backing the obligations, the macro economic outlook, and the micro economic outlook for specific industries and issuers. Assessing the duration of asset backed securities can also involve assumptions regarding underlying collateral, such as prepayment rates, default and recovery rates, and third party servicing capabilities.

Among the factors considered is whether the decline in fair value results from a change in the quality of the security itself, or from a downward movement in the market as a whole, the likelihood of recovering the carrying value based on the current and short term prospects of the issuer and the Company's ability and intent to sell the security before such a recovery may occur. Unrealized losses that are considered to be primarily the result of market conditions, such as increasing interest rates, unusual market volatility, or industry related events, and where the Company also believes there exists a reasonable expectation for recovery and, furthermore, has the intent and ability to hold the investment until maturity or the market recovery, are usually determined to be temporary. To the extent factors contributing to recognized other than temporary impairment losses affected other investments, such investments were reviewed for other than temporary impairment and losses were recorded when appropriate.

In addition to the review procedures described above, investments in structured securities where market prices are depressed are subject to a review of their future estimated cash flows, including expected and stress case scenarios, to identify potential shortfalls with regards to full recovery of amortized cost. Even in the case of severely depressed market values on structured securities, the Company places significant importance on the results of its cash flow testing and its intent to sell these securities prior to full recovery of amortized cost until their fair values recover when reaching other than temporary impairment conclusions. If amortized cost of the security is less than the present value of estimated cash flows, an other than temporary impairment is recognized in the statutory statements of operations.

If the Company does not expect to recover the amortized cost of nonstructured securities, an impairment loss is recognized as the difference between amortized cost and fair value under SSAP No. 26, Bonds, Excluding Loan Backed and Structured Securities. If the Company intends to sell an impaired loan backed or structured security or has the intent and ability to sell such a security before a period of time sufficient for recovery of the amortized cost basis, an other than temporary impairment has occurred and an impairment loss is recognized as the difference between amortized cost and fair value of the loan backed or structured security. If the Company does not expect to recover the amortized cost basis of loan backed or structured securities even if the entity has no intent to sell and the entity has the intent and ability to hold, an impairment loss is recognized as the difference between the amortized cost basis and the present value of cash flows expected to be collected. Impairment losses are recognized in the statutory statements of operations.

There are inherent uncertainties in assessing the fair values assigned to the Company's investments and in determining whether a decline in fair value is other than temporary. The Company's review of fair value involves several criteria including economic conditions, credit loss experience, other issuer specific developments, and future cash flows. These assessments are based on the best available information at the time. Factors such as market liquidity, the widening of bid/ask spreads, and a change in the cash flow assumptions can contribute to fair value volatility and uncertainty with regards to other than temporary impairment. If actual experience differs negatively from the assumptions and other considerations, realized losses may be recognized in the statutory statements of operations in future periods.

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2019, the Company does not intend to sell securities with unrealized losses not considered other than temporary prior to full recovery of amortized cost. However, if the specific facts and circumstances surrounding a security or the outlook for its industry sector change, the Company may sell the security and realize a loss in the period in which the decision to sell was made.

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

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

None

J. Writedowns for Impairments of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features

None

K. Low Income Housing Tax Credits

None

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 S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A 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)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
b. Collateral held under security lending 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	938,700	-	-	-	938,700	932,000	6,700	-	938,700	0.3%	0.3%
j. On deposit with states	4,801,113	-	-	-	4,801,113	4,726,520	74,593	-	4,801,113	1.5%	1.5%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	16,676,461	-	-	-	16,676,461	32,990,852	(16,314,391)	-	16,676,461	5.1%	5.2%
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-	-	-	-	-	-
o. Total restricted assets	\$ 22,416,274	\$ -	\$ -	\$ -	\$ 22,416,274	\$ 38,649,372	\$ (16,233,098)	\$ -	\$ 22,416,274	6.8%	6.9%

(a) Subset of column 1
(b) Subset of column 2
(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 Other 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

NOTES TO FINANCIAL STATEMENTS

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

The company had four bonds called during the year, which included a prepayment penalty of \$24,174.

	General Account	Protected Cell
(1) Number of CUSIPs	4	
(2) Aggregate Amount of Investment Income	24,174	

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. Due and accrued income was excluded from surplus on the following bases:
The Company non-admits investment income due and accrued if amounts are over 90 days past due.
- B. Amounts Non-admitted
The total amount excluded was \$0.

8. Derivative Instruments

Not Applicable

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

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

1. The change between years by tax character (ordinary and capital) for the year 2019 and 2018:

12/31/2019			
(1)	(2)	(3)	
Ordinary	Capital	(Col 1+2) Total	
(a) Gross Deferred TaxAssets	\$ 1,889,153	\$ 93,214	\$ 1,982,367
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred TaxAssets (1a-1b)	1,889,153	93,214	1,982,367
(d) Deferred TaxAssets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred TaxAsset (1c-1d)	1,889,153	93,214	1,982,367
(f) Deferred TaxLiabilities	97,234	709,169	806,403
(g) Net Admitted Deferred TaxAsset/(Net Deferred TaxLiability) (1e-1f)	\$ 1,791,919	\$ (615,955)	\$ 1,175,964

12/31/2018			
(4)	(5)	(6)	
Ordinary	Capital	(Col 4+5) Total	
(a) Gross Deferred TaxAssets	\$ 3,170,221	\$ 404,206	\$ 3,574,427
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred TaxAssets (1a-1b)	3,170,221	404,206	3,574,427
(d) Deferred TaxAssets Nonadmitted	1,470,945	71,393	1,542,338
(e) Subtotal Net Admitted Deferred TaxAsset (1c-1d)	1,699,276	332,813	2,032,089
(f) Deferred TaxLiabilities	113,437	287,883	401,320
(g) Net Admitted Deferred TaxAsset/(Net Deferred TaxLiability) (1e-1f)	\$ 1,585,839	\$ 44,930	\$ 1,630,769

Change			
(7)	(8)	(9)	
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total	
(a) Gross Deferred TaxAssets	\$ (1,281,068)	\$ (310,992)	\$ (1,592,060)
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred TaxAssets (1a-1b)	(1,281,068)	(310,992)	(1,592,060)
(d) Deferred TaxAssets Nonadmitted	(1,470,945)	(71,393)	(1,542,338)
(e) Subtotal Net Admitted Deferred TaxAsset (1c-1d)	189,877	(239,599)	(49,722)
(f) Deferred TaxLiabilities	(16,203)	421,286	405,083
(g) Net Admitted Deferred TaxAsset/(Net Deferred TaxLiability) (1e-1f)	\$ 206,080	\$ (660,885)	\$ (454,805)

NOTES TO FINANCIAL STATEMENTS

2. The amount of admitted adjusted gross deferred tax assets admitted under each component of SSAP 101:

12/31/2019			
(1)	(2)	(3)	
Ordinary	Capital	(Col 1+2) Total	
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 1,447,414	\$ 12,080	\$ 1,459,494
(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	6,877	-	6,877
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	6,877	-	6,877
(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	XXX	XXX	21,981,244
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	434,862	81,134	515,996
	<u>\$ 1,889,153</u>	<u>\$ 93,214</u>	<u>\$ 1,982,367</u>
12/31/2018			
(4)	(5)	(6)	
Ordinary	Capital	(Col 4+5) Total	
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 1,582,454	\$ 44,930	\$ 1,627,384
(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	3,385	-	3,385
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	3,385	-	3,385
(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	XXX	XXX	21,042,607
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	113,437	287,883	401,320
	<u>\$ 1,699,276</u>	<u>\$ 332,813</u>	<u>\$ 2,032,089</u>
Change			
(7)	(8)	(9)	
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total	
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ (135,040)	\$ (32,850)	\$ (167,890)
(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	3,492	-	3,492
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	3,492	-	3,492
(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	XXX	XXX	938,637
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101 Total (2(a) + 2(b) + 2(c))	321,425	(206,749)	114,676
	<u>\$ 189,877</u>	<u>\$ (239,599)</u>	<u>\$ (49,722)</u>

3. The ratio used to determine applicable period used in 9A(2)b1 for determining the amount of adjusted gross DTAs:

	2019	2018
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	863%	1015%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	\$ 146,541,629	\$ 140,284,049

NOTES TO FINANCIAL STATEMENTS

4. Disclose the impact of tax-planning strategies:

		12/31/2019	
		(1)	(2)
		Ordinary	Capital
		Percent	Percent
(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)	1,889,153	93,214
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	1,889,153	93,214
4.	Percentage of Net Admitted Percentage of Adjusted Gross DTAs by Tax Character Admitted because of the Impact of Tax Planning Strategies	0%	0%
		12/31/2018	
		(1)	(2)
		Ordinary	Capital
		Percent	Percent
(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)	3,170,221	404,206
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	1,699,276	332,813
4.	Percentage of Net Admitted Percentage of Adjusted Gross DTAs by Tax Character Admitted because of the Impact of Tax Planning Strategies	0%	0%
		Change	
		(7)	(8)
		(Col 1-4)	(Col 2-5)
		Ordinary	Capital
		Percent	Percent
(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)	(1,281,068)	(310,992)
2.	Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	189,877	(239,599)
4.	Percentage of Net Admitted Percentage of Adjusted Gross DTAs by Tax Character Admitted because of the Impact of Tax Planning Strategies	0%	0%
(b)	Does the Company's tax-planning strategies include the use of reinsurance?	Yes____	No_X_

B. Unrecognized Deferred Tax Liabilities

Not Applicable

NOTES TO FINANCIAL STATEMENTS

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

	(1) 12/31/2019	(2) 12/31/2018	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 3,456,216	\$ 2,700,089	\$ 756,127
(b) Foreign	-	-	-
(c) Subtotal	3,456,216	2,700,089	756,127
(d) Federal income tax on net capital gains	58,904	37,336	21,568
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	<u>\$ 3,515,120</u>	<u>\$ 2,737,425</u>	<u>\$ 777,695</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 241,997	\$ 169,260	\$ 72,737
(2) Unearned premium reserve	216,077	289,661	(73,584)
(3) Policyholder reserves	-	-	-
(4) Investments	65,660	67,511	(1,851)
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	1,365,419	1,418,229	(52,810)
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	-	1,225,560	(1,225,560)
(99) Subtotal	1,889,153	3,170,221	(1,281,068)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	1,470,945	(1,470,945)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	1,889,153	1,699,276	189,877
(e) Capital:			
(1) Investments	93,214	404,206	(310,992)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	93,214	404,206	(310,992)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	71,393	(71,393)
(h) Admitted capital deferred tax assets (2e99 -2f -2g)	93,214	332,813	(239,599)
(i) Admitted deferred tax assets (2d + 2h)	<u>1,982,367</u>	<u>2,032,089</u>	<u>(49,722)</u>
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	806,403	401,320	405,083
(2) Real estate	-	-	-
(3) Other (including items <5% of total ordinary tax liabilities)	-	-	-
(99) Subtotal	806,403	401,320	405,083
(c) Deferred tax liabilities (3a99 + 3b99)	806,403	401,320	405,083
4. Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 1,175,964</u>	<u>\$ 1,630,769</u>	<u>\$ (454,805)</u>

Deferred Tax Assets - Ordinary
09C2(a)(13)

	(1) 12/31/2019	(2) 12/31/2018	(3) (Col 1-2) Change
Other items <5% of total ordinary tax assets			
(14) Other Invested Assets - Nonadmitted Surplus notes	\$ -	\$ 1,225,560	\$(1,225,560)
(99) Total Other	<u>\$ -</u>	<u>\$ 1,225,560</u>	<u>\$(1,225,560)</u>

NOTES TO FINANCIAL STATEMENTS

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

	December 31, 2019	Effective Tax Rate
Provision computed at statutory rate	\$ 3,574,143	21%
Nondeductible expense for meals, lobbying and penalties	1,238	0%
Tax exempt interest	(100,629)	-1%
Change in nonadmitted balances	1,339,400	8%
Other Adjustments	(11,021)	0%
Provision to actual adjustment	(11,561)	0%
Rate differential	-	0%
Total income tax reported	<u>\$ 4,791,570</u>	<u>28%</u>
Federal and foreign income taxes incurred	\$ 3,456,216	20%
Realized capital gains (losses) tax	58,904	0%
Change in net deferred income taxes	1,276,450	8%
Total income tax	<u>\$ 4,791,570</u>	<u>28%</u>

In computing taxable income, property and casualty insurance companies are allowed a deduction attributable to their unpaid losses and loss adjustment expenses. H.R. 1, enacted in 2017 and formerly known as the Tax Cuts and Jobs Act, required that companies begin using the corporate bond yield curve as specified by the U.S. Treasury to discount unpaid losses, rather than the applicable federal mid-term rate under the prior law. The changes were effective for tax years beginning after 2017 and are subject to a transition rule that spreads the additional income liability (or benefit) over the subsequent years beginning in 2018 ("transitional adjustment"). At December 31, 2018, the Company recorded a transitional adjustment based on the application of proposed discount factors published by the IRS in December 2018, to ending December 31, 2017 loss reserves, which resulted in an increase to deferred tax assets of \$617,346 and a corresponding increase to the transition adjustment deferred tax liability, which is being amortized into taxable income over 8 years. In July 2019, the IRS published the final discount factors for 2017, 2018 and 2019, resulting in a decrease to the previously calculated deferred tax asset and corresponding transition adjustment totaling \$70,948.

BCSI has made no other updates for TCJA in 2019 and accounting for the TCJA is complete.

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

- As of December 31, 2019 and December 31, 2018, the Company did not have any unused operating loss carry forwards available to offset against future taxable income.
- The income tax expense of \$3,504,971 from 2019 and \$2,737,504 from 2018 is available for recoupment in the event of future net losses.
- The reporting entity has a total of \$0 protective deposits which are on deposit with the Internal Revenue Service under Section 6603 of the Internal Revenue Service Code.

F. Consolidated Federal Income Tax Return

- The Company's federal income tax return is consolidated with its parent, BCS Financial Corporation (BCSF).
- The method of allocation between companies is subject to written agreement, approved by the Board of Directors. Intercompany tax balances are settled annually. Allocation is based upon separate return calculations, with credit for net losses being obtained when utilized.

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)

Not Applicable

I. Alternative Minimum Tax (AMT) Credit

Not Applicable

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

A. B. & C. Nature of Relationships

The Company is owned 100% by BCS Financial Corporation ("BCSF"). The Company has a management service agreement with BCSF. It shares common management, staff and facilities provided by BCSF with its other affiliates. Expenses identified as specific to a company are charged directly; all other expenses are charged in accordance with the service agreement.

NOTES TO FINANCIAL STATEMENTS

A surplus note was acquired as of December 31, 2017 from Plans' Liability Insurance Company ("PLIC") for the principal sum of \$22,000,000 borrowed and approved by the Insurance Director of Ohio for the purpose of providing additional surplus funds in cash. Interest was 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 repaid without the prior approval of the Director. On February 28, 2019 the Company received repayment of \$20,000,000 of principal and \$1,469,722 of interest. On July 15, 2019, PLIC repaid the remaining \$2,000,000 of principal and \$49,472 of interest on the surplus note.

On July 12, 2019, BCSF acquired 100% of the outstanding shares of PLIC from the Company and unaffiliated parties pursuant to a Stock Purchase Agreement dated May 17, 2019. At the time of the transaction, the Company had a statutory carrying value of \$270,865 and accumulated unrealized losses of \$1,356,635 related to its investment in PLIC. The Company recorded the transaction at the fair value of the PLIC shares as of July 12, 2019, which was \$838,237, and resulted in a recognized loss of \$789,263. In December 2019, BCSF sold all of PLIC's outstanding shares to an unaffiliated third party.

The Company paid cash dividends to BCSF of \$14,000,000 and \$14,500,000 in 2019 and 2018, respectively.

The Company entered into a Reinsurance Assumption and Novation Agreement ("Novation Agreement") effective July 1, 2018 with PLIC and BCS Re Inc. ("BCS Re") whereby all of PLIC's reinsurance obligations to BCSI relating to a professional liability line of business were novated to BCS Re, an affiliate and wholly owned subsidiary of BCSF. BCS Re transferred \$58,562,116 as funds held to the Company in order to collateralize the reinsurance liabilities assumed under the Novation Agreement.

D. Amounts Due to or from Related Parties

At December 31, 2019, the Company reported \$4,388,295 due to affiliates and \$5,130 receivable from affiliates. This is comprised of \$2,982,605, \$1,032,686, \$337,685 and \$35,319 payable to BCSF, BCS Insurance Agency Inc., BCS Re and 4 Ever Life Insurance Company, respectively. In addition, the Company reported a \$5,130 receivable from 4 Ever Life International Limited.

E. Guarantees or Contingencies for Related Parties

None

F. Management or Service Contracts and Cost Sharing Arrangements

The Company has a management service agreement with BCSF whereby BCSF provides all insurance management, administrative and advisory services as well as investment management and general office administrative services. Expenses identified as specific to a company are charged directly; all other expenses are charged in accordance with the service agreement. There has been no change in the management service agreement in 2019.

G. Nature of Control Relationship

All outstanding common shares are owned by BCSF, an insurance holding company domiciled in the state of Delaware.

H. Amount Deducted for Investment in Upstream Company

Not Applicable

I. Investments in SCA Entities Disclosures

Not Applicable

J. Investments in Impaired SCA Entities Disclosures

Not Applicable

K. Foreign Insurance Subsidiary

Not Applicable

L. Downstream Noninsurance Company

Not Applicable

M. All SCA Investments

Not Applicable

N. Investment in Insurance SCAs

Not Applicable

O. SCA Loss Tracking

Not Applicable

NOTES TO FINANCIAL STATEMENTS

11. Debt

A. Debt & Holding Company Obligations

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 has conducted business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds for general operations. The Company has determined the actual/estimated maximum borrowing capacity as \$16,339,676. The Company calculated this amount in accordance with its investment in FHLB capital stock and pledged collateral.
2. FHLB Capital Stock
- a. Aggregate Totals

	1 Total 2+3	2 General Account	3 Separate Account
1. Current Year			
(a) Membership Stock - Class A	-	-	-
(b) Membership Stock - Class B	538,640	538,640	-
(c) Activity Stock	400,060	400,060	-
(d) Excess Stock	-	-	-
(e) Aggregate Total (a+b+c)	938,700	938,700	-
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	16,339,676	XXX	XXX
2. Prior Year-end Year			
(a) Membership Stock - Class A	-	-	-
(b) Membership Stock - Class B	331,973	331,973	-
(c) Activity Stock	600,027	600,027	-
(d) Excess Stock	-	-	-
(e) Aggregate Total (a+b+c)	932,000	932,000	-
(f) Actual or estimated Borrowing Capacity as Determined by the Insurer	30,627,011	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(d)

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

	1	2	Eligible for Redemption			
Membership Stock	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	3 Less than 6 Months	4 6 Months to Less than 1 Year	5 1 to Less than 3 Years	6 3 to 5 Years
1. Class A	-	-	-	-	-	-
2. Class B	538,640	538,640	-	-	-	-

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

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Separate Accounts Total Collateral Pledged (Lines 2+3)	17,115,783	16,676,461	8,000,000
2. Current Year General Account Total Collateral Pledged	17,115,783	16,676,461	8,000,000
3. Current Year Protected Cell Accounts Total Collateral Pledged	-	-	-
4. Prior Year-end Total General and Separate Accounts Total Collateral Pledged	32,816,711	32,990,852	30,000,000

11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively)
11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively)
11B(3)a3 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b3 (Columns 1, 2 and 3 respectively)
11B(3)a4 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b4 (Columns 1, 2 and 3 respectively)

NOTES TO FINANCIAL STATEMENTS

b. Maximum Amount Pledged During Reporting Period

	1	2	3
	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
1. Current Year Total General and Separate Accounts Maximum Collateral Pledged (Lines 2+3)	32,788,947	32,853,863	30,000,000
2. Current Year General Account Maximum Collateral Pledged	32,788,947	32,853,863	30,000,000
3. Current Year Separate Accounts Maximum Collateral Pledged	-	-	-
4. Prior year-end Total General and Separate Accounts Maximum Collateral Pledged	33,471,608	33,691,597	30,000,000

4. Borrowing from FHLB

a. Amounts as of the Reporting Date

	1 Total 2+3	2 General Account	3 Separate Account	4 Funding Agreements Reserves Established
1. Current Year				
(a) Debt	-	-	-	XXX
(b) Funding	-	-	-	-
(c) Other	8,000,000	8,000,000	-	-
(d) Aggregate Total (a+b+c)	8,000,000	8,000,000	-	XXX
2. Prior Year-end				
(a) Debt	-	-	-	XXX
(b) Funding	-	-	-	-
(c) Other	30,000,000	30,000,000	-	-
(d) Aggregate Total (a+b+c)	30,000,000	30,000,000	-	XXX

b. Maximum Amount during Reporting Period (Current Year)

	1 Total 2+3	2 General Account	3 Separate Account
1. Debt	-	-	-
2. Funding	-	-	-
3. Other	30,000,000	30,000,000	-
4. Aggregate Total (Lines 1+2+3)	30,000,000	30,000,000	-

11B(4)b4 (Columns 1, 2 and 3) should be equal to or greater than 11B(4)a1(d) (Columns 1, 2 and 3 respectively)

c. FHLB – Prepayments Obligations

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

NOTES TO FINANCIAL STATEMENTS

E. Defined Contribution Plans

None

F. Multiemployer Plans

None

G. Consolidated/Holding Company Plans

BCSF sponsors a defined benefit pension plan, a postretirement healthcare benefit plan and a 401(k) Plan covering substantially all of its employees as well as a deferred compensation plan for select employees. The expenses of these plans are charged in accordance with the management service agreement. In 2019, the Company incurred expenses of \$3,382,832 relating to these plans. The Company has no legal obligation for benefits under these plans.

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. Outstanding Shares

The Company has 300,000 shares of \$10 par value common stock authorized, 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 prior year end surplus or the prior year's net income. The amount of dividends that could be paid in 2019 without prior approval was \$14,191,482. The Company paid dividends totaling \$14,000,000 to its stockholders during 2019.

6. Surplus Restriction

None

7. Mutual Surplus Advances

None

8. Company Stock Held for Special Purposes

None

9. Changes in Special Surplus Funds

The Company will be subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA) on data year 2019. As a result, \$134,792 is reflected in special surplus funds as of December 31, 2019.

10. Changes in Unassigned Funds

The portion of unassigned funds represented or increased by each item below is as follows:

Description	Cumulative Increase (Decrease) in Surplus
1. Unrealized gain on Affiliated stock	\$ -
2. Unrealized gain on Bonds & Stocks	2,185,594
Total	<u>\$ 2,185,594</u>

11. Surplus Notes

None

NOTES TO FINANCIAL STATEMENTS

12. & 13. Quasi Reorganizations

None

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

None

B. Assessments

1. The Company is subject to guaranty fund assessments by the states in which it writes business. Guaranty fund assessments are accrued at the time of insolvency. The Company has accrued a liability for guaranty fund assessments of \$547,186 at December 31, 2019. The amount represents management’s best estimates based on information received from the states in which the Company writes business and may change due to many factors including the Company’s share of the ultimate cost of current insolvencies.

2. Guaranty Fund & Other Assessments with Liabilities Recognized Under SSAP No. 35R:

Assets recognized from paid and accrued premium tax		
a.	offsets and policy surcharges prior year-end	\$ 1,282,565
b.	Decrease current year:	
	Policy surcharges collected	\$ -
	Policy surcharges charged off	\$ -
	Premium tax offset applied	\$ -
c.	Increases current year:	
	Policy surcharges collected	\$ -
	Policy surcharges charged off	\$ -
	Premium tax offset applied	\$ (78,488)
Assets recognized from paid and accrued premium tax		
d.	offsets and policy surcharges current year-end	\$ 1,204,077

C. Gain Contingencies

None

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

The Company paid the following amounts in the reporting period to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

	Direct
Claims related to ECO and bad faith losses paid during the reporting period	\$ -

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

(a)	(b)	(c)	(d)	(e)
0-25 Claims	26-50 Claims	51-100 Claims	101-500 Claims	More than 500 Claims
X				

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

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

E. Product Warranties

None

F. Joint and Several Liabilities

None

G. All Other Contingencies

None

15. Leases

None

NOTES TO FINANCIAL STATEMENTS

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

- 1. The Company has not sold and reacquired any security within a 30 day period of its original sale.
- 2. The details by NAIC designation 3 or below of securities sold during the year ended December 31, 2019 are reacquired within 30 days of the sale date are:

None

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

Name and Address of Managing General Agent or Third Party Administration	FEIN Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	Total Direct Premium Written/Produced By
AGA Service Company 2805 North Parham Road Richmond, VA 23294	54-1545622	N	Group Travel	C, CA, P, U, B	\$ 215,716,297
Planned Administrators, Inc. 8906 Two Notch Road, Suite 200 Columbia, SC 29223	57-0718839	N	Accident & Health Dental, AD & D Disability	C, CA, P	82,931,833
Risk Placement Services, Inc. 2850 Golf Road, 5th Floor Rolling Meadows, IL 60008	36-3110841	N	Other Liability	P, U, B	30,232,362
All Other TPA Premium Total					<u>10,136,034</u> <u>\$ 339,016,526</u>

20. Fair Value Measurements

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

- 1. Items measured and reported at Fair Value by Levels 1, 2, and 3

Statutory accounting principles define the fair value of a financial instrument as the amount at which that asset could be bought or sold in a current transaction between willing parties that is other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties. Certain financial instruments and all nonfinancial instruments are excluded from statutory disclosure requirements. Therefore, the aggregate fair value amounts presented below do not represent the underlying fair value of the Company.

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporation of current market inputs for similar financial instruments with comparable terms and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models, and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management estimation and judgment, which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology model or input used.

NOTES TO FINANCIAL STATEMENTS

The Company’s financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy as defined by SSAP No. 100, Fair Value Measurements. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset’s or liability’s classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The levels of the fair value hierarchy are as follows:

Level 1 – Management’s valuations are unadjusted quoted prices for identical, unrestricted assets and liabilities in active markets accessible at the measurement date. Since valuations are based on quoted prices that are readily available in an active market, valuation of these assets does not involve any meaningful degree of judgment. An active market is defined as a market where transactions for the financial instrument occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 financial assets and liabilities generally include common stocks and U.S. government debt securities, where management’s valuations are based on quoted market prices.

Level 2 – Management’s valuations are based on quoted prices where such markets are not deemed to be sufficiently “active.” In such circumstances, additional valuations metrics will be used, which involve direct or indirect observable market inputs. Level 2 financial assets and liabilities generally include debt securities other than debt issued by the U.S. government. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

Level 3 – Management’s valuations are based on inputs that are unobservable (supported by little or no market activity) and significant to the fair value measurement. Valuations under Level 3 generally involve a significant degree of judgment on the part of management.

Assets Measured at Fair Value

Certain financial assets are measured at fair value, such as certain bonds valued at the lower of cost or fair value, or investments that are impaired during the reporting period and recorded at fair value on the balance sheet at December 31, 2019. The following table summarizes assets measured at fair value:

Description of each class of assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value(NAV)	(Total)
Assets at fair value					
Bonds					
U.S. Treasury	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government agency	-	-	-	-	-
States, territories, and possessions	-	-	-	-	-
Mortgage-backed	-	1,186,337	-	-	1,186,337
Asset-backed	-	-	-	-	-
Corporate	-	1,166,232	-	-	1,166,232
Total bonds	-	2,352,569	-	-	2,352,569
Common stock					
Vanguard	7,652,334	-	-	-	7,652,334
Artisan	4,957,515	-	-	-	4,957,515
Federal Home Loan Bank	-	938,700	-	-	938,700
Total common stock	12,609,849	938,700	-	-	13,548,549
Other invested assets					
Barings U.S.	-	-	-	5,367,015	5,367,015
Eaton Vance	-	-	-	6,011,429	6,011,429
Total other invested assets	-	-	-	11,378,444	11,378,444
Cash equivalents	-	-	-	9,183,558	9,183,558
Total assets measured at fair value/NAV	\$ 12,609,849	\$ 3,291,269	\$ -	\$ 20,562,002	\$ 36,463,120

Bonds measured at fair value are those bonds that were determined to be other-than-temporarily impaired at December 31, 2019 and bonds valued at the lower of cost or fair value at December 31, 2019. NAIC 3 – 6 rated bonds are valued at the lower of cost or market. The Company does not have any investment commitments at December 31, 2019.

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

None

3. Policy on Transfers into and out of Level 3

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.

NOTES TO FINANCIAL STATEMENTS

4. Inputs and techniques used for level 2 and level 3 Fair Values

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. This was accomplished by the use of matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held. Features that are inputs into the analysis include duration, credit quality, tax status and call and sinking fund features.

Investments categorized as Level 3 had key unobservable inputs. Also, the investments are less liquid, and there is limited trading activity. The use of independent non-binding broker quotations to value investments generally indicates there is a lack of liquidity or the general lack of transparency in the process to develop the valuation estimates generally causing these investments to be classified in Level 3.

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Fair Value for all financial instruments by levels 1, 2, and 3

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value(NAV)	Not Practicable (Carrying Value)
Bonds							
U.S. Treasury	\$ 20,588,078	\$ 19,536,911	\$ -	\$ 20,588,078	\$ -	\$ -	\$ -
States, territories, and possessions	39,057,357	36,054,582	-	39,057,357	-	-	-
Mortgage-backed	69,242,066	67,196,316	-	69,242,066	-	-	-
Asset-backed	18,531,855	18,399,459	-	18,531,855	-	-	-
Corporate	86,489,297	81,481,428	-	86,489,297	-	-	-
Total bonds	233,908,653	222,668,696	-	233,908,653	-	-	-
Common stock							
Vanguard	7,652,334	7,652,334	7,652,334	-	-	-	-
Artisan	4,957,515	4,957,515	4,957,515	-	-	-	-
Federal Home Loan Bank	938,700	938,700	-	938,700	-	-	-
Total common stock	13,548,549	13,548,549	12,609,849	938,700	-	-	-
Other invested assets							
Barings U.S.	5,367,015	5,367,015	-	-	-	5,367,015	-
Eaton Vance	6,011,429	6,011,429	-	-	-	6,011,429	-
Total other invested assets	11,378,444	11,378,444	-	-	-	11,378,444	-
Cash and short-term investments	1,266,052	1,265,640	(8,668,602)	751,095	-	9,183,558	-
Total assets	\$ 260,101,698	\$ 248,861,329	\$ 3,941,247	\$ 235,598,448	\$ -	\$ 20,562,002	\$ -

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

Not applicable

E. Instruments Measured at Net Asset Value (NAV)

The company uses NAV to value its money market and other invested assets because it is the readily available value for these funds. NAV is the value of each fund’s assets minus liabilities.

21. Other Items

A. Unusual or Infrequent Items

None

B. Troubled Debt Restructuring: Debtors

None

C. Other Disclosures

None

D. Business Interruption Insurance Recoveries

None

E. State Transferable and Non-transferable Tax Credits

None

NOTES TO FINANCIAL STATEMENTS

F. Subprime-Mortgage-Related Risk Exposure

1. The Company has identified securities with the following characteristics as having subprime mortgage risk:

a. First lien mortgages where borrowers have a FICO scores less than 650

b. First lien mortgages with loan-to-value ratios greater than 95%

c. Second lien mortgages where borrowers have FICO scores less than 675

d. Borrowers with less than conventional documentation of their income and/or net assets and FICO scores less than 650
2. Direct Exposure through investments in subprime mortgage loans
- None

3. The following summarizes the Company's investments in securities with underlying subprime exposure at December 31, 2019:

Investment Type	Actual Cost	Book Adjusted Carrying Value (excluding interest)	Fair Value	Other-than-Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 865,265	\$ 857,266	\$ 857,638	
b. Commercial mortgage backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investments in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	\$ 865,265	\$ 857,266	\$ 857,638	\$ -

4. Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage
- None

G. Insurance-Linked Securities (ILS) Contracts

None

H. The Amount That Could Be Realized on Life Insurance Where Reporting Entity Is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

None

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through February 25, 2020 for the statutory statement issued on March 1, 2020.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through February 25, 2020 for the statutory statement issued on March 1, 2020.

On January 1, 2020, the Company will be subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for calendar year beginning on or after January 1, of the year the fee is due. As of December 31, 2019, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2020, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2020 to be \$134,792. This amount is reflected in special surplus. Reporting the ACA assessment as of December 31, 2019, would not have triggered an RBC action level.

NOTES TO FINANCIAL STATEMENTS

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)?	YES	
B. ACA fee assessment payable for the upcoming year	\$ 134,792	\$ -
C. ACA fee assessment paid	\$ -	\$ 329,817
D. Premium written subject to ACA 9010 assessment	\$ 22,266,491	\$ 25,776,830
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 28)	\$ 147,717,593	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 28 minus 22B above)	\$ 147,582,801	
G. Authorized Control Level (Five-Year Historical Line 29)	\$ 16,973,653	
H. Would reporting the ACA assessment as of December 31, 2019 have triggered an RBC action	NO	

23. Reinsurance

A. Unsecured Reinsurance Recoverable

The Company has outlined below unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized, unauthorized or certified that exceed 3% of policyholders' surplus.

FEIN	NAIC #	Reinsurer	Recoverable
AA-1120337	00000	ASPEN INS UK LTD	42,606,000
AA-1340125	00000	HANNOVER RUECK SE	38,433,000
AA-1126006	00000	LLOYD'S SYNDICATE NUMBER 4472	29,515,000
AA-1128003	00000	LLOYD'S SYNDICATE NUMBER 2003	27,338,000
AA-1128001	00000	LLOYD'S SYNDICATE NUMBER 2001	25,174,000
AA-3194130	00000	ENDURANCE SPECIALTY INS LTD	23,543,000
13-2918573	42439	TOA RE INS CO OF AMER	22,257,000
AA-1126435	00000	LLOYD'S SYNDICATE NUMBER 435	20,413,000
AA-1460040	00000	AWP P&C SA- WALLISELLEN BRANCH	18,983,000
AA-1120071	00000	LLOYD'S SYNDICATE NUMBER 2007	17,228,000
AA-1128791	00000	LLOYD'S SYNDICATE NUMBER 2791	17,212,000
36-2149353	80985	4 EVER LIFE INS CO	17,045,000
AA-1128987	00000	LLOYD'S SYNDICATE NUMBER 2987	16,931,000
AA-1120075	00000	LLOYD'S SYNDICATE NUMBER 4020	13,656,000
23-1641984	10219	QBE REINS CORP	12,723,000
AA-1127084	00000	LLOYD'S SYNDICATE NUMBER 1084	10,298,000
AA-1120102	00000	LLOYD'S SYNDICATE NUMBER 1458	9,696,000
AA-3194161	00000	CATLIN INS CO LTD	9,313,000
AA-3190795	00000	CATALINA SAFETY REINS LTD	8,956,000
AA-1120156	00000	LLOYD'S SYNDICATE NUMBER 1686	8,515,000
AA-1340125	00000	HANNOVER RUECK SE	7,926,000
30-362756	11329	AAA-MID ATLANTIC TRAVEL	6,905,000
13-5616275	19453	TRANSATLANTIC REINS CO	6,596,000
AA-1126623	00000	LLOYD'S SYNDICATE NUMBER 623	5,847,000
57-0287419	38520	BCBS OF SC INC	5,796,000
AA-3190874	00000	AMLIN BERMUDA	5,690,000
AA-1126727	00000	LLOYD'S SYNDICATE NUMBER 727	5,406,000
43-1235868	93572	RGA REINS CO	5,345,000
AA-1126780	00000	LLOYD'S SYNDICATE NUMBER 780	4,996,000

B. Reinsurance Recoverable in Dispute

None

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2019:

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium	Commission	Premium	Commission	Premium	Commission
	Reserve	Equity	Reserve	Equity	Reserve	Equity
a. Affiliates	\$ 28,362,985	\$8,754,775	\$ -	\$ -	\$ 28,362,985	\$ 8,754,775
b. All Other	28,338	7,370	56,166,854	16,787,177	(56,138,516)	(16,779,807)
c. Total	\$ 28,391,323	\$8,762,145	\$56,166,854	\$16,787,177	\$ (27,775,531)	\$ (8,025,032)
d. Direct Unearned Premium Reserves	\$32,920,230					

Line (c.) of Ceded Reinsurance Premium Reserve Column must equal Page 3, Line 9, first inside amount.

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

REINSURANCE

	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$ -	\$ -	\$ -	\$ -
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission	782,648	-	-	782,648
d. Total	\$ 782,648	\$ -	\$ -	\$ 782,648

3. Types of risk attributed to each of the Company’s protected cells

None

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

None

NOTES TO FINANCIAL STATEMENTS

F. Retroactive Reinsurance

1. Reported Company

As: December 31, 2019

	Assumed	Ceded
a. Reserves Transferred:		
1. Initial Reserves	\$ (316,695)	\$ -
2. Adjustments - Prior Year(s)	133,417	-
3. Adjustments - Current Year	39,000	-
4. Current Total	(144,278)	-
b. Consideration (Paid) or Received:		
1. Initial Consideration	316,695	-
2. Adjustments - Prior Year(s)	10,219	-
3. Adjustments - Current Year	-	-
4. Current Total	326,914	-
c. Paid Losses (Reimbursed) or Recovered:		
1. Prior Year(s)	(1,009,000)	-
2. Current Year	(39,000)	-
3. Current Total	(1,048,000)	-
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	-	-
2. Adjustments - Prior Year(s)	(214,364)	-
3. Adjustments - Current Year	-	-
4. Current Year Restricted Surplus	(214,364)	-
5. Cumulative Total Transferred to Unassigned Funds	\$ (865,364)	\$ -

e. All cedents and reinsurers involved in all transactions included in summary totals above:

Company	Assumed Amount	Ceded Amount
Allianz Life Insurance Company of North America	\$ (144,278)	\$ -
Total	\$ (144,278)	\$ -

f. Total Paid Loss/LAE amounts recoverable (for authorized, unauthorized and certified reinsurers), any amounts more than 90 days overdue (for authorized, unauthorized and certified reinsurers), and for amounts recoverable the collateral held (for authorized, unauthorized and certified reinsurers) as respects amounts recoverable from unauthorized reinsurers:

1. Authorized Reinsurers:

None

2. Unauthorized Reinsurers:

Company	Total Paid/Loss/LAE Recoverable	Amount Over 90 Days Overdue	Collateral Held
Lumbermens Mutual Casualty Company	\$ 145,000	\$ 145,000	\$ -
Total	\$ 145,000	\$ 145,000	\$ -

3. Certified Reinsurers:

None

G. Reinsurance Accounted for as a Deposit

Not Applicable

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

Not Applicable

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

None

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

None

NOTES TO FINANCIAL STATEMENTS

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Methods Used to Estimate

The Company estimates accrued retrospective premium adjustments through the review of each individual retrospectively rated risk, comparing case basis loss and IBNR activity in the policy contract to arrive at the best estimate of return or additional retrospective premium.

B. Method used to Record

The Company records accrued retrospective premium as an adjustment to written premium.

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 Retrospective Premiums

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

25. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated savings on loss and loss adjustment expenses attributable to insured events of prior years is \$4.3 million for the twelve months ending December 31, 2019, as shown in the chart below. This is -18.8% of unpaid losses and loss adjustment expenses of \$22.9 million as of December 31, 2018. The decrease occurred predominantly in the Accident and Health and Other Liability – Claims Made lines of business as a result of favorable claim experience in accident years 2017 and 2018.

	2019 Calendar Year Losses and LAE Incurred (\$000's)	2019 Loss Year Losses and LAE Incurred Schedule P, Part 1 (\$000's)	Total Shortage (Redundancy) (\$000's)	Loss and DCC Shortage (Redundancy) Schedule P, Part 2 (\$000's)	Impact of AO on Total Shortage (Redundancy) (\$000's)
<u>Line of Business</u>					
Group Accident and Health	\$ 46,980	\$ 51,270	\$ (4,290)	\$ (3,783)	\$ (507)
Commercial Multi-Peril	1,023	929	94	(28)	122
Medical Malpractice-Claims Made	29	29	-	-	-
Other Liability-Occurrence	5,929	4,980	949	928	21
Other Liability-Claims Made	1,969	3,022	(1,053)	(1,359)	306
Fidelity	(25)	-	(25)	(25)	-
Inland Marine/Other	82	69	13	-	13
Total	\$ 55,987	\$ 60,299	\$ (4,312)	\$ (4,267)	\$ (45)

26. Intercompany Pooling Arrangements

Not Applicable

NOTES TO FINANCIAL STATEMENTS

27. Structured Settlements

A. Reserves Released due to Purchase of Annuities

In 2003, the Company purchased annuities that have a remaining balance of \$156,450 through New York Life Insurance Company under which the claimant is the payee.

<u>Loss Reserves Eliminated by Annuities</u>	<u>Unrecorded Loss Contingencies</u>
\$ 156,450	\$ -

B. Annuity Insurers with Balances Due Greater than 1% of Policyholders' Surplus

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

The Company evaluated the need to record a premium deficiency reserve as of the end of the current year and determined a reserve was not necessary. This evaluation was completed on March 29, 2019. The Company does anticipate investment income when evaluating the need for a premium deficiency reserve.

1. Liability carried for premium deficiency reserves
- \$ -
2. Date of the most recent evaluation of this liability
- 3/29/2019
3. Was anticipated investment income utilized in the calculation?
- Yes ☒ No ☐

31. High Deductibles

Not Applicable

32. Discounting of Liabilities for Unpaid Losses and 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

None

36. Financial Guaranty Insurance

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

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

Yes [X] No []
- 1.2

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

Yes [X] No [] N/A []
- 1.3

State Regulating? Ohio.....
- 1.4

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

Yes [] No [X]
- 1.5

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

.....
- 2.1

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

Yes [] No [X]
- 2.2

If yes, date of change:

.....
- 3.1

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

.....12/31/2018
- 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.

.....12/31/2013
- 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).

.....10/31/2014
- 3.4

By what department or departments? Ohio.....
- 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 [X] No [] N/A []
- 4.1

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

Yes [X] No []
Yes [X] No []
- 4.2

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

Yes [] No [X]
Yes [] No [X]
- 5.1

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

Yes [] No [X]
- 5.2

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

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

- 6.1

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

Yes [] No [X]
- 6.2

If yes, give full information
- 7.1

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

Yes [] No [X]
- 7.2

If yes,
7.21 State the percentage of foreign control0.0 %
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 Nationality	2 Type of Entity
.....
.....
.....

GENERAL INTERROGATORIES

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

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

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

8.4 If response to 8.3 is yes, please provide 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?
KPMG LLP, 200 E. Randolph Drive, Suite 5500, Chicago, IL 60601.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

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

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

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

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Charles C. Emma, EVP Advisors Inc., 115 Campbell Street, Suite 100C, Geneva, IL 60134.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

\$.....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?
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 [X]

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 [X]

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

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
- Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	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 subordinate committee thereof?
- Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
- Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
- 20.12 To stockholders not officers \$.....
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....
- 20.22 To stockholders not officers \$.....
- 20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
- 21.22 Borrowed from others \$.....
- 21.23 Leased from others \$.....
- 21.24 Other \$.....
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?
- Yes [X] No []
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....
- 22.22 Amount paid as expenses \$.....475,071
- 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$.....0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- Yes [] No [X]
- 24.02 If no, give full and complete information, relating thereto
- The Company has securities on deposit with Federal Home Loan Bank to secure a line of credit.....
- 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 [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- Yes [] No [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes [] No [] NA [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 [] NA [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

GENERAL INTERROGATORIES

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

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

25.21 Subject to repurchase agreements	\$.....
25.22 Subject to reverse repurchase agreements	\$.....
25.23 Subject to dollar repurchase agreements	\$.....
25.24 Subject to reverse dollar repurchase agreements	\$.....
25.25 Placed under option agreements	\$.....
25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	\$.....
25.27 FHLB Capital Stock	\$.....938,700
25.28 On deposit with states	\$.....4,801,113
25.29 On deposit with other regulatory bodies	\$.....
25.30 Pledged as collateral – excluding collateral pledged to an FHLB	\$.....
25.31 Pledged as collateral to FHLB – including assets backing funding agreements	\$.....16,676,461
25.32 Other	\$.....

25.3 For category (25.26) provide the following:

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

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

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

LINES 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [] No []

26.4 If the response to 26.3 is YES, does the reporting entity utilize:

26.41 Special accounting provision of SSAP No. 108	Yes [] No []
26.42 Permitted accounting practice	Yes [] No []
26.43 Other accounting guidance	Yes [] No []

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [] No []

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Federal Home Loan Bank of Cincinnati.....	221 East Fourth Street, Suite 600 Cincinnati, OH 45202.....
State Street Bank & Trust Company Boston.....	1 Lincoln Street, Boston, MA 02111.....

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

GENERAL INTERROGATORIES

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

1 Name of Firm or Individual	2 Affiliation
Asset Allocation & Management Company, LLC.....	U.....
Wellington Management Company, LLP.....	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 invested 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 invested assets?

Yes [X] No []

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
109875.....	Asset Allocation & Management Company, LLC.....		Securities Exchange Commission.....	NO.....
106595.....	Wellington Management Company, LLP.....	549300YHP12TEZNL CX41.....	Securities Exchange Commission.....	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		0

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	222,668,696	233,908,653	11,239,957
30.2 Preferred Stocks.....	0		0
30.3 Totals	222,668,696	233,908,653	11,239,957

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

See Attachment.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [X] 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:

GENERAL INTERROGATORIES

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

Yes [] No [X]
34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
a. The security was purchased prior to January 1, 2018.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as 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 [X]
35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
a. The shares were purchased prior to January 1, 2019.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
d. The fund only or predominantly holds bonds in its portfolio.
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?

Yes [] No [X]

OTHER

- 36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?

\$32,129
- 36.2 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
LL Global Inc.....	\$.....25,906

- 37.1 Amount of payments for legal expenses, if any?

\$152,509
- 37.2 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
BAKER & HOSTETLER LLP.....	\$.....44,384
MENDES & MOUNT, LLP.....	\$.....87,585

- 38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any?

\$
- 38.2 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
.....	\$.....
.....	\$.....
.....	\$.....

30.4 For most security types, the company uses Reuters for pricing. Reuters utilizes both market and model valuation methods, and the asset classes covered include corporate and government debt, mortgage and asset-backed securities, and US agency and municipal securities. In the absence of a price from Reuters, the company uses pricing from its custodial bank.

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?

\$.....

1.31

Reason for excluding

1.4

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

\$.....

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$.....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:

2.1

Premium Numerator

\$

.....46,801,391

2.2

Premium Denominator

\$

.....97,321,727

2.3

Premium Ratio (2.1/2.2)

.....0.481

2.4

Reserve Numerator

\$

.....17,877,814

2.5

Reserve Denominator

\$

.....31,899,689

2.6

Reserve Ratio (2.4/2.5)

.....0.560

1

Current Year

2

Prior Year

3.1

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

Yes [] No [X]

3.2

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

3.21

Participating policies

\$.....

3.22

Non-participating policies

\$.....

4.

For Mutual reporting entities and Reciprocal Exchanges only:

4.1

Does the reporting entity issue assessable policies?

Yes [] No []

4.2

Does the reporting entity issue non-assessable policies?

Yes [] No []

4.3

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

%

4.4

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

\$.....

5.

For Reciprocal Exchanges Only:

5.1

Does the exchange appoint local agents?

Yes [] No []

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

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

5.22

As a direct expense of the exchange

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

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

16

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:
No workers' compensation contracts were written.....

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:
N/A.....

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....
N/A.....

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?.....

6.5

If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophe loss
The Company is provided protection through excess o floss reinsurance and primarily writes Accident and Health policies.....

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)?.....

7.2

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

7.3

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

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?.....

8.2

If yes, give full information
See attached on page 15.6.....

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.....

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.

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 37 of SSAP No. 62R - Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

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.

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

[]

No

[X]

16.1

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

11.1

Has the reporting entity guaranteed policies issued by any other entity and now in force:

Yes [] No [X]

11.2

If yes, give full information

12.1

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

12.11

Unpaid losses

\$ 5,099,425

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$ 3,211,593

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?

\$ 3,211,593

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 [] N/A [X]

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

\$

13.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$ 875,000

13.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [] No [X]

13.3

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

5

14.1

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

Yes [] No [X]

14.2

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

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [] No []

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes [] No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [] No [X]

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

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

* Disclose type of coverage:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1

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

Yes [☐] No [☒]

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

17.11

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

\$.....

17.12

Unfunded portion of Interrogatory 17.11.....

\$.....

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11

\$.....

17.14

Case reserves portion of Interrogatory 17.11.....

\$.....

17.15

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

\$.....

17.16

Unearned premium portion of Interrogatory 17.11.....

\$.....

17.17

Contingent commission portion of Interrogatory 17.11.....

\$.....

18.1

Do you act as a custodian for health savings accounts?

Yes [☐] No [☒]

18.2

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

\$.....

18.3

Do you act as an administrator for health savings accounts?

Yes [☐] No [☒]

18.4

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

\$.....

19.

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

Yes [☒] No [☐]

19.1

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

Yes [☐] No [☐]

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE BCS Insurance Company

FIVE-YEAR HISTORICAL DATA

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

	1 2019	2 2018	3 2017	4 2016	5 2015
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)	35,622,497	47,610,203	47,524,461	48,076,013	39,141,404
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	197,695,778	111,308,284	83,960,487	72,539,712	70,540,705
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	32,750,113	31,478,245	33,298,957	27,648,605	3,871,420
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	397,850,429	282,007,600	193,595,399	215,495,079	203,423,839
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	663,918,817	472,404,332	358,379,304	363,759,409	316,977,368
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)	15,306,088	13,452,818	16,088,833	17,343,129	11,824,158
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,108,719	1,589,152	64,739	440,171	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	76,141,597	82,542,468	82,468,936	84,025,116	83,473,960
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	92,556,404	97,584,438	98,622,508	101,808,416	95,298,118
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	8,029,028	7,148,137	13,190,691	9,573,733	12,329,161
14. Net investment gain (loss) (Line 11)	10,067,683	6,817,538	6,583,885	6,962,496	6,748,807
15. Total other income (Line 15)	(1,135,883)	(12,765)	143,186	(41,301)	40,722
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	3,456,216	2,700,089	5,980,508	5,100,565	5,795,066
18. Net income (Line 20)	13,504,612	11,252,821	13,937,254	11,394,363	13,323,624
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	322,837,926	336,649,851	276,644,989	269,416,276	272,207,159
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	50,711,625	38,071,635	21,180,480	21,207,828	22,102,090
20.2 Deferred and not yet due (Line 15.2)	130,000	566,667	0	0	0
20.3 Accrued retrospective premiums (Line 15.3)	3,211,593	7,833,485	7,686,772	2,688,696	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	175,120,333	194,735,033	129,672,575	114,263,113	110,890,836
22. Losses (Page 3, Line 1)	23,304,687	19,082,874	24,941,067	31,884,891	40,414,946
23. Loss adjustment expenses (Page 3, Line 3)	3,450,303	3,838,828	4,626,444	5,369,431	9,422,427
24. Unearned premiums (Page 3, Line 9)	5,144,699	9,910,022	8,685,809	9,995,502	9,808,511
25. Capital paid up (Page 3, Lines 30 & 31)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	147,717,593	141,914,818	146,972,414	155,153,163	161,316,323
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	24,187,133	3,419,189	5,391,230	(8,695,571)	13,648,649
Risk-Based Capital Analysis					
28. Total adjusted capital	147,717,593	141,914,818	146,972,414	155,153,163	161,316,323
29. Authorized control level risk-based capital	16,973,653	13,817,939	17,601,338	11,892,271	11,967,770
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)	89.5	84.3	80.4	83.1	77.6
31. Stocks (Lines 2.1 & 2.2)	5.4	4.9	6.6	10.8	9.9
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	0.5	0.5	0.4	0.4	7.3
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	4.6	10.3	12.6	5.7	5.2
38. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
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)	0	0	0	0	0
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	0	351,670	674,972	2,152,518	2,228,447
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate	0	0	0	0	0
47. All other affiliated	0	22,000,000	22,000,000	0	0
48. Total of above Lines 42 to 47	0	22,351,670	22,674,972	2,152,518	2,228,447
49. Total Investment in parent included in Lines 42 to 47 above		0	0	0	0
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	15.8	15.4	1.4	1.4

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2019	2018	2017	2016	2015
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	2,711,180	(2,040,005)	655,773	773,439	(867,547)
52. Dividends to stockholders (Line 35)	(14,000,000)	(14,500,000)	(15,500,000)	(16,000,000)	(7,000,000)
53. Change in surplus as regards policyholders for the year (Line 38)	5,802,775	(5,057,595)	(8,180,749)	(6,163,161)	4,126,640
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)	41,736,645	56,614,585	58,416,996	53,531,165	25,336,931
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	53,461,929	40,691,421	32,654,612	28,400,002	22,063,044
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	6,187,586	1,595,856	0	0	0
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	239,231,431	165,810,651	137,243,179	151,907,258	125,404,443
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	340,617,591	264,712,513	228,314,787	233,838,425	172,804,418
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)	4,207,095	6,589,817	7,061,004	11,839,083	5,609,534
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	3,245	2,594
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	50,042	0	0	0	0
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	44,888,800	53,025,366	54,596,400	61,140,604	53,120,714
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	49,145,937	59,615,183	61,657,404	72,982,932	58,732,842
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)	54.8	55.8	54.8	63.4	54.4
68. Loss expenses incurred (Line 3)	2.7	2.3	3.2	1.4	6.1
69. Other underwriting expenses incurred (Line 4)	34.2	34.5	27.9	25.7	27.8
70. Net underwriting gain (loss) (Line 8)	8.2	7.4	13.2	9.4	11.6
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)	37.2	34.1	29.1	25.7	30.9
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	57.5	58.1	57.9	64.9	60.5
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)	62.7	68.8	67.1	65.6	59.1
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)	(4,267)	(7,220)	(11,072)	(8,965)	(11,785)
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)	(3.0)	(4.9)	(7.1)	(5.6)	(7.5)
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)	(7,891)	(14,010)	(11,872)	(17,199)	(3,890)
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)	(5.4)	(9.0)	(7.4)	(10.9)	(2.5)

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

If no, please explain

.....

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	57	82	51	59	0	0	25	(33)	XXX
2. 2010	238,765	133,255	105,509	151,691	86,278	3,621	1,441	2,308	962	0	68,939	XXX
3. 2011	263,133	153,017	110,116	143,946	78,694	4,821	963	3,016	753	0	71,374	XXX
4. 2012	295,879	186,915	108,964	267,169	202,754	13,504	6,704	6,410	1,756	0	75,869	XXX
5. 2013	344,207	218,075	126,132	204,867	131,209	5,267	869	4,701	1,677	0	81,080	XXX
6. 2014	370,533	237,682	132,851	183,393	114,092	6,980	1,308	4,132	1,295	0	77,810	XXX
7. 2015	325,508	219,565	105,943	169,966	105,712	3,947	2,213	3,397	1,130	0	68,255	XXX
8. 2016	362,232	260,611	101,621	205,495	142,306	892	330	2,684	718	0	65,717	XXX
9. 2017	355,722	255,790	99,932	196,726	136,423	2,046	1,273	4,082	2,013	0	63,145	XXX
10. 2018	454,333	357,973	96,360	243,465	188,479	1,314	511	2,919	782	0	57,926	XXX
11. 2019	650,911	553,589	97,322	247,219	211,403	335	117	1,646	394	0	37,286	XXX
12. Totals	XXX	XXX	XXX	2,013,995	1,397,432	42,779	15,787	35,294	11,480	25	667,368	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			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1.	1,461	1,441	3,746	3,746	22	22	0	0	0	0	0	20	XXX
2.	20	20	2,020	2,020	0	0	431	431	0	0	0	0	XXX
3.	0	0	3,774	3,774	0	0	827	827	33	33	0	0	XXX
4.	318,885	318,760	6,497	6,497	180	115	768	768	148	148	0	190	XXX
5.	1,068	1,060	12,452	12,302	22	0	233	233	58	58	0	180	XXX
6.	280	280	6,187	5,887	79	77	331	331	82	82	0	302	XXX
7.	17,790	17,740	13,580	13,276	117	28	655	655	46	40	0	449	XXX
8.	488	428	9,036	8,878	52	0	733	733	345	344	0	271	XXX
9.	12,380	12,240	7,075	6,877	712	562	1,705	1,549	169	168	0	645	XXX
10.	6,873	6,544	11,310	10,640	1,189	939	2,020	1,606	225	202	0	1,686	XXX
11.	7,676	6,827	100,622	80,677	180	65	3,596	2,478	1,091	105	0	23,013	XXX
12.	366,921	365,340	176,299	154,574	2,553	1,808	11,299	9,611	2,197	1,180	0	26,756	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	20	0
2.	160,091	91,152	68,939	67.0	68.4	65.3	0	0		0	0
3.	156,418	85,044	71,374	59.4	55.6	64.8	0	0		0	0
4.	613,561	537,502	76,059	207.4	287.6	69.8	0	0		125	65
5.	228,668	147,408	81,260	66.4	67.6	64.4	0	0		158	22
6.	201,464	123,352	78,112	54.4	51.9	58.8	0	0		300	2
7.	209,498	140,794	68,704	64.4	64.1	64.8	0	0		354	95
8.	219,725	153,737	65,988	60.7	59.0	64.9	0	0		218	53
9.	224,895	161,105	63,790	63.2	63.0	63.8	0	0		338	307
10.	269,315	209,703	59,612	59.3	58.6	61.9	0	0		999	687
11.	362,365	302,066	60,299	55.7	54.6	62.0	0	0		20,794	2,219
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	23,306	3,450

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
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	One Year	Two Year
1. Prior	4,437	1,834	2,203	2,110	2,598	2,649	2,405	2,376	2,222	2,179	(43)	(197)
2. 2010	71,462	66,895	67,164	67,423	67,644	67,593	67,594	67,594	67,594	67,594	0	0
3. 2011	XXX	73,840	70,023	70,085	69,347	69,136	69,114	69,112	69,113	69,111	(2)	(1)
4. 2012	XXX	XXX	68,889	70,957	73,200	71,868	71,458	71,558	71,405	71,405	0	(153)
5. 2013	XXX	XXX	XXX	83,344	80,101	78,783	78,041	78,287	78,286	78,236	(50)	(51)
6. 2014	XXX	XXX	XXX	XXX	90,024	81,100	77,103	75,301	75,251	75,275	24	(26)
7. 2015	XXX	XXX	XXX	XXX	XXX	71,628	68,077	66,657	66,433	66,431	(2)	(226)
8. 2016	XXX	XXX	XXX	XXX	XXX	XXX	74,448	66,283	63,926	64,021	95	(2,262)
9. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	66,695	62,413	61,720	(693)	(4,975)
10. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	61,048	57,452	(3,596)	XXX
11. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	58,061	XXX	XXX
12. Totals											(4,267)	(7,891)

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
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
1. Prior	000	601	1,771	1,900	2,188	2,249	2,239	2,211	2,192	2,159	XXX	XXX
2. 2010	47,555	65,122	66,463	67,371	67,412	67,593	67,594	67,594	67,594	67,594	XXX	XXX
3. 2011	XXX	46,734	66,465	68,530	68,985	69,116	69,114	69,112	69,113	69,111	XXX	XXX
4. 2012	XXX	XXX	42,054	65,151	69,496	70,521	71,039	71,155	71,202	71,215	XXX	XXX
5. 2013	XXX	XXX	XXX	50,179	74,597	76,421	77,117	77,806	78,038	78,056	XXX	XXX
6. 2014	XXX	XXX	XXX	XXX	50,036	69,867	73,534	74,484	74,791	74,973	XXX	XXX
7. 2015	XXX	XXX	XXX	XXX	XXX	40,575	63,749	64,898	65,993	65,988	XXX	XXX
8. 2016	XXX	XXX	XXX	XXX	XXX	XXX	47,648	63,330	63,589	63,751	XXX	XXX
9. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	44,714	60,874	61,076	XXX	XXX
10. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	42,335	55,789	XXX	XXX
11. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	36,034	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
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1. Prior	1,797	497	200	117	50	50	50	50	0	0
2. 2010	22,995	795	105	10	12	0	0	0	0	0
3. 2011	XXX	24,615	1,676	525	26	0	0	0	0	0
4. 2012	XXX	XXX	23,187	1,434	260	0	0	0	0	0
5. 2013	XXX	XXX	XXX	29,225	2,807	730	150	150	150	150
6. 2014	XXX	XXX	XXX	XXX	30,763	5,260	1,779	300	300	300
7. 2015	XXX	XXX	XXX	XXX	XXX	29,267	2,953	668	300	304
8. 2016	XXX	XXX	XXX	XXX	XXX	XXX	26,163	2,596	168	158
9. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,230	1,270	354
10. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,181	1,084
11. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,063

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE BCS Insurance Company

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories									
States, etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status (a)	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
1. Alabama	AL L	25,447,167	25,385,451	0	24,715,798	22,724,666	20,887,815	0	
2. Alaska	AK L	134,461	182,710	0	35,218	53,531	51,795	0	
3. Arizona	AZ L	4,667,198	4,676,146	0	2,300,788	3,559,090	1,912,389	0	
4. Arkansas	AR L	2,897,040	3,651,874	0	641,299	12,660,273	22,750,781	0	
5. California	CA L	87,256,214	88,117,820	0	17,446,634	26,086,605	43,034,182	0	
6. Colorado	CO L	5,687,318	5,647,979	0	1,257,707	1,456,309	1,106,013	0	
7. Connecticut	CT L	3,342,894	3,895,238	0	2,076,088	1,468,671	528,933	0	
8. Delaware	DE L	1,060,818	1,053,429	0	263,904	267,790	121,172	0	
9. Dist. Columbia	DC L	385,368	327,316	0	12,270	148,984	212,164	0	
10. Florida	FL L	14,074,358	14,544,122	0	9,709,139	(10,813,043)	4,544,047	0	
11. Georgia	GA L	7,847,640	7,761,016	0	4,093,211	4,272,019	1,494,055	0	
12. Hawaii	HI L	475,506	476,178	0	186,620	273,903	122,079	0	
13. Idaho	ID L	683,961	694,072	0	292,699	302,569	146,623	0	
14. Illinois	IL L	19,595,265	18,934,021	0	9,340,883	16,508,379	24,655,719	0	
15. Indiana	IN L	7,357,579	7,157,763	0	3,632,803	12,385,353	21,934,478	0	
16. Iowa	IA L	2,737,287	2,490,191	0	753,845	1,216,167	843,611	0	
17. Kansas	KS L	2,966,377	2,977,473	0	1,385,229	1,576,704	741,153	0	
18. Kentucky	KY L	2,612,396	2,561,156	0	856,050	1,329,473	824,265	0	
19. Louisiana	LA L	14,787,983	14,610,412	0	6,702,802	13,351,213	12,285,926	0	
20. Maine	ME L	1,723,735	1,683,882	0	706,825	1,143,765	563,911	0	
21. Maryland	MD L	3,241,609	2,292,366	0	1,002,527	21,784,240	21,369,430	0	
22. Massachusetts	MA L	4,603,076	4,492,601	0	1,524,754	19,069,254	18,376,137	0	
23. Michigan	MI L	8,206,108	8,234,458	0	8,594,822	7,881,679	17,980,322	0	
24. Minnesota	MN L	4,841,578	4,668,310	0	3,361,651	14,604,793	34,666,676	0	
25. Mississippi	MS L	2,857,683	2,824,451	0	718,712	(72,958)	770,570	0	
26. Missouri	MO L	5,712,169	5,504,965	0	2,883,221	5,940,423	22,633,492	0	
27. Montana	MT L	334,158	330,571	0	66,960	46,233	55,660	0	
28. Nebraska	NE L	4,917,966	4,883,002	0	2,743,176	3,549,943	12,568,962	0	
29. Nevada	NV L	1,220,965	1,179,907	0	643,411	670,740	153,527	0	
30. New Hampshire	NH L	1,598,104	1,565,607	0	792,757	651,127	264,624	0	
31. New Jersey	NJ L	6,629,531	6,489,884	0	2,453,878	8,936,440	8,490,180	0	
32. New Mexico	NM L	2,398,626	2,403,587	0	897,579	1,382,395	573,747	0	
33. New York	NY L	58,870,429	58,846,026	0	23,152,447	44,538,065	33,282,818	0	
34. No.Carolina	NC L	10,822,457	10,793,333	0	3,838,757	32,749,350	54,102,103	0	
35. No.Dakota	ND L	200,406	198,244	0	107,852	(113,545)	624,135	0	
36. Ohio	OH L	10,901,293	10,461,152	0	4,508,361	2,886,500	1,546,868	0	
37. Oklahoma	OK L	3,961,124	3,939,350	0	1,209,060	1,473,403	1,477,403	0	
38. Oregon	OR L	3,136,501	3,125,454	0	1,203,958	1,013,036	464,361	0	
39. Pennsylvania	PA L	16,628,498	16,554,616	0	3,710,846	17,403,887	33,730,200	0	
40. Rhode Island	RI L	1,880,184	1,871,844	0	459,046	5,316,131	6,516,448	0	
41. So. Carolina	SC L	10,444,952	10,440,073	0	5,159,711	19,467,209	23,388,089	0	
42. So. Dakota	SD L	1,070,910	1,064,666	0	257,825	289,179	268,760	0	
43. Tennessee	TN L	9,349,944	9,215,109	0	2,271,668	2,072,729	1,930,413	0	
44. Texas	TX L	35,785,607	34,999,865	0	28,578,014	28,283,821	9,459,643	0	
45. Utah	UT L	1,869,700	1,877,953	0	643,823	664,294	360,423	0	
46. Vermont	VT L	2,716,597	2,716,708	0	1,911,114	7,149,797	9,133,353	0	
47. Virginia	VA L	7,948,301	7,534,727	0	3,037,585	592,957	14,522,348	0	
48. Washington	WA L	6,400,304	6,638,411	0	16,031,335	26,994,787	20,011,084	0	
49. West Virginia	WV L	874,617	876,893	0	592,869	431,301	110,755	0	
50. Wisconsin	WI L	4,317,612	4,147,102	0	1,192,040	1,751,287	1,044,588	0	
51. Wyoming	WY L	1,449,215	1,442,253	0	1,355,257	1,126,304	496,193	0	
52. American Samoa	AS N	0	0	0	0	0	0	0	
53. Guam	GU N	0	0	0	0	0	0	0	
54. Puerto Rico	PR L	1,275,958	1,275,790	0	316,992	497,099	316,255	0	
55. U.S. Virgin Islands	VI N	0	0	0	0	0	0	0	
56. Northern Mariana Islands	MP N	0	0	0	0	0	0	0	
57. Canada	CAN N	0	0	0	0	0	0	0	
58. Aggregate other alien	OT XXX	0	0	0	0	0	0	0	0
59. Totals	XXX	442,206,747	439,717,527	0	211,631,820	389,004,321	509,450,678	0	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Sum. of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 + 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Active Status Counts

L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG 52 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) 0 Q – Qualified – Qualified or accredited reinsurer 0
D – Domestic Surplus Lines Insurer (DSLII) – 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 5

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

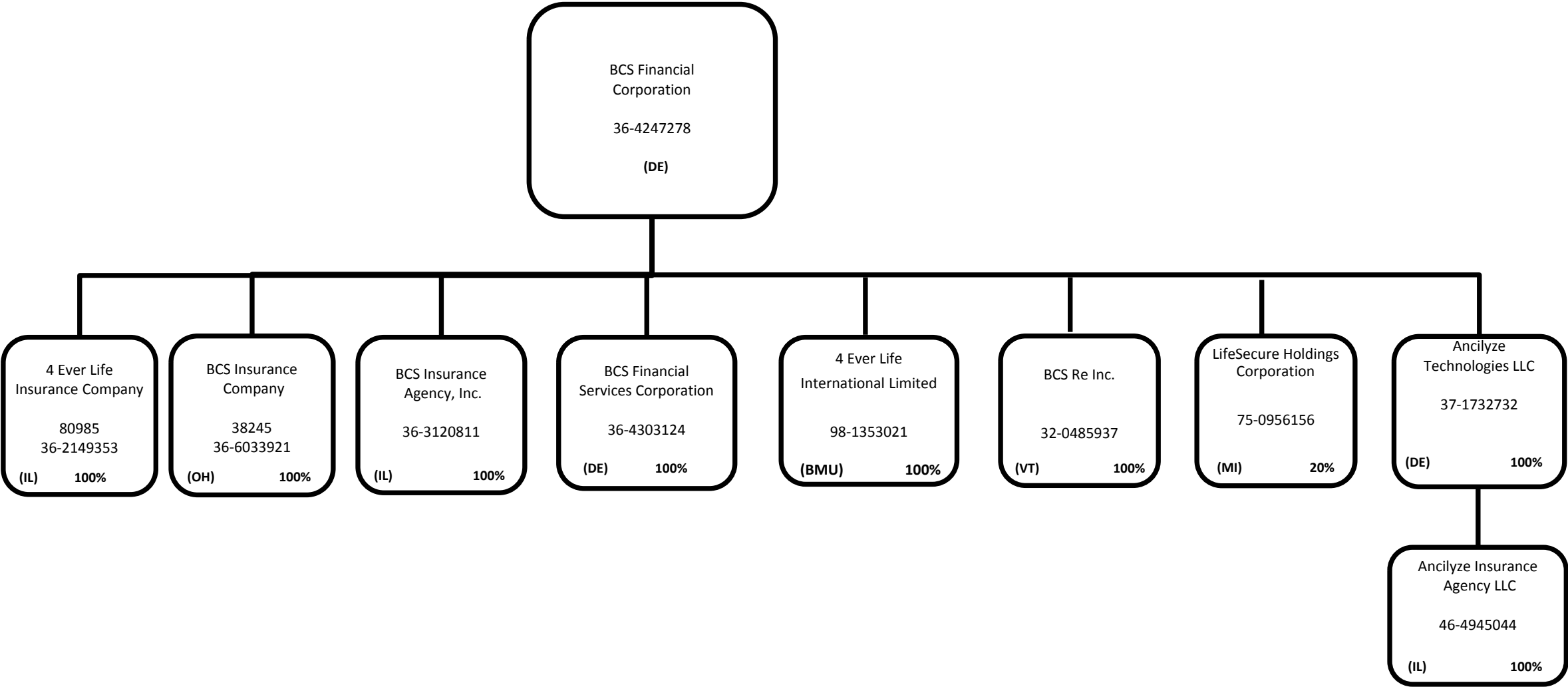
See below footnote for allocation explanation.

For group accident and health business, BCS Insurance Company allocates premium by either the group situs state or by the insured member state depending upon the specific type of accident and health business. The group entity, usually an employer, that the policy is issued to and the insured member is the participant, usually an employee, to whom a certificate is issued to. For travel accident business, the premium is allocated by state based upon the insured state of residence. The insured is the individual that purchases the travel accident coverage through a particular entity. For professional liability business the premium is allocated by the group situs state. The group is a corporate entity that purchases the policy.

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

PART 1 – ORGANIZATIONAL CHART

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