



ANNUAL STATEMENT

For the Year Ended December 31, 2019

of the Condition and Affairs of the

SCOTTSDALE INSURANCE COMPANY

NAIC Group Code..... 140, 140
(Current Period) (Prior Period)

NAIC Company Code..... 41297

Employer's ID Number..... 31-1024978

Organized under the Laws of OH

State of Domicile or Port of Entry OH

Country of Domicile US

Incorporated/Organized..... January 4, 1982

Commenced Business..... July 1, 1982

Statutory Home Office

ONE WEST NATIONWIDE BLVD. .. COLUMBUS .. OH .. US .. 43215-2220
(Street and Number) (City or Town, State, Country and Zip Code)

480-365-4000
(Area Code) (Telephone Number)

Main Administrative Office

8877 N. GAINY CENTER DRIVE .. SCOTTSDALE .. AZ .. US .. 85258-2108
(Street and Number) (City or Town, State, Country and Zip Code)

Mail Address

ONE WEST NATIONWIDE BLVD., FSSC-RR .. COLUMBUS .. OH .. US .. 43215-2220
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records

ONE WEST NATIONWIDE BLVD., 1-04-701 .. COLUMBUS .. OH .. US .. 43215-2220
(Street and Number) (City or Town, State, Country and Zip Code)

614-249-1545
(Area Code) (Telephone Number)

Internet Web Site Address

WWW.SCOTTSDALEINS.COM

Statutory Statement Contact

CHERYL M DENNIS

614-249-1545
(Area Code) (Telephone Number) (Extension)
866-315-1430
(Fax Number)

(Name)
FINRPT@NATIONWIDE.COM
(E-Mail Address)

OFFICERS

Name
1. THOMAS EDWARD CLARK
3. AMBER M. WAYNE #

Title
PRESIDENT
VP & TREASURER

Name
2. DENISE LYNN SKINGLE

Title
SVP & SECRETARY

PAMELA ANN BIESECKER

SVP-HEAD OF TAXATION

OTHER

MARK ALLEN BERVEN
ELIZABETH MARGARET RICZKO #

THOMAS EDWARD CLARK

THOMAS WAYNE JURGENS

DAVID NEIL NELSON

State of..... OHIO
County of..... FRANKLIN

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

(Signature)
THOMAS EDWARD CLARK

(Signature)
DENISE LYNN SKINGLE

(Signature)
AMBER M. WAYNE

1. (Printed Name)
PRESIDENT
(Title)

2. (Printed Name)
SVP & SECRETARY
(Title)

3. (Printed Name)
VP & TREASURER
(Title)

Subscribed and sworn to before me
This 3 day of February 2020

a. Is this an original filing?
b. If no
1. State the amendment number
2. Date filed
3. Number of pages attached

Yes [X] No []



JEFFREY BOYD
Notary Public, State of Ohio
My Commission Expires 08-22-2021

SCOTTSDALE INSURANCE COMPANY
ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	1,232,072,698		1,232,072,698	1,250,969,674
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	61,341,962		61,341,962	55,662,388
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....(104,523,093), Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$....85,304,368, Schedule DA).....	(19,218,724)		(19,218,724)	(51,344,623)
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....	1,090,978		1,090,978	2,795,334
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	1,275,286,914	0	1,275,286,914	1,258,082,773
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	8,587,015		8,587,015	10,173,529
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	650,897,194	24,692,886	626,204,308	509,106,753
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	279,310,612	165,571	279,145,041	261,427,636
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	202,463,506		202,463,506	127,575,200
16.2 Funds held by or deposited with reinsured companies.....	736,316		736,316	728,454
16.3 Other amounts receivable under reinsurance contracts.....	2,940,247		2,940,247	53,188,573
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	2,101,116
18.2 Net deferred tax asset.....	35,190,364		35,190,364	33,089,194
19. Guaranty funds receivable or on deposit.....	266,391		266,391	241,013
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....	561		561	
23. Receivables from parent, subsidiaries and affiliates.....	13,374,734		13,374,734	25,283,056
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	15,897,574	3,044,786	12,852,788	13,863,024
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,484,951,428	27,903,243	2,457,048,185	2,294,860,321
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	2,484,951,428	27,903,243	2,457,048,185	2,294,860,321

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Deposits and prepaid assets.....	1,479,943	1,479,943	0	
2502. Funds held equity pools & associations.....	6,342,986		6,342,986	7,374,083
2503. Miscellaneous assets.....	3,453,059		3,453,059	4,121,281
2598. Summary of remaining write-ins for Line 25 from overflow page.....	4,621,586	1,564,843	3,056,743	2,367,660
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	15,897,574	3,044,786	12,852,788	13,863,024

SCOTTSDALE INSURANCE COMPANY
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	471,177,336	497,432,836
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	135,134,433	123,244,118
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	96,393,439	93,360,582
4. Commissions payable, contingent commissions and other similar charges.....	13,681,360	13,367,355
5. Other expenses (excluding taxes, licenses and fees).....	9,523,821	8,817,232
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	3,546,960	3,166,644
7.1 Current federal and foreign income taxes (including \$...37,546 on realized capital gains (losses)).....	1,837,751	...
7.2 Net deferred tax liability.....	...	...
8. Borrowed money \$.....0 and interest thereon \$.....0.....	...	...
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$....1,834,071,838 and including warranty reserves of \$....488,999 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	308,712,320	299,685,149
10. Advance premium.....	5,280,053	5,212,313
11. Dividends declared and unpaid:		
11.1 Stockholders.....	...	...
11.2 Policyholders.....	326,182	375,702
12. Ceded reinsurance premiums payable (net of ceding commissions).....	786,225,652	675,646,768
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20).....	685,064	677,493
14. Amounts withheld or retained by company for account of others.....	17,719,213	17,764,087
15. Remittances and items not allocated.....	398,390	945,033
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 3, Column 78).....	9,859,000	11,009,800
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	...	506
18. Drafts outstanding.....	...	...
19. Payable to parent, subsidiaries and affiliates.....	21,518,147	5,871,405
20. Derivatives.....	...	...
21. Payable for securities.....	9,997,300	...
22. Payable for securities lending.....	1,126,550	2,917,610
23. Liability for amounts held under uninsured plans.....	...	...
24. Capital notes \$.....0 and interest thereon \$.....0.....	...	...
25. Aggregate write-ins for liabilities.....	9,997,034	9,122,925
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,903,140,005	1,768,617,558
27. Protected cell liabilities.....	...	...
28. Total liabilities (Lines 26 and 27).....	1,903,140,005	1,768,617,558
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	6,027,200	6,027,200
31. Preferred capital stock.....	...	...
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....	...	...
34. Gross paid in and contributed surplus.....	173,973,300	173,973,300
35. Unassigned funds (surplus).....	373,907,680	346,242,263
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....	...	...
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....	...	...
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	553,908,180	526,242,763
38. TOTAL (Page 2, Line 28, Col. 3).....	2,457,048,185	2,294,860,321

DETAILS OF WRITE-INS

2501. Contingent suit liability.....	242,629	543,236
2502. Escrow liability.....	103,614	17,530
2503. Miscellaneous liabilities.....	47,162	86,561
2598. Summary of remaining write-ins for Line 25 from overflow page.....	9,603,629	8,475,598
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	9,997,034	9,122,925
2901. ....	...	...
2902. ....	...	...
2903. ....	...	...
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0
3201. ....	...	...
3202. ....	...	...
3203. ....	...	...
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

SCOTTSDALE INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	711,066,494	734,755,758
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	431,329,269	473,492,127
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	74,107,490	78,575,505
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	235,095,521	237,903,556
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	740,532,280	789,971,188
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(29,465,786)	(55,215,430)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	40,773,817	107,252,860
10. Net realized capital gains (losses) less capital gains tax of \$....37,546 (Exhibit of Capital Gains (Losses)).....	9,199,345	1,501,245
11. Net investment gain (loss) (Lines 9 + 10).....	49,973,162	108,754,105
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$....91,948 amount charged off \$....2,223,440).....	(2,131,492)	(2,704,136)
13. Finance and service charges not included in premiums.....	4,202,075	4,444,892
14. Aggregate write-ins for miscellaneous income.....	3,402,342	6,718,606
15. Total other income (Lines 12 through 14).....	5,472,925	8,459,362
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	25,980,301	61,998,037
17. Dividends to policyholders.....	276,438	385,765
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).....	25,703,863	61,612,272
19. Federal and foreign income taxes incurred.....	2,463,917	(796,766)
20. Net income (Line 18 minus Line 19) (to Line 22).....	23,239,946	62,409,038
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	526,242,763	737,789,895
22. Net income (from Line 20).....	23,239,946	62,409,038
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$....(739,243).....	2,180,737	(67,385,725)
25. Change in net unrealized foreign exchange capital gain (loss).....	717,877	(842,291)
26. Change in net deferred income tax.....	(1,357,139)	224,773
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(697,920)	(1,354,532)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	1,150,800	(8,285,116)
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from Protected Cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....		(195,000,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	2,431,116	(1,313,279)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	27,665,417	(211,547,132)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	553,908,180	526,242,763

DETAILS OF WRITE-INS

0501.....		
0502.....		
0503.....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0
1401. Change in contingent suit liability.....	300,526	(191,903)
1402. Other income.....	3,101,816	6,910,509
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).....	3,402,342	6,718,606
3701. Change in surplus miscellaneous.....	2,431,116	(1,313,279)
3702.....		
3703.....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	2,431,116	(1,313,279)

SCOTTSDALE INSURANCE COMPANY

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	696,166,818	697,970,638
2. Net investment income.....	46,469,294	49,557,672
3. Miscellaneous income.....	5,465,063	8,415,510
4. Total (Lines 1 through 3).....	748,101,175	755,943,820
5. Benefit and loss related payments.....	520,562,326	393,345,444
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.....	.....
7. Commissions, expenses paid and aggregate write-ins for deductions.....	254,546,296	361,552,540
8. Dividends paid to policyholders.....	325,958	458,145
9. Federal and foreign income taxes paid (recovered) net of \$....27,044 tax on capital gains (losses).....	(1,437,404)	(4,949,031)
10. Total (Lines 5 through 9).....	773,997,176	750,407,098
11. Net cash from operations (Line 4 minus Line 10).....	(25,896,001)	5,536,722
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	265,872,841	177,634,540
12.2 Stocks.....	.....	.....
12.3 Mortgage loans.....	.....	.....
12.4 Real estate.....	.....	.....
12.5 Other invested assets.....	.....	.....
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	5,286	(1,579)
12.7 Miscellaneous proceeds.....	11,733,961	6,232,342
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	277,612,088	183,865,303
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	245,406,799	166,215,458
13.2 Stocks.....	.....	.....
13.3 Mortgage loans.....	.....	.....
13.4 Real estate.....	.....	.....
13.5 Other invested assets.....	.....	.....
13.6 Miscellaneous applications.....	.....	.....
13.7 Total investments acquired (Lines 13.1 to 13.6).....	245,406,799	166,215,458
14. Net increase (decrease) in contract loans and premium notes.....	.....	.....
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	32,205,289	17,649,845
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	.....	.....
16.2 Capital and paid in surplus, less treasury stock.....	.....	.....
16.3 Borrowed funds.....	.....	.....
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	.....	.....
16.5 Dividends to stockholders.....	.....	8,408,619
16.6 Other cash provided (applied).....	25,816,611	(38,991,210)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	25,816,611	(47,399,829)
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).....	32,125,899	(24,213,262)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	(51,344,623)	(27,131,361)
19.2 End of year (Line 18 plus Line 19.1).....	(19,218,724)	(51,344,623)

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

20.0001 Exchange of bond investment to bond investment.....	5,552,294	19,858,102
20.0002 Intercompany transfer of securities in.....	.....	112,123,511
20.0003 Intercompany transfer of securities out.....	.....	186,591,381
20.0004 Non-cash transfer of surety collateral liability.....	.....	4,575,288
20.0005 Capitalized interest on bonds.....	3	.....

SCOTTSDALE INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	8,292,931	4,326,371	4,426,132	8,193,170
2. Allied lines.....	12,704,408	6,079,772	6,936,436	11,847,744
3. Farmowners multiple peril.....	21,188,636	10,124,392	10,449,643	20,863,385
4. Homeowners multiple peril.....	125,112,589	66,508,659	68,314,557	123,306,691
5. Commercial multiple peril.....	91,318,061	44,602,918	45,824,415	90,096,564
6. Mortgage guaranty.....	0		0	0
8. Ocean marine.....	402,950	193,999	139,538	457,411
9. Inland marine.....	33,069,121	13,601,443	15,619,726	31,050,838
10. Financial guaranty.....	0		0	0
11.1 Medical professional liability - occurrence.....	99	(4)	16	79
11.2 Medical professional liability - claims-made.....	.560		0	.560
12. Earthquake.....	1,194,555	682,568	639,843	1,237,280
13. Group accident and health.....	11,055,282	.27,710	.26,104	11,056,888
14. Credit accident and health (group and individual).....	0		0	0
15. Other accident and health.....	10,948	13,338	3,845	20,441
16. Workers' compensation.....	14,653,678	6,727,812	6,974,772	14,406,718
17.1 Other liability - occurrence.....	52,208,340	22,374,943	24,290,558	50,292,725
17.2 Other liability - claims-made.....	26,356,062	10,472,511	13,069,599	23,758,974
17.3 Excess workers' compensation.....	0		0	0
18.1 Products liability - occurrence.....	3,260,248	1,676,827	1,750,608	3,186,467
18.2 Products liability - claims-made.....	.5,271	2,376	2,384	5,263
19.1, 19.2 Private passenger auto liability.....	144,457,487	47,603,627	44,745,963	147,315,151
19.3, 19.4 Commercial auto liability.....	51,414,342	22,754,090	24,035,844	50,132,588
21. Auto physical damage.....	120,580,545	40,364,821	39,573,642	121,371,724
22. Aircraft (all perils).....	0		0	0
23. Fidelity.....	214,619	.78,959	166,588	126,990
24. Surety.....	2,248,028	954,884	1,226,645	1,976,267
26. Burglary and theft.....	129,259	.65,789	.62,346	132,702
27. Boiler and machinery.....	.21,978	(62,957)	(83,997)	43,018
28. Credit.....	.22,696	.18,439	.29,702	.11,433
29. International.....	0		0	0
30. Warranty.....	159,379	502,653	488,999	173,033
31. Reinsurance - nonproportional assumed property.....	.2,327	(544)	(607)	2,390
32. Reinsurance - nonproportional assumed liability.....	0		0	0
33. Reinsurance - nonproportional assumed financial lines.....	0		0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0
35. TOTALS.....	720,084,399	299,695,396	308,713,301	711,066,494

DETAILS OF WRITE-INS

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

SCOTTSDALE INSURANCE COMPANY
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.....	4,414,607	11,525			4,426,132
2. Allied lines.....	6,728,085	208,351			6,936,436
3. Farmowners multiple peril.....	10,449,643				10,449,643
4. Homeowners multiple peril.....	67,898,054	416,503			68,314,557
5. Commercial multiple peril.....	45,720,512	103,903			45,824,415
6. Mortgage guaranty.....					0
8. Ocean marine.....	138,863	.675			139,538
9. Inland marine.....	15,483,286	136,440			15,619,726
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....	16				16
11.2 Medical professional liability - claims-made.....					0
12. Earthquake.....	636,008	3,835			639,843
13. Group accident and health.....	.26,104				.26,104
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....	.1,027			2,818	3,845
16. Workers' compensation.....	6,970,139	4,633			6,974,772
17.1 Other liability - occurrence.....	23,665,426	626,967		(1,835)	24,290,558
17.2 Other liability - claims-made.....	12,248,261	821,338			13,069,599
17.3 Excess workers' compensation.....					0
18.1 Products liability - occurrence.....	1,656,149	94,459			1,750,608
18.2 Products liability - claims-made.....		2,384			2,384
19.1, 19.2 Private passenger auto liability.....	44,738,355	7,608			44,745,963
19.3, 19.4 Commercial auto liability.....	24,024,736	11,108			24,035,844
21. Auto physical damage.....	39,566,936	.6,706			39,573,642
22. Aircraft (all perils).....					0
23. Fidelity.....	138,036	28,552			166,588
24. Surety.....	923,691	302,954			1,226,645
26. Burglary and theft.....	.62,312	.34			.62,346
27. Boiler and machinery.....	(83,997)				(83,997)
28. Credit.....	.7,641	22,061			.29,702
29. International.....					0
30. Warranty.....	.400	488,599			488,999
31. Reinsurance - nonproportional assumed property.....	(607)				(607)
32. Reinsurance - nonproportional assumed liability.....					0
33. Reinsurance - nonproportional assumed financial lines.....					0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0
35. TOTALS.....	305,416,067	3,296,251	.0	983	308,713,301
36. Accrued retrospective premiums based on experience.....					(983)
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					308,712,318

DETAILS OF WRITE-INS

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

(a) State here basis of computation used in each case: See Notes to Financial Statement #1C

SCOTTSDALE INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT
PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	67,949,666	14,177,563	748	73,804,326	30,720	8,292,931
2. Allied lines.....	159,379,560	22,587,949	326	165,991,042	3,272,385	12,704,408
3. Farmowners multiple peril.....	2,988,539	21,214,388		3,014,291		21,188,636
4. Homeowners multiple peril.....	140,780,436	128,079,332	1,792	143,505,656	243,315	125,112,589
5. Commercial multiple peril.....	410,252,847	219,545,165	4,881,499	542,899,625	461,825	91,318,061
6. Mortgage guaranty.....						0
8. Ocean marine.....		11,215,923		10,091,017	721,956	402,950
9. Inland marine.....	24,341,640	489,517,464		480,672,957	117,026	33,069,121
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....		99				99
11.2 Medical professional liability - claims-made.....		14,578		14,018		560
12. Earthquake.....	122,035	1,260,042		187,522		1,194,555
13. Group accident and health.....		11,055,282				11,055,282
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....		10,948				10,948
16. Workers' compensation.....		118,229,554		.97,950,755	5,625,121	14,653,678
17.1 Other liability - occurrence.....	564,188,560	209,583,243	4	661,398,689	60,164,778	52,208,340
17.2 Other liability - claims-made.....	403,332,305	421,424,594	7,592,557	673,954,758	132,038,636	26,356,062
17.3 Excess workers' compensation.....						0
18.1 Products liability - occurrence.....	18,316,042	3,796,353		19,286,828	(434,681)	3,260,248
18.2 Products liability - claims-made.....	126,235	10,821		131,785		5,271
19.1, 19.2 Private passenger auto liability.....		144,468,811		11,324		144,457,487
19.3, 19.4 Commercial auto liability.....	114,520,303	346,284,715	11,031	400,567,645	8,834,062	51,414,342
21. Auto physical damage.....	19,652,203	206,124,349	19	105,107,741	88,285	120,580,545
22. Aircraft (all perils).....						0
23. Fidelity.....	150	2,560,571		2,346,102		214,619
24. Surety.....		2,935,857		(2,046,411)	2,734,240	2,248,028
26. Burglary and theft.....	90,468	.607,751		564,848	4,112	129,259
27. Boiler and machinery.....	3,821,857	3,091,464		(388,916)	7,280,259	21,978
28. Credit.....	51,377,923	6,313,858		567,401	57,101,684	22,696
29. International.....						0
30. Warranty.....		42,955,242		3,984,452	38,811,411	159,379
31. Reinsurance - nonproportional assumed property.....	XXX	2,327				2,327
32. Reinsurance - nonproportional assumed liability.....	XXX					0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	1,981,240,769	2,427,068,243	12,487,976	3,383,617,455	317,095,134	720,084,399

DETAILS OF WRITE-INS

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

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

If yes: 1. The amount of such installment premiums \$.....0.

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1	2	3	4				
	Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1. Fire.....	45,259,302	8,417,003	48,713,407	4,962,898	2,606,603	3,662,998	3,906,503	47.1%
2. Allied lines.....	95,445,072	10,675,802	97,301,269	8,819,605	5,334,562	8,015,797	6,138,370	51.8%
3. Farmowners multiple peril.....	1,206,108	13,104,878	1,206,108	13,104,878	4,839,283	5,862,221	12,081,940	57.9%
4. Homeowners multiple peril.....	56,983,973	86,447,744	59,274,930	84,156,787	29,801,439	31,895,522	82,062,704	66.0%
5. Commercial multiple peril.....	245,793,862	156,181,882	341,318,168	60,657,576	79,964,533	89,180,278	51,441,831	57.0%
6. Mortgage guaranty.....				0	0	0	0	0.0%
8. Ocean marine.....		8,963,513	8,640,654	322,859	410,968	419,469	314,358	68.0%
9. Inland marine.....	9,839,668	322,673,835	312,370,139	20,143,364	3,643,582	4,035,396	19,751,550	63.0%
10. Financial guaranty.....				0	0	0	0	0.0%
11.1 Medical professional liability - occurrence.....		20,604	9,020	11,584	37,753	38,929	10,408	13,174.0%
11.2 Medical professional liability - claims-made.....	1,925,000	629,496	2,456,246	98,250	98,655	165,801	31,104	5,554.0%
12. Earthquake.....	13,576	543	13,576	543	18,660	17,361	1,842	0.0%
13. Group accident and health.....		8,041,841	183,805	7,858,036	144,833	120,338	7,882,531	71.0%
14. Credit accident and health (group and individual).....				0	0	0	0	0.0%
15. Other accident and health.....		112,671	14,640	98,031	43,524	60,891	80,664	394.0%
16. Workers' compensation.....		34,390,740	26,020,247	8,370,493	41,279,892	44,461,062	5,189,323	36.0%
17.1 Other liability - occurrence.....	373,971,435	162,489,889	504,631,629	31,829,695	102,995,218	98,782,635	36,042,278	71.0%
17.2 Other liability - claims-made.....	126,348,712	96,961,679	216,866,471	6,443,920	19,410,732	16,843,756	9,010,896	37.0%
17.3 Excess workers' compensation.....				0	0	0	0	0.0%
18.1 Products liability - occurrence.....	21,639,138	3,281,667	23,276,588	1,644,217	7,228,051	6,770,429	2,101,839	66.0%
18.2 Products liability - claims-made.....				0	0	2	(2)	(0.0%)
19.1, 19.2 Private passenger auto liability.....		95,073,672	854	95,072,818	.99,085,018	110,005,074	84,152,762	57.0%
19.3, 19.4 Commercial auto liability.....	70,894,749	265,179,084	294,797,325	41,276,508	70,488,468	72,922,946	38,842,030	77.9%
21. Auto physical damage.....	8,584,910	109,455,149	45,468,178	72,571,881	3,148,205	3,805,921	71,914,165	59.0%
22. Aircraft (all perils).....				0	0	0	0	0.0%
23. Fidelity.....		25,315		25,315	12,806	14,792	.23,329	18.0%
24. Surety.....		39,875		39,875	.481,961	.312,308	209,528	10.0%
26. Burglary and theft.....	5,420	144,304	110,249	39,475	10,748	21,389	28,834	21.0%
27. Boiler and machinery.....	1,667,566	481,556	.2,156,293	(7,171)	(21,408)	(2,317)	(26,262)	(61.0%)
28. Credit.....	20,270,053	2,213,739	22,478,638	.5,154	.5,799	.1,559	.9,394	82.2%
29. International.....				0	0	0	0	0.0%
30. Warranty.....		49,911,831	49,753,589	.158,242	20,960	18,280	160,922	93.0%
31. Reinsurance - nonproportional assumed property.....	XXX.	(120,062)		(120,062)	86,490	(4)	(33,568)	(1,404.0%)
32. Reinsurance - nonproportional assumed liability.....	XXX.			0	0	0	0	0.0%
33. Reinsurance - nonproportional assumed financial lines.....	XXX.			0	0	0	0	0.0%
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0%
35. TOTALS.....	1,079,848,544	1,434,798,250	2,057,062,023	457,584,771	471,177,335	497,432,833	431,329,273	60.0%

DETAILS OF WRITE-INS

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	11,296,666	2,030,051	11,536,256	1,790,461	15,999,581	2,081,426	17,264,865	2,606,603	525,920
2. Allied lines.....	71,271,908	20,348,687	88,100,122	3,520,473	38,210,329	4,461,767	40,858,007	5,334,562	700,671
3. Farmowners multiple peril.....	845,809	6,048,270	845,809	6,048,270	589,988	(1,206,681)	592,294	4,839,283	1,275,106
4. Homeowners multiple peril.....	31,583,112	32,495,079	32,302,726	31,775,465	21,784,692	(1,278,820)	22,479,898	29,801,439	3,882,840
5. Commercial multiple peril.....	134,102,389	156,473,084	235,834,108	54,741,365	164,197,446	76,087,591	215,061,869	79,964,533	26,626,648
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....		5,276,187	5,073,257	202,930	.22	5,411,685	5,203,669	410,968	77,807
9. Inland marine.....	1,322,278	5,707,566	6,373,844	.656,000	2,838,126	.43,638,461	.43,489,005	3,643,582	283,179
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....	(60,000)	93,210	(6,048)	39,258	(59,593)	(1,505)	(59,593)	37,753	3,602
11.2 Medical professional liability - claims-made.....	.500,000	1,034,295	1,475,284	59,011	151,065	879,681	991,102	98,655	44,871
12. Earthquake.....	589	.24	.589	.24	39,426	23,828	44,618	18,660	.7,596
13. Group accident and health.....				0		144,833		(a). 144,833	.8,039
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....		37,077	13,031	24,046		19,478		(a). 43,524	.2,592
16. Workers' compensation.....		88,434,692	.56,258,086	.32,176,606		.55,502,158	.46,398,872	.41,279,892	4,723,720
17.1 Other liability - occurrence.....	682,528,841	268,108,014	901,488,602	49,148,253	961,610,743	307,902,935	1,215,666,713	102,995,218	18,343,550
17.2 Other liability - claims-made.....	.83,107,949	107,992,381	186,032,442	5,067,888	203,600,281	335,703,240	.524,960,677	.19,410,732	13,196,584
17.3 Excess workers' compensation.....				0				0	
18.1 Products liability - occurrence.....	41,919,318	.4,896,920	.43,494,393	.3,321,845	.79,326,945	.6,637,522	.82,058,261	.7,228,051	5,238,188
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....		77,435,026	.60,730	.77,374,296		.21,712,558	.1,836	.99,085,018	11,032,867
19.3, 19.4 Commercial auto liability.....	102,774,519	268,699,363	326,234,424	.45,239,458	.73,224,822	.166,575,314	.214,551,126	.70,488,468	8,578,299
21. Auto physical damage.....	.1,104,955	14,582,575	.9,205,314	.6,482,216	.867,985	(2,795,111)	.1,406,885	.3,148,205	1,573,422
22. Aircraft (all perils).....				0				0	
23. Fidelity.....		10,207		10,207		2,599		12,806	.4,873
24. Surety.....		.208,239		.208,239		.717,958	.444,236	.481,961	220,561
26. Burglary and theft.....	180	.41,636	.36,250	.5,566	.24,898	.48,357	.68,073	.10,748	.4,788
27. Boiler and machinery.....	.359,264	(13,704)	.382,265	(36,705)	.78,906	.34,093	.97,702	(21,408)	.37,200
28. Credit.....				0	.13,194,422	.1,509,377	.14,698,000	.5,799	.480
29. International.....				0				0	
30. Warranty.....				0	.2,676	.822,284	.804,000	.20,960	.37
31. Reinsurance - nonproportional assumed property.....	XXX	.86,490		.86,490	XXX			.86,490	
32. Reinsurance - nonproportional assumed liability.....	XXX			0	XXX			0	
33. Reinsurance - nonproportional assumed financial lines.....	XXX	0	0	0	XXX			0	
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	0
35. TOTALS.....	1,162,657,777	1,060,025,369	1,904,741,484	317,941,662	1,575,682,760	1,024,635,028	2,447,082,115	.471,177,335	.96,393,440

DETAILS OF WRITE-INS

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

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

SCOTTSDALE INSURANCE COMPANY
UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct.....	272,854,281			272,854,281
1.2 Reinsurance assumed.....	194,466,797			194,466,797
1.3 Reinsurance ceded.....	432,055,756			432,055,756
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	35,265,322	0	0	35,265,322
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		426,642,097		426,642,097
2.2 Reinsurance assumed, excluding contingent.....		482,830,323		482,830,323
2.3 Reinsurance ceded, excluding contingent.....		810,124,535		810,124,535
2.4 Contingent - direct.....		24,188,488		24,188,488
2.5 Contingent - reinsurance assumed.....		17,130,776		17,130,776
2.6 Contingent - reinsurance ceded.....		24,188,301		24,188,301
2.7 Policy and membership fees.....			0	0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	116,478,848	0	116,478,848
3. Allowances to manager and agents.....	6,042	138,421		144,463
4. Advertising.....	45,236	8,682,383	.9	8,727,628
5. Boards, bureaus and associations.....	91,479	1,163,867		1,255,346
6. Surveys and underwriting reports.....	16,978	3,639,350		3,656,328
7. Audit of assureds' records.....		126,889		126,889
8. Salary and related items:				
8.1 Salaries.....	24,123,420	48,958,808	51,493	73,133,721
8.2 Payroll taxes.....	650,425	5,230,081		5,880,506
9. Employee relations and welfare.....	4,453,736	6,151,538	12,496	10,617,770
10. Insurance.....	125,379	355,265		480,644
11. Directors' fees.....	21,586	87,969	6,977	116,532
12. Travel and travel items.....	681,733	2,038,426	2,408	2,722,567
13. Rent and rent items.....	2,057,384	6,082,717	1,053	8,141,154
14. Equipment.....	1,596,296	3,013,153	2,313	4,611,762
15. Cost or depreciation of EDP equipment and software.....	499,502	775,292	319	1,275,113
16. Printing and stationery.....	218,188	1,054,652	33	1,272,873
17. Postage, telephone and telegraph, exchange and express.....	381,613	1,661,514	111	2,043,238
18. Legal and auditing.....	869,601	7,706,235	2,913	8,578,749
19. Totals (Lines 3 to 18).....	35,838,598	96,866,560	80,125	132,785,283
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		11,735,115		11,735,115
20.2 Insurance department licenses and fees.....		2,624,981		2,624,981
20.3 Gross guaranty association assessments.....		213,853		213,853
20.4 All other (excluding federal and foreign income and real estate).....		357,187		357,187
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	14,931,136	0	14,931,136
21. Real estate expenses.....				0
22. Real estate taxes.....		336,727		336,727
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	3,003,570	6,482,250	886,950	10,372,770
25. Total expenses incurred.....	74,107,490	235,095,521	967,075	(a) 310,170,086
26. Less unpaid expenses - current year.....	96,393,439	26,485,749		122,879,188
27. Add unpaid expenses - prior year.....	93,360,582	25,110,218		118,470,800
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	71,074,633	233,719,990	967,075	305,761,698

DETAILS OF WRITE-INS

2401. Service fees.....		(2,582,245)		(2,582,245)
2402. Other expenses.....	2,683,102	5,445,086	886,325	9,014,513
2403. Outside services and income.....	320,468	3,618,171	625	3,939,264
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	1,238	0	1,238
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	3,003,570	6,482,250	886,950	10,372,770

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

SCOTTSDALE INSURANCE COMPANY

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a) 3,894,994	3,398,559
1.1 Bonds exempt from U.S. tax.....	(a) 5,526,518	4,933,912
1.2 Other bonds (unaffiliated).....	(a) 32,283,914	31,790,257
1.3 Bonds of affiliates.....	(a)	
2.1 Preferred stocks (unaffiliated).....	(b)	
2.11 Preferred stocks of affiliates.....	(b)	
2.2 Common stocks (unaffiliated).....	(c)	
2.21 Common stocks of affiliates.....	(d)	
3. Mortgage loans.....	(e) 1,380,188	1,380,188
4. Real estate.....	(f)	
5. Contract loans.....	(g)	
6. Cash, cash equivalents and short-term investments.....	(h)	
7. Derivative instruments.....	(i) 0	
8. Other invested assets.....	(j) 2,791	
9. Aggregate write-ins for investment income.....	(k) 240,768	240,768
10. Total gross investment income.....	(l) 43,326,382	41,743,684
11. Investment expenses.....	(m) 967,075	
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(n)	
13. Interest expense.....	(o)	
14. Depreciation on real estate and other invested assets.....	(p) 0	
15. Aggregate write-ins for deductions from investment income.....	(q) 240,768	240,768
16. Total deductions (Lines 11 through 15).....	(r) 969,866	
17. Net investment income (Line 10 minus Line 16).....	(s) 40,773,818	

DETAILS OF WRITE-INS

0901. Misc. Income.....	192,102	192,102
0902. Securities Lending.....	48,666	48,666
0903.....	0	0
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).....	240,768	240,768
1501. Misc. Exp.....		2,791
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).....		2,791

- (a) Includes \$....1,473,894 accrual of discount less \$....5,583,927 amortization of premium and less \$....520,587 paid for accrued interest on purchases.
- (b) Includes \$....0 accrual of discount less \$....0 amortization of premium and less \$....0 paid for accrued dividends on purchases.
- (c) Includes \$....0 accrual of discount less \$....0 amortization of premium and less \$....0 paid for accrued interest on purchases.
- (d) Includes \$....0 for company's occupancy of its own buildings; and excludes \$....0 interest on encumbrances.
- (e) Includes \$....0 accrual of discount less \$....0 amortization of premium and less \$....0 paid for accrued interest on purchases.
- (f) Includes \$....0 accrual of discount less \$....0 amortization of premium.
- (g) Includes \$....0 investment expenses and \$....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$....0 interest on surplus notes and \$....0 interest on capital notes.
- (i) Includes \$....0 depreciation on real estate and \$....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	9,433,000		9,433,000	(5,575,649)	
1.1 Bonds exempt from U.S. tax.....	18,705		18,705		
1.2 Other bonds (unaffiliated).....	(76,446)	(143,653)	(220,099)	1,305,263	717,877
1.3 Bonds of affiliates.....			0		
2.1 Preferred stocks (unaffiliated).....			0		
2.11 Preferred stocks of affiliates.....			0		
2.2 Common stocks (unaffiliated).....			0		
2.21 Common stocks of affiliates.....			0	5,679,575	
3. Mortgage loans.....			0		
4. Real estate.....			0		
5. Contract loans.....			0		
6. Cash, cash equivalents and short-term investments.....			0		
7. Derivative instruments.....			0		
8. Other invested assets.....			0		
9. Aggregate write-ins for capital gains (losses).....	0	5,286	5,286	32,305	0
10. Total capital gains (losses).....	9,375,259	(138,367)	9,236,892	1,441,494	717,877

DETAILS OF WRITE-INS

0901. Securities Lending.....		0	32,305	
0902. FX on Currency.....		5,286	5,286	
0903.....		0	0	
0998. Summary of remaining write-ins for Line 9 from overflow page...	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	0	5,286	5,286	32,305

SCOTTSDALE INSURANCE COMPANY
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			0
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			0
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			0
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	24,692,886	22,504,717	(2,188,169)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	165,571	146,043	(19,528)
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....		2,719,066	2,719,066
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	3,044,786	1,835,497	(1,209,289)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	27,903,243	27,205,323	(697,920)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	27,903,243	27,205,323	(697,920)

DETAILS OF WRITE-INS

1101.....			0
1102.....			0
1103.....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Deposits and prepaid assets.....	1,479,943	725,333	(754,610)
2502. Other assets nonadmitted.....	1,550,013	1,095,802	(454,211)
2503. Deductible receivables.....	14,830	14,362	(468)
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).....	3,044,786	1,835,497	(1,209,289)

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

The accompanying statutory financial statements of Scottsdale Insurance Company (the Company) have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the State of Ohio.

The Ohio Department of Insurance recognizes only statutory accounting practices (SAP) prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, as well as, determining its solvency under the Ohio Insurance law. The NAIC's *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Ohio. The Company has no statutory accounting practices that differ from NAIC SAP.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below:

	SSAP #	F/S Page	F/S Line #	2019	2018
Net Income					
Scottsdale Insurance Company state basis (Page 4, Line 20, Columns 1 (1) & 2)	XXX	XXX	XXX	\$ 23,239,946	\$ 62,409,038
(2) State Prescribed Practices that increase/(decrease) NAIC SAP				-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP				-	-
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ <u>23,239,946</u>	\$ <u>62,409,038</u>
Surplus					
Scottsdale Insurance Company state basis (Page 3, Line 37, Columns 1 (5) & 2)	XXX	XXX	XXX	\$ 553,908,180	\$ 526,242,763
(6) State Prescribed Practices that increase/(decrease) NAIC SAP				-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP				-	-
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ <u>553,908,180</u>	\$ <u>526,242,763</u>

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

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

C. Accounting Policies

Federal Income Taxes. The Company's parent, Nationwide Mutual Insurance Company (Mutual), files a consolidated federal income tax return, which includes all eligible U.S. subsidiaries and affiliates. In this regard, the included subsidiaries and affiliates pay to Mutual the amount which would have been payable on a separate return basis without regard to the alternative minimum tax. Mutual pays tax due on a consolidated basis.

The Company provides for federal income taxes based on amounts the Company believes it will ultimately owe. Inherent in the provision for federal income taxes are estimates regarding the deductibility of certain items and the realization of certain tax credits. In the event the ultimate deductibility of certain items or the realization of certain tax credits differs from estimates, the Company may be required to change the provision for federal income taxes recorded in the financial statements which could be significant. Management has used best estimates to establish reserves based on current facts and circumstances regarding tax exposure items where the ultimate deductibility is open to interpretation.

In accordance with guidance specified in the NAIC SAP, the Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred tax assets (DTA), net of any non-admitted portion and statutory valuation allowance, and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. DTAs and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The change in deferred taxes, excluding the impact of taxes on unrealized capital gains or losses and nonadmitted deferred taxes, is charged directly to surplus.

Reinsurance Recoverables. The Company cedes insurance to other companies in order to limit potential losses and diversify its exposure. Such agreements do not relieve the Company of its primary obligation to the policyholder in the event the reinsurer is unable to meet the obligations it has assumed. The Company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance agreements regularly in an attempt to minimize its exposure to significant losses from reinsurer insolvencies. Reinsurance recoverables include amounts billed to reinsurers on losses paid. Estimates of amounts expected to be recovered from reinsurers that have not yet been paid on losses are estimated in a manner consistent with the claim liability associated with the underlying policy. Such reinsurance recoverables and reserved deductions partially offset claim costs in the Company's statutory statements of operations and are included as an offset to losses and loss expense reserves in the accompanying statutory statements of admitted assets, liabilities and surplus. There were no contracts using deposit accounting as of December 31, 2019 and 2018.

Statutory accounting principles require recognition of a minimum liability for certain unsecured or overdue reinsurance recoverables. The conditional reserves were \$9,859,000 and \$11,009,800 as of December 31, 2019 and 2018, respectively.

In addition, the Company uses the following accounting policies:

1. Short-term investments consist of investments with maturities of twelve months or less at acquisition and are stated at amortized cost, which approximates fair value.
2. Bonds, excluding loan-backed and structured securities, are stated at amortized cost except those with a NAIC designation of "3" through "6" which are stated at the lower of amortized cost or fair value. Amortization of premiums and discounts is calculated using the effective yield method. The Company does not hold any mandatory convertible securities or SVO-identified investments.
3. Unaffiliated common stocks are reported at fair value.
4. Redeemable preferred stocks are stated at amortized cost except those with an NAIC designation of "3" through "6" which are stated at the lower of amortized cost or fair value. Perpetual preferred stocks are stated at fair value except those with an NAIC designation of "3" through "6" which are stated at the lower of amortized cost or fair value.
5. Mortgage loans are carried at the unpaid principal balance adjusted for premiums, discounts, less a valuation allowance. The valuation allowance for mortgage loans reflects management's best estimate of probable credit losses.

NOTES TO THE FINANCIAL STATEMENTS

6. Loan-backed and structured securities (collectively, loan-backed securities) are stated at amortized cost or the lower of amortized cost or fair value in accordance with the provisions of Statement of Statutory Accounting Principles No. 43-Revised and the Purposes and Procedures Manual of the NAIC Securities Valuation Office. The retrospective adjustment method is used to value loan-backed securities where the collection of all contractual cash flows is probable. For all other loan-backed securities, the Company uses the prospective adjustment method.

7. Investments in subsidiary and affiliated companies are stated as follows:

The admitted investments in all subsidiary, controlled, and affiliated (SCA) entities are valued using an equity method approach. Under this approach, investments in insurance affiliated companies are stated at underlying audited statutory surplus adjusted for unamortized goodwill. Investments in non-insurance affiliated companies that have no significant ongoing operations other than to hold assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity adjusted to a statutory basis of accounting. Investments in non-insurance affiliated companies that have significant ongoing operations beyond holding assets that are primarily for the direct or indirect benefit or use of the reporting entity or its affiliates are stated at audited GAAP equity. Unaudited affiliated companies of the reporting entity or its affiliates are non-admitted under prescribed SAP accounting practices. Goodwill arising from the acquisition of affiliated companies is amortized over a period of ten years. There was no unamortized goodwill at December 31, 2019 and \$1.8 million at 2018, which was fully admitted based upon adjusted policyholder surplus.

8. Other invested assets consist primarily of alternative investments in hedge funds, private equity funds, private and emerging market debt funds, tax credit funds and real estate partnerships. Except for investments in certain tax credit funds, these investments are recorded using the equity method of accounting. Changes in carrying value as a result of the equity method are reflected as net unrealized capital gains and losses as a direct adjustment to surplus. Gains and losses are generally recognized through income at the time of disposal or when operating distributions are received. Partnership interests in tax credit funds are held at amortized cost with amortization charged to investment income over the period in which the tax benefits, primarily credits, are utilized.

9. Accounting for derivatives

Not applicable.

10. Insurance premiums are generally earned ratably over the policy term. The liability for unearned premiums represents the portion of premiums written relating to the unexpired terms of coverage. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Premiums in course of collection represent agent balances and uncollected premiums from policyholders for current policies in force and policy premiums assumed from others, including amounts placed with affiliates. As of December 31, 2019 and 2018, the Company had no liabilities related to premium deficiency reserves. The Company includes anticipated investment income when calculating its premium deficiency reserves, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.

11. The Company establishes losses and loss expense reserves for reported claims and claims incurred but not yet reported (IBNR). Estimating the liability for losses and loss expense reserves involves significant judgment and multiple assumptions. Management considers the Company's experience with similar claims, historical trends, economic factors and judicial, legislative and regulatory changes in establishing reserves. The Company's losses and loss expense reserves are recorded net of reinsurance and amounts expected to be received from salvage (the amount recovered from property after the Company pays for a total loss) and subrogation (the right to recover payments from third parties).

Assumptions and estimates for losses and loss expense reserves are updated as new information becomes available. Due to the inherent uncertainty in estimating losses and loss expense reserves, the actual cost of settling claims may differ materially from recorded amounts. Changes in losses and loss expense reserve estimates are included in results of operations in the period the estimates are revised.

12. The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The Company has not modified its capitalization policy from the prior period.

13. Not applicable as the Company does not write major medical insurance with prescription drug coverage.

D. Going Concern

Not applicable.

Note 2 - Accounting Changes and Corrections of Errors

Not applicable.

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

- Effective October 1, 2018, the Western Heritage Insurance Company ("Western Heritage") merged with and into the Company, with the Company continuing as the surviving entity.
- The transaction above was accounted for as a statutory merger.
- There were no shares of stock issued in the merger transaction.
- Pre-merger separate company revenue, net income (loss), and other surplus adjustments for the nine months ended September 30, 2018 were:

	Revenue	Net Income (Loss)	Other Surplus Adjustments
The Company	\$ 553,770,980	\$ 69,338,943	\$ -
Western Heritage	-	2,771,824	-

C. Impairment Loss

Not applicable.

Note 4 – Discontinued Operations

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS**Note 5 – Investments****A. Mortgage Loans**

Not applicable.

B. Troubled Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

1. Prepayment assumptions are generally obtained using a model provided by a third-party vendor.

2. Not applicable

3. Not applicable.

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

a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$ (505,962)
2. 12 Months or Longer	\$ (166,689)

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

1. Less than 12 Months	\$ 51,177,361
2. 12 Months or Longer	\$ 19,264,579

5. The Company reviews all loan-backed and structured securities in which the fair value of the given security is less than the amortized cost to determine if a given security is other-than-temporarily impaired. The Company examines characteristics of the underlying collateral, such as delinquency and default rates, the quality of the underlying borrower, the type of collateral in the pool, the vintage year of the collateral, subordination levels within the structure of the collateral pool, and the quality of any credit guarantors, to determine the cash flows expected to be received for the security.

If the severity and duration of the security's unrealized loss indicates a risk of an other-than-temporary impairment, then the Company will evaluate if the amortized cost basis of the security will be recovered by comparing the present value of the cash flows expected to be received for the given security with the amortized cost basis of the security. If the present value of cash flows is greater than the amortized cost basis of a security then the security is deemed not to be other-than-temporarily impaired.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

1. The Company's securities lending agreement requires a minimum of 102% of the fair value of loaned securities to be held as collateral. Cash collateral received is invested in short-term investments and reported on the Asset page as Securities Lending Reinvested Collateral assets. The offsetting collateral liability is reported in the Payable for Securities Lending line on the Liabilities page.

2. No assets were pledged as collateral as of year-end.

3. Collateral Received

a. Aggregate Amount Collateral Received

	Fair Value
1. Securities Lending	
(a) Open	\$ 1,126,550
(b) 30 Days or Less	-
(c) 31 to 60 Days	-
(d) 61 to 90 Days	-
(e) Greater Than 90 Days	-
(f) Subtotal	\$ 1,126,550
(g) Securities Received	-
(h) Total Collateral Received	<u><u>\$ 1,126,550</u></u>

2. Dollar Repurchase Agreement - Not applicable

b. The fair value of that collateral and of the portion of that collateral that the Company has sold or repledged \$ -

c. The reporting entity receives primarily cash collateral in an amount in excess of the fair value of the securities lent. The reporting entity invests the cash collateral (primarily in short-term investments) to earn additional yield.

4. The Company did not have any securities lending activities with an Affiliated agent.

NOTES TO THE FINANCIAL STATEMENTS

5. Collateral Reinvestment

a. Aggregate Amount Collateral Reinvested

	Amortized Cost	Fair Value
1. Securities Lending		
(a) Open	\$ -	\$ -
(b) 30 Days or Less	1,056,864	1,056,864
(c) 31 to 60 Days	-	-
(d) 61 to 90 Days	-	-
(e) 91 to 120 Days	-	-
(f) 121 to 180 Days	-	-
(g) 181 to 365 Days	-	-
(h) 1 to 2 years	-	-
(i) 2 to 3 years	-	-
(j) Greater Than 3 years	38,519	54,848
(k) Subtotal	\$ 1,095,383	\$ 1,111,712
(l) Securities Received	-	-
(m) Total Collateral Reinvested	<u><u>\$ 1,095,383</u></u>	<u><u>\$ 1,111,712</u></u>

2. Dollar Repurchase Agreement - Not applicable.

b. Since the borrower or the Company may terminate a securities lending transaction at any time, to the extent loans are terminated in advance of reinvestment collateral maturities, the Company would repay its securities lending payable obligation from operating cash flows or the proceeds of sales from its investment portfolio, which includes significant liquid securities.

6. The Company has accepted securities as collateral that is not permitted by contract or custom to repledge or sell. The fair value as of the date of each statement of financial position presented of the securities received as collateral was \$25,172,205 as of December 31, 2019.

7. There are no securities lending transactions that extend beyond one year as of the reporting date.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable.

2-11. Not applicable.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

1. To manage short-term liquidity needs within the Nationwide insurance subsidiaries', the company has agreements to enter into repurchase or reverse repurchase agreements with several authorized affiliated insurance companies. The collateral required meets minimum state specific requirements or statutory requirements if state of domicile does not specify.

As these transactions are with affiliated insurance companies within the Nationwide family and are short-term in nature, the risk of changes in the fair value of the collateral are considered negligible.

For yield enhancement, the company has agreements to enter into repurchase agreements through its securities lending program with collateral consisting of U.S. Government/Agency securities with investment grade counterparties. The collateral, which is marked to market daily, must represent 102% of the amount loaned and is monitored by the plan's manager in Bank of New York Mellon for changes in fair value.

2. Type of Repo Trades Used

	1	2	3	4
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
a. Bilateral (YES/NO)	NO	NO	NO	NO
b. Tri-Party (YES/NO)	YES	YES	YES	YES

3. Original (Flow) & Residual Maturity

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
--	---------------	----------------	---------------	----------------

a. Maximum Amount

1. Open - No Maturity	-	-	-	-
2. Overnight	5,592,741	6,058,223	927,581	1,611,660
3. 2 Days to 1 Week	-	-	-	-
4. > 1 Week to 1 Month	-	-	-	-
5. > 1 Month to 3 Months	-	-	-	-
6. > 3 Months to 1 Year	-	-	-	-
7. > 1 Year	-	-	-	-

b. Ending Balance

1. Open - No Maturity	-	-	-	-
2. Overnight	5,586,963	912,312	-	1,056,864
3. 2 Days to 1 Week	-	-	-	-
4. > 1 Week to 1 Month	-	-	-	-
5. > 1 Month to 3 Months	-	-	-	-
6. > 3 Months to 1 Year	-	-	-	-

4. Not applicable.

NOTES TO THE FINANCIAL STATEMENTS

5. Fair Value of Securities Acquired Under Repo - Secured Borrowing

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount	\$5,704,596	\$6,179,387	\$946,133	\$1,643,893
b. Ending Balance	\$5,698,702	\$930,558	\$-	\$1,078,001

6. Securities Acquired Under Repo - Secured Borrowing by NAIC Designation

ENDING BALANCE

	1	2	3	4	5	6	7	8
	None	NAIC 1	NAIC 2	NAIC 3	NAIC 4	NAIC 5	NAIC 6	Does Not Qualify as Admitted
a. Bonds - FV	\$-	\$1,078,001	\$-	\$-	\$-	\$-	\$-	\$1,078,001
b. LB & SS - FV	-	-	-	-	-	-	-	-
c. Preferred Stock - FV	-	-	-	-	-	-	-	-
d. Common Stock	-	-	-	-	-	-	-	-
e. Mortgage Loans - FV	-	-	-	-	-	-	-	-
f. Real Estate - FV	-	-	-	-	-	-	-	-
g. Derivatives - FV	-	-	-	-	-	-	-	-
h. Other Invested Assets - FV	-	-	-	-	-	-	-	-
i. Total Assets - FV (Sum of a through h)	\$-	\$1,078,001	\$-	\$-	\$-	\$-	\$-	\$1,078,001

7. Collateral Received - Secured Borrowing

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
a. Maximum Amount				
1. Cash	5,592,741	6,058,223	927,581	1,611,660
2. Securities (FV)	-	-	-	-
3. Securities (BACV)	-	-	-	-
4. Nonadmitted Subset (BACV)	-	-	-	-
b. Ending Balance				
1. Cash	5,586,963	912,312	-	1,056,864
2. Securities (FV)	-	-	-	-
3. Securities (BACV)	-	-	-	-
4. Nonadmitted Subset (BACV)	-	-	-	-

8. Allocation of Aggregate Collateral Pledged by Remaining Contractual Maturity

	Amortized Cost	Fair Value
a. Overnight and Continuous	\$1,056,864	\$1,056,864
b. 30 Days or Less	-	-
c. 31 to 90 Days	-	-
d. > 90 Days	-	-

9-10. Not applicable.

H. Repurchase Agreements Transactions Accounted for as a Sale

Not applicable.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not applicable.

J. Real Estate

Not applicable.

K. Low-Income Housing Tax Credits

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS**L. Restricted Assets****1. Restricted Assets (Including Pledged)**

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						6	7		
	Current Year					Total From Prior Year				
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)					
a. Subject to contractual obligation for which liability is not shown	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-		
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-		
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-		
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-		
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-		
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-		
g. Placed under option contracts	-	-	-	-	-	-	-	-		
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-	-	-		
i. FHLB capital stock	-	-	-	-	-	-	-	-		
j. On deposit with states	6,796,427	-	-	-	6,796,427	10,322,957	(3,526,530)			
k. On deposit with other regulatory bodies	14,291,096	-	-	-	14,291,096	12,329,984	1,961,112			
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-		
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-		
n. Other restricted assets	-	-	-	-	-	41,060,981	(41,060,981)			
o. Total Restricted Assets	\$21,087,523	\$-	\$-	\$-	\$21,087,523	\$63,713,922	\$(-42,626,399)			

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

NOTES TO THE FINANCIAL STATEMENTS

Restricted Asset Category	Current Year				
	8 Total Nonadmitted Restricted	9 Total Admitted Restricted (5 minus 8)	Percentage		
			10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)	
a. Subject to contractual obligation for which liability is not shown	\$-	\$-	0.00%	0.00%	
b. Collateral held under security lending agreements	-	-	0.00%	0.00%	
c. Subject to repurchase agreements	-	-	0.00%	0.00%	
d. Subject to reverse repurchase agreements	-	-	0.00%	0.00%	
e. Subject to dollar repurchase agreements	-	-	0.00%	0.00%	
f. Subject to dollar reverse repurchase agreements	-	-	0.00%	0.00%	
g. Placed under option contracts	-	-	0.00%	0.00%	
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	0.00%	0.00%	
i. FHLB capital stock	-	-	0.00%	0.00%	
j. On deposit with states	-	6,796,427	0.27%	0.28%	
k. On deposit with other regulatory bodies	-	14,291,096	0.58%	0.58%	
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	0.00%	0.00%	
m. Pledged as collateral not captured in other categories	-	-	0.00%	0.00%	
n. Other restricted assets	-	-	0.00%	0.00%	
o. Total Restricted Assets	\$-	\$21,087,523	0.85%	0.86%	

(c) Column 5 divided by Asset Page, Column 1, Line 28

(d) Column 9 divided by Asset Page, Column 3, Line 28

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Not applicable.

3. Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Description of Assts	Gross (Admitted & Nonadmitted) Restricted						8	Percentage		
	Current Year					6	7	9	10	
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Loaned to others under conforming securities lending program	\$-	\$-	\$-	\$-	\$-	\$41,060,981	\$(41,060,981)	\$-	0.00%	0.00%
Total (c)	\$-	\$-	\$-	\$-	\$-	\$41,060,981	\$(41,060,981)	\$-	0.00%	0.00%

(a) Subset of Column 1

(b) Subset of Column 3

(c) Total Line for Columns 1 through 7 should equal 5L(1)n Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)n Columns 9 through 11 respectively

NOTES TO THE FINANCIAL STATEMENTS

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

Collateral Assets	1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted)*	4 % of BACV to Total Admitted Assets**
General Account:				
a. Cash	\$ 1,126,550	\$ 1,126,550	0.05%	0.05%
b. Schedule D, Part 1	-	-	0.00%	0.00%
c. Schedule D, Part 2, Section 1	-	-	0.00%	0.00%
d. Schedule D, Part 2, Section 2	-	-	0.00%	0.00%
e. Schedule B	-	-	0.00%	0.00%
f. Schedule A	-	-	0.00%	0.00%
g. Schedule BA, Part 1	-	-	0.00%	0.00%
h. Schedule DL, Part 1	-	-	0.00%	0.00%
i. Other	-	-	0.00%	0.00%
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	\$ 1,126,550	\$ 1,126,550	0.05%	0.05%
Protected Cell:				
k. Cash	\$ -	\$ -	0.00%	0.00%
l. Schedule D, Part 1	-	-	0.00%	0.00%
m. Schedule D, Part 2, Section 1	-	-	0.00%	0.00%
n. Schedule D, Part 2, Section 2	-	-	0.00%	0.00%
o. Schedule B	-	-	0.00%	0.00%
p. Schedule A	-	-	0.00%	0.00%
q. Schedule BA, Part 1	-	-	0.00%	0.00%
r. Schedule DL, Part 1	-	-	0.00%	0.00%
s. Other	-	-	0.00%	0.00%
t. Total Collateral Assets (k+l+m+n+o+p+q+r+s)	\$ -	\$ -	0.00%	0.00%

* j = Column 1 divided by Asset Page, Line 26 (Column 1)

t = Column 1 divided by Asset Page, Line 27 (Column 1)

** j = Column 1 divided by Asset Page, Line 26 (Column 3)

t = Column 1 divided by Asset Page, Line 27 (Column 3)

	1 Amount	2 % of Liability to Total Liabilities*
u. Recognized Obligation to Return Collateral Asset (General Account)	\$ 1,126,550	0.06%
v. Recognized Obligation to Return Collateral Asset (Separate Account)	\$ -	0.00%

* u = Column 1 divided by Liability Page, Line 26 (Column 1)

v = Column 1 divided by Liability Page, Line 27 (Column 1)

M. Working Capital Finance Investments

Not applicable.

N. Offsetting and Netting of Assets and Liabilities

No assets or liabilities are offset and reported net in accordance with a valid right to offset per SSAP No 64, Offsetting and Netting of Assets and Liabilities.

O. 5GI Securities

Investment	Number of 5GI Securities		Aggregate BACV		Aggregate Fair Value	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
(1) Bonds - AC	-	1	\$ -	\$ 556,163	\$ -	\$ 567,778
(2) Bonds - FV	-	-	-	-	-	-
(3) LB&SS - AC	-	-	-	-	-	-
(4) LB&SS - FV	-	-	-	-	-	-
(5) Preferred Stock - AC	-	-	-	-	-	-
(6) Preferred Stock - FV	-	-	-	-	-	-
(7) Total (1+2+3+4+5+6)	-	1	\$ -	\$ 556,163	\$ -	\$ 567,778

AC - Amortized Cost

FV - Fair Value

P. Short Sales

Not applicable.

Q. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
(1) Number of CUSIPs	7	-
(2) Aggregate Amount of Investment Income	\$ (90,861)	\$ -

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

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

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS**B. Write-downs for Impairments**

Not applicable

Note 7 - Investment Income**A. Accrued Investment Income**

The Company nonadmits investment income due and accrued if amounts are over 90 days past due with the exception of mortgage loans in default which are nonadmitted if amounts are over 180 days past due.

B. Amounts Nonadmitted

The total amount of investment income nonadmitted at December 31, 2019 was \$0.

Note 8 - Derivative Instruments

Not applicable.

Note 9 - Income Taxes**A. The components of the deferred tax asset/(liability) at December 31 are as follows:**

	December 31, 2019		
	Ordinary	Capital	Total
(1a) Gross deferred tax assets	\$ 37,201,539	\$ 264,860	\$ 37,466,399
(1b) Statutory valuation allowance adjustment	-	-	-
(1c) Adjusted gross deferred tax assets	\$ 37,201,539	\$ 264,860	\$ 37,466,399
(1d) Deferred tax assets nonadmitted	-	-	-
(1e) Subtotal net admitted deferred tax asset	\$ 37,201,539	\$ 264,860	\$ 37,466,399
(1f) Deferred tax liabilities	2,161,927	114,108	2,276,035
(1g) Net admitted deferred tax asset/(net deferred tax liability)	<u>\$ 35,039,612</u>	<u>\$ 150,752</u>	<u>\$ 35,190,364</u>

	December 31, 2018		
	Ordinary	Capital	Total
(1a) Gross deferred tax assets	\$ 38,418,388	\$ 626,334	\$ 39,044,722
(1b) Statutory valuation allowance adjustment	-	-	-
(1c) Adjusted gross deferred tax assets	\$ 38,418,388	\$ 626,334	\$ 39,044,722
(1d) Deferred tax assets nonadmitted	2,445,094	273,972	2,719,066
(1e) Subtotal net admitted deferred tax asset	\$ 35,973,294	\$ 352,362	\$ 36,325,656
(1f) Deferred tax liabilities	3,236,462	-	3,236,462
(1g) Net admitted deferred tax asset/(net deferred tax liability)	<u>\$ 32,736,832</u>	<u>\$ 352,362</u>	<u>\$ 33,089,194</u>

	Change		
	Ordinary	Capital	Total
(1a) Gross deferred tax assets	\$ (1,216,849)	\$ (361,474)	\$ (1,578,323)
(1b) Statutory valuation allowance adjustment	-	-	-
(1c) Adjusted gross deferred tax assets	\$ (1,216,849)	\$ (361,474)	\$ (1,578,323)
(1d) Deferred tax assets nonadmitted	(2,445,094)	(273,972)	(2,719,066)
(1e) Subtotal net admitted deferred tax asset	\$ 1,228,245	\$ (87,502)	\$ 1,140,743
(1f) Deferred tax liabilities	(1,074,535)	114,108	(960,427)
(1g) Net admitted deferred tax asset/(net deferred tax liability)	<u>\$ 2,302,780</u>	<u>\$ (201,610)</u>	<u>\$ 2,101,170</u>

NOTES TO THE FINANCIAL STATEMENTS**Admission Calculation Components SSAP No. 101**

		December 31, 2019		
		Ordinary	Capital	Total
(2a)	Federal income taxes paid in prior years recoverable through loss carrybacks	\$	- \$	- \$
(2b)	Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	\$	35,094,791	\$ 158,916 \$ 35,253,707
	1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	\$	35,094,791	\$ 158,916 \$ 35,253,707
	2. Adjusted gross deferred tax assets allowed per limit threshold	XXX	XXX	\$ 73,973,035
(2c)	Adjusted gross deferred tax assets (excluding the amount of deferred tax asset from 2(a) and 2(b) above) offset by gross deferred tax liabilities	\$	2,106,748	\$ 105,944 \$ 2,212,692
(2d)	Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	\$	37,201,539	\$ 264,860 \$ 37,466,399
December 31, 2018				
		Ordinary	Capital	Total
(2a)	Federal income taxes paid in prior years recoverable through loss carrybacks	\$	- \$	- \$
(2b)	Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	\$	32,736,832	\$ 352,362 \$ 33,089,194
	1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	\$	32,736,832	\$ 352,362 \$ 33,089,194
	2. Adjusted gross deferred tax assets allowed per limit threshold	XXX	XXX	\$ 73,973,035
(2c)	Adjusted gross deferred tax assets (excluding the amount of deferred tax asset from 2(a) and 2(b) above) offset by gross deferred tax liabilities	\$	3,236,462	\$ - \$ 3,236,462
(2d)	Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	\$	35,973,294	\$ 352,362 \$ 36,325,656
Change				
		Ordinary	Capital	Total
(2a)	Federal income taxes paid in prior years recoverable through loss carrybacks	\$	- \$	- \$
(2b)	Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (2a) above) after application of the threshold limitation (the less of (2b)1 and (2b)2 below)	\$	2,357,959	\$ (193,446) \$ 2,164,513
	1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	\$	2,357,959	\$ (193,446) \$ 2,164,513
	2. Adjusted gross deferred tax assets allowed per limit threshold	XXX	XXX	\$ -
(2c)	Adjusted gross deferred tax assets (excluding the amount of deferred tax asset from 2(a) and 2(b) above) offset by gross deferred tax liabilities	\$	(1,129,714)	\$ 105,944 \$ (1,023,770)
(2d)	Deferred tax assets admitted as the result of application of SSAP No. 101 Total ((2a) + (2b) + (2c))	\$	1,228,245	\$ (87,502) \$ 1,140,743
		December 31, 2019	December 31, 2018	
(3a)	Ratio percentage used to determine recovery period and threshold limitation amount		563.119%	534.308%
(3b)	Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in (2b)2 above	\$	518,717,816	\$ 493,153,569

NOTES TO THE FINANCIAL STATEMENTS**Impact of Tax Planning Strategies**

	December 31, 2019		
	Ordinary	Capital	Total
(4a) 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)	\$ 37,201,539	\$ 264,860	\$ 37,466,399
(2) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%	0.00%
(3) Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 37,201,539	\$ 264,860	\$ 37,466,399
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of planning strategies	24.22%	0.00%	24.22%
December 31, 2018			
	Ordinary	Capital	Total
(4a) 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)	\$ 38,418,388	\$ 626,334	\$ 39,044,722
(2) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%	0.00%
(3) Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 35,973,294	\$ 352,362	\$ 36,325,656
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of planning strategies	18.24%	0.00%	18.24%
Change			
	Ordinary	Capital	Total
(4a) 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)	\$ (1,216,849)	\$ (361,474)	\$ (1,578,323)
(2) Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.00%	0.00%	0.00%
(3) Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 1,228,245	\$ (87,502)	\$ 1,140,743
(4) Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of planning strategies	5.98%	0.00%	5.98%
(4b) Does this Company's tax-planning strategies include the use of reinsurance?	Yes []	No [X]	
B. There are no temporary differences for which deferred tax liabilities are not recognized.			
C. Current income taxes incurred consist of the following major components:			
1. Current Income Tax	December 31, 2019		December 31, 2018
	Change		
(a) Federal	\$ 2,463,917	\$ (796,766)	\$ 3,260,683
(b) Foreign	\$ -	\$ -	\$ -
(c) Subtotal	\$ 2,463,917	\$ (796,766)	\$ 3,260,683
(d) Federal income tax on net capital gains	37,546	(86,470)	124,016
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$ 2,501,463	\$ (883,236)	\$ 3,384,699

NOTES TO THE FINANCIAL STATEMENTS

		December 31, 2019	December 31, 2018	Change
2. Deferred Tax Assets				
(a) Ordinary:				
(1) Discounting of unpaid losses	\$ 8,365,094	\$ 8,913,838	\$ (548,744)	
(2) Unearned premium reserve	13,011,066	12,637,966	373,100	
(3) Policyholder reserves	-	-	-	
(4) Investments	-	-	-	
(5) Deferred acquisition costs	-	-	-	
(6) Policyholder dividends accrual	-	-	-	
(7) Fixed Assets	-	-	-	
(8) Compensation benefits accrual	961,528	1,422,526	(460,998)	
(9) Pension accrual	-	-	-	
(10) Receivables - nonadmitted	325,503	230,118	95,385	
(11) Net operating loss carry-forward	8,661,611	9,885,760	(1,224,149)	
(12) Tax credit carry-forward	-	-	-	
(13) Other (including items <5% of total ordinary tax assets)	656,461	571,520	84,941	
(14) Nonadmitted miscellaneous	-	-	-	
(15) Intangibles	-	-	-	
(16) Capitalized R&E	-	-	-	
(17) Nonadmitted premiums and agent bal	5,220,276	4,756,660	463,616	
(18) Premium deficiency reserve	-	-	-	
(99) Subtotal	\$ 37,201,539	\$ 38,418,388	\$ (1,216,849)	
(b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -	
(c) Nonadmitted	-	2,445,094	(2,445,094)	
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 37,201,539	\$ 35,973,294	\$ 1,228,245	
(e) Capital:				
(1) Investments	\$ 264,860	\$ 626,334	\$ (361,474)	
(2) Net capital loss carry-forward	-	-	-	
(3) Real estate	-	-	-	
(4) Other (including items <5% of total capital tax assets)	-	-	-	
(99) Subtotal	\$ 264,860	\$ 626,334	\$ (361,474)	
(f) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -	
(g) Nonadmitted	-	273,972	(273,972)	
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 264,860	\$ 352,362	\$ (87,502)	
(i) Admitted deferred tax assets (2d + 2h)	\$ 37,466,399	\$ 36,325,656	\$ 1,140,743	
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)	31,067	24,595	6,472	
(6) Compensation and benefits accrual	-	-	-	
(7) Guaranty assessments	-	-	-	
(8) Agent acquisitions	-	405,497	(405,497)	
(9) Surplus note interest accrual	-	-	-	
(10) Pension accrual	-	-	-	
(11) Other liabilities	-	-	-	
(12) Unrealized miscellaneous	-	-	-	
(13) Discount of unpaid losses	2,130,860	2,806,370	(675,510)	
(99) Subtotal	\$ 2,161,927	\$ 3,236,462	\$ (1,074,535)	
(b) Capital:				
(1) Investments	\$ 114,108	\$ -	\$ 114,108	
(2) Real estate	-	-	-	
(3) Other (including items <5% of total capital tax liabilities)	-	-	-	
(99) Subtotal	\$ 114,108	\$ -	\$ 114,108	
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 2,276,035	\$ 3,236,462	\$ (960,427)	
4. Net deferred tax asset/(liability) (2i - 3c)	\$ 35,190,364	\$ 33,089,194	\$ 2,101,170	

NOTES TO THE FINANCIAL STATEMENTS

5. The change in deferred income taxes is comprised of the following (this analysis is exclusive of the nonadmitted assets as the Change in Nonadmitted Assets are reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	December 31, 2019	December 31, 2018	Change
(a) Adjusted gross deferred tax assets	\$ 37,466,399	\$ 39,044,722	\$ (1,578,323)
(b) Deferred tax liabilities	<u>2,276,035</u>	<u>3,236,462</u>	(960,427)
(c) Net deferred tax assets (liabilities)	\$ 35,190,364	\$ 35,808,260	\$ (617,896)
(d) Tax effect of unrealized gains (losses)			739,243
(e) Tax effect of unrealized postretirement benefits			-
(f) Change in deferred income tax			<u>\$ (1,357,139)</u>

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to pre-tax income. The significant book to tax adjustments causing this difference are as follows:

	December 31, 2019	December 31, 2018
(a) Current income taxes incurred	\$ 2,501,463	\$ (883,236)
(b) Change in deferred income tax	<u>1,357,139</u>	(224,773)
(c) Total income tax reported	\$ 3,858,602	\$ (1,108,009)
(d) Income before taxes	\$ 25,741,409	\$ 61,525,802
(e) Federal statutory tax rate	21%	21%
(f) Expected income tax expense (benefit) at 21% statutory rate	\$ 5,405,696	\$ 12,920,418
(1) Tax-exempt income	\$ (799,897)	\$ (933,858)
(2) Dividends received deduction	-	(11,382,000)
(3) Nondeductible expenses	(29,630)	37,685
(4) Deferred tax benefit on nonadmitted assets	(717,567)	(226,117)
(5) Change in tax reserves	-	-
(6) Tax credits	-	-
(7) Other	-	631,813
(8) Extraordinary distribution	-	-
(9) COLI - change in CSV	-	(31,996)
(10) Dividends - Return of Capital	-	(2,611,456)
(11) Tax Attribute Expiration	-	-
(12) Impact of enacted tax law changes	-	487,502
(g) Total	<u>3,858,602</u>	<u>(1,108,009)</u>

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

1. As of December 31, operating loss or tax credit carryforwards are available as follows:

	Amount	Origination	Expiration
Operating loss carryforwards	\$ 27,522,318	2017	2037
Operating loss carryforwards	\$ 13,723,450	2018	2038

2. The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are:

2019	\$ _____	-
2018	\$ _____	-

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

NOTES TO THE FINANCIAL STATEMENTS**F. Consolidated Federal Income Tax Return**

1. The company's federal income tax return is consolidated with the following entities:

Nationwide Mutual Insurance Company	Nationwide Financial General Agency, Inc.
AGMC Reinsurance, Ltd	Nationwide Financial Services, Inc.
Allied General Agency Company	Nationwide General Insurance Company
Allied Group, Inc.	Nationwide Global Holdings, Inc.
Allied Holding (Delaware), Inc.	Nationwide Indemnity Company
Allied Insurance Company of America	Nationwide Insurance Company of America
Allied Property & Casualty Insurance Company	Nationwide Insurance Company of Florida
Allied Texas Agency, Inc.	Nationwide Investment Services Corporation
AMCO Insurance Company	Nationwide Life and Annuity Insurance Company
American Marine Underwriters	Nationwide Life Insurance Company
Crestbrook Insurance Company	Nationwide Lloyds
Depositors Insurance Company	Nationwide Member Solutions Agency, Inc.
DVM Insurance Agency, Inc.	Nationwide Property & Casualty Insurance Company
Eagle Captive Reinsurance, LLC	Nationwide Retirement Solutions, Inc.
Freedom Specialty Insurance Company	Nationwide Trust, FSB
Harleysville Group Inc.	NBS Insurance Agency, Inc.
Harleysville Insurance Co. of New York	NWD Investment Management, Inc.
Harleysville Insurance Company	On Your Side Nationwide Insurance Agency, Inc.
Harleysville Insurance Company of New Jersey	Premier Agency, Inc.
Harleysville Life Insurance Company	Registered Investment Advisors Services, Inc.
Harleysville Lake States Insurance Company	Riverview International Group, Inc.
Harleysville Preferred Insurance Company	Scottsdale Indemnity Company
Harleysville Worcester Insurance Company	Scottsdale Insurance Company
Jefferson National Financial Corporation	Scottsdale Surplus Lines Insurance Company
Jefferson National Securities Corporation	THI Holdings (Delaware), Inc.
JNF Advisors, Inc.	Titan Auto Insurance of New Mexico, Inc.
Lone Star General Agency, Inc.	Titan Indemnity Company
National Casualty Company	Titan Insurance Company
Nationwide Advantage Mortgage Company	Titan Insurance Services, Inc.
Nationwide Affinity Insurance Company of America	Veterinary Pet Insurance Company
Nationwide Agribusiness Insurance Company	Victoria Fire & Casualty Company
Nationwide Assurance Company	Victoria National Insurance Company
Nationwide Cash Management Company	Victoria Select Insurance Company
Nationwide Corporation	VPI Services, Inc.
Nationwide Financial Assignment Company	

2. The method of allocation among the companies is subject to the resolution approved by the Board of Directors. Allocation is based upon separate return or sub-group aggregated separate return calculations with the company being reimbursed for the actual Federal income tax benefit of its net operating losses which are actually used to reduce the taxable income of other companies in the consolidated return.

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)

Not applicable.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**A. Nature of Relationships**

Effective October 1, 2018, Western Heritage Insurance Company completed a merger agreement with the Company. Pursuant to the merger agreement, the operations of Western Heritage Insurance Company were merged with the Company, with the Company continuing as the surviving corporation. The Company then cedes 100% of the business into the Nationwide Pool.

All outstanding shares of the Company are owned by Mutual.

Bonds and stocks, if any owned, acquired or disposed of in any year by the Company in any subsidiary or affiliate are set forth in Schedule D of either this statement or those of prior years. Intercompany relationships and specific holdings are detailed in the Nationwide Corporate Organizational Chart, which appears as Schedule Y of this statement.

The Company is a party to various reinsurance agreements including a pooling agreement with several affiliated companies. See Note 26.

The Company and various affiliates have entered into agreements with Nationwide Cash Management Company (NCMC) a subsidiary of Mutual, under which NCMC acts as a common agent in handling the purchases and sales of short-term investments for the respective accounts of the participants. Amounts on deposit with NCMC were \$85,304,368 and \$36,888,977 as of December 31, 2019 and 2018, respectively.

B. Detail of Transactions Greater than 1/2 % of Admitted Assets

On March 28, 2018, the Company received an extraordinary dividend of \$30.0 million from Scottsdale Surplus, consisting of securities of \$29.2 million and cash of \$0.8 million.

On March 28, 2018, the Company received an extraordinary dividend of \$85.0 million from Vet Pet Insurance, consisting of securities of \$83.7 million and \$1.3 million.

NOTES TO THE FINANCIAL STATEMENTS

On March 28, 2018, the Company paid an extraordinary dividend of \$195.0 million to Nationwide Mutual, consisting of securities of \$187.7 million and cash of \$7.3 million.

C. Change in Terms of Intercompany Arrangements

See Note 26 for details.

D. Amounts Due to or from Related Parties

Affiliate receivables and payables are the result of cost sharing and intercompany service agreements between the Company and its affiliates in which settlement has not yet occurred. Affiliate receivables are presented gross of affiliate payables when the Company has the right to offset. The gross amounts due from affiliates were \$13,374,734 and \$25,283,056 as of December 31, 2019 and 2018, respectively. The gross amounts due to affiliates were \$21,518,147 and \$5,871,405 as of December 31, 2019 and 2018, respectively. These arrangements are subject to written agreements which require that intercompany balances be settled within 30 days.

E. Guarantees or Undertakings for Related Parties

The Company has no guarantees or contingent commitments to affiliates.

F. Management, Service Contracts, Cost Sharing Arrangements

The Company and various affiliates share a home office, other facilities, equipment, common management and administrative services. Pursuant to a cost sharing agreement between the companies, the amounts associated with these services are subject to allocation based on standard allocation techniques and procedures acceptable under general cost accounting techniques and procedures in conformity with the NAIC SAP. Measures used to determine the allocation among companies includes individual employee estimates of time spent, special cost studies, claims counts, policies in force, direct written premium, paid losses, pro rata share of employees or their salaries, and other methods agreed to by the participating companies. The Company does not believe amounts recognized under the intercompany agreement are materially different than what would have been recognized had the Company operated on a stand-alone basis.

G. Nature of Relationships that Could Affect Operations

Not applicable.

H. Amount Deducted for Investment in Upstream Company

Not applicable.

I. Detail of Investment in Affiliates Greater than 10% of Admitted Assets

Not applicable.

J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not applicable.

K. Investment in a foreign insurance subsidiary

Not applicable.

L. Downstream Holding Company

The Company does not hold any investments in affiliates.

M. Investments in non-insurance SCA entities

Not applicable.

N. Investments in insurance SCA entities

Not applicable.

O. SCA or SSAP 48 Entity Loss Tracking

Not applicable.

Note 11 - Debt

Not applicable.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**A. Defined Benefit Plans**

Not applicable.

B. Asset Allocation

Not applicable.

C. Fair Value of Plan Assets

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS**D. Long-Term Rate of Return on Assets**

Not applicable.

E. Defined Contribution Plans

NMIC sponsors a defined contribution retirement savings plan (401(k)) which covers substantially all employees. Employees may make salary deferral contributions of up to 80% provided this deferral does not exceed the maximum annual amount allowed by the IRS. Salary deferrals of up to 8% receive a 50% company match and salary deferrals of up to 7% receive a 50% company match for the years ended December 31, 2019 and 2018, respectively, 20% of which vests each year until the participant has five years of vesting service. The Company match is funded on a biweekly basis and the expense for contributions are allocated to the Company based on employee contributions. The Company's allocated expense for contributions was \$2,615,481 and \$2,816,158 for the years ended December 31, 2019 and 2018, respectively. Individuals are subject to a dollar limit on salary deferrals per IRS Section 402(g) (\$19,000 in 2019 and \$18,500 in 2018). Other limits also apply. The Company has no legal obligation for benefits under this plan.

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

The Company, together with other affiliated companies, participates in a qualified defined benefit pension plan (the Nationwide Retirement Plan or the NRP) sponsored by Mutual. The Company funds pension costs accrued for direct employees plus an allocation of pension costs accrued for employees of affiliates whose work benefits the Company. The Company also participates in a non-qualified defined benefit supplemental executive retirement plan sponsored by Mutual that covers certain executives with at least one year of service. The Company's portion of expense relating to these plans was \$2,255,034 and \$1,020,348 for the years ended December 31, 2019 and 2018, respectively.

In addition to the defined benefit plans, the Company and certain affiliated companies participate in health care benefit plans sponsored by Mutual for qualifying retirees, which are generally available to retirees who were full time who have attained age 55 and have at least 15 years of service with the Company. The Company's portion of the expense relating to these plans was \$275,120 and \$238,602 for the years ended December 31, 2019 and 2018, respectively.

H. Postemployment Benefits and Compensated Absences

Not applicable.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not applicable.

Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**1. Outstanding Shares**

The Company has 100,000 shares of \$200 par value common stock authorized, 30,136 shares issued, and 30,136 shares outstanding as of December 31, 2019.

2. Dividend Rate of Preferred Stock

Not applicable.

3. Dividend Restrictions

The maximum amount of dividends which can be paid to shareholders by a State of Ohio domiciled insurance company without prior approval of the Director of Insurance is limited to, together with that of other dividends or distributions made within the preceding twelve months, the greater of either 10% of surplus as regards policyholders as of the preceding December 31, or the net income for the twelve month period ending December 31 of the previous calendar year. Additionally, any dividend or distribution paid from other than earned surplus shall require prior approval of the Director of Insurance. Subject to applicable regulatory approval(s), dividends are paid as determined by the insurer's board of directors.

4. Dividends Paid

No dividends were paid by the Company during 2019.

On March 28, 2018, the Company paid an extraordinary dividend of \$195.0 million to Nationwide Mutual. The dividend included securities of \$187.7 million and cash of \$7.3 million.

5. Profits Available for Ordinary Dividends

Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to shareholders.

6. Restrictions on Surplus

There is no restriction on the use of the Company's unassigned surplus and such surplus is held for the benefit of the shareholder.

7. Advances to Surplus Not Repaid

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS

8. Stock Held by Company for Special Purposes

Not applicable.

9. Changes in Special Surplus Funds

Not applicable.

10. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains is \$2,310,666 less applicable deferred taxes of \$3,660,026 for a net unrealized capital loss of \$1,349,360.

11. Surplus Notes

Not applicable.

12. and 13. Quasi Reorganizations

Not applicable.

Note 14 – Contingencies

A. Contingent Commitments

The Company has no commitments or contingent commitment to affiliates or other entities. As indicated in Note 10 E, the company has made no guarantees on behalf of affiliates.

B. Assessments

1. The Company is subject to guaranty fund and other assessments by the states in which it writes business. Guaranty fund assessments should be accrued at the time of insolvencies. Other assessments should be accrued either at the time of assessment or in the case of premium based assessments, at the time the premiums were written. In the case of loss-based assessments, the assessments should be accrued at the time the losses are incurred.

As of December 31, 2019 and 2018, the Company accrued a liability for guaranty fund and other assessments of \$89 thousand and \$39 thousand, respectively. These represent 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.	Description	Amount
a.	Assets recognized from paid and accrued premium tax offsets and policy holder surcharges prior year-end	\$ 86,621
b. Decreases current year:		
Premium tax offsets applied		\$ 20,249
c. Increases current year:		
Change in accrued premium tax offsets		\$ 51,067
d. Assets recognized from paid and accrued premium tax offsets and policy holder surcharges current year-end		\$ 117,439

3. Guaranty fund liabilities and assets related to assessments from insolvencies of entities that wrote long-term care contracts:

Not applicable.

C. Gain Contingencies

Not applicable.

D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming From Lawsuits

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

Claims related ECO and bad faith losses paid during the reporting period: \$9,746,969

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

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

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

E. Product Warranties

Not applicable.

F. Joint and Several Liabilities

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS

G. All Other Contingencies

Various lawsuits arise against the Company in the normal course of the Company's business. Contingent liabilities arising from litigation were reserved net of anticipated recoveries for \$2.3 million and \$1.7 at December 31, 2019 and 2018, respectively. The company is continually liable under certain structured settlement agreements (See note 27A).

Note 15 – Leases

Not applicable.

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

Not applicable.

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

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfer and Servicing of Financial Assets

1. The Company has entered into a securities lending agreement with an agent bank whereby eligible securities may be loaned to third parties, primarily major brokerage firms. These transactions are used to generate additional income on the securities portfolio. Loaned securities continue to be reported as invested assets and the Company is entitled to receive any payments of interest or dividends paid on loaned securities. The agreement requires a minimum of 102% of the fair value of loaned securities to be held as collateral. Cash collateral received from borrowers is reflected as a "Payable for securities lending" on the "Statement of Liabilities, Surplus and Other Funds" while non-cash collateral is recorded off-balance sheet. Cash collateral received is reinvested by the agent bank in accordance with the Company's authorized investment policy and included in "Securities lending reinvested collateral assets" in the "Statement of Assets". If the fair value of the reinvested collateral assets is less than the fair value of the securities loaned, the shortfall is non-admitted. Because the borrower or the Company may terminate a securities lending transaction at any time, if loans are terminated in advance of the reinvested collateral asset maturities, the Company would repay its securities lending obligation from operating cash flows or the proceeds of sales from its investment portfolio, which includes significant liquid securities.

The fair value of loaned securities was \$25.8 million at December 31, 2019. The Company holds \$25.2 million of non-cash collateral for loaned securities as of December 31, 2019.

Reinvested collateral assets reported on Schedule DL are excluded from other statutory schedules and disclosures.

See Note 5 E. for additional information concerning securities lending.

2. No servicing assets or liabilities were recognized during the period.
3. No servicing assets or liabilities were recognized during the period.
4. There were no assets securitized during the period.
5. There were no transfers of financial assets accounted for as a secured borrowing (excluding any repurchase and reverse repurchase transactions that may be disclosed under notes 5 F. through 5 I. above).
6. There were no transfers of receivables with recourse.
7. (a) Not applicable.
(b) Not applicable.

C. Wash Sales

Not applicable.

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

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS**Note 19 - Direct Premiums Written/Produced by Managing General Agents/Third Party Administrators**

The following summarizes direct premium written in 2019 by managing general agent.

Name and Address of Managing General Agent	FEIN Number	Exclusive Contract	Business Written	Authority Granted	Direct Written Premium
ALL RISKS LTD, HUNT VALLEY, MD	52-0801316	No	C	P	\$ 45,465,763
AMWINS BROKERAGE OF GEORGIA, STOCKBRIDGE, GA	58-1367775	No	C	P,U,B	28,768,266
AMWINS GROUP INC, DOWNTOWN GROVE, IL	20-2073428	No	C	P,U,B	33,264,673
BURNS & WILCOX LTD, METARIE, LA	38-1804059	No	C	P,U,B	138,048,498
BURNS & WILCOX LTD, BATON ROUGE, LA	72-1215109	No	C	P,U,B	30,751,736
CRC INSURANCE SERVICES, INC. BIRMINGHAM, AL	75-1285583	No	C	P,U,B	93,277,821
E-RISK SERVICES LLC, FLANDERS, NJ	26-3260559	No	C	P,U,B	177,729,534
HULL & COMPANY INC, ORLANDO, FL	20-2357767	No	C	P,U,B	87,037,880
HUNTERSURE LLC, GARDEN CITY, NY	26-0319479	No	C	P,U,B	59,990,194
JOHNSON & JOHNSON MANAGERS, IN	57-0189850	No	C	P,U,B	35,804,050
NEGLEY ASSOCIATES, PARSIPPANY, NJ	63-0834817	No	C	P,U,B	28,800,927
PHOENIX AMERICAN INSURANCE, MIAMI, FL	59-2786982	No	C	C,CA,B,P,U	51,377,923
RISK PLACEMENT SERVICES INC, SCOTTSDALE, AZ	36-3110841	No	C	P,U,B	97,948,130
RT SPECIALTY LLC, SAN FRANCISCO, CA	94-3137400	No	C	P,U,B	28,178,791
SOUTHERN CROSS UNDERWRITERS, JACKSON, MS	63-0834817	No	C	P,U,B	41,056,200
TAPCO UNDERWRITERS INC, CLEARWATER, FL	80-0325165	No	C	P,U,B	43,881,357
					\$ <u>1,021,381,743</u>

C - Commercial Lines

P - Personal Lines

Note 20 – Fair Value Measurements

A. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources while unobservable inputs reflect the Company's view of market assumptions in the absence of observable market information. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. In determining fair value, the Company uses various methods including market, income and cost approaches.

The Company categorizes its financial instruments into a three-level hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety.

The Company categorizes assets and liabilities held at fair value in the statutory statements of assets and liabilities, surplus and other funds as follows:

Level 1. Unadjusted quoted prices accessible in active markets for identical assets or liabilities at the measurement date and mutual funds where the value per share (unit) is determined and published daily and is the basis for current transactions.

Level 2. Unadjusted quoted prices for similar assets or liabilities in active markets or inputs (other than quoted prices) that are observable or that are derived principally from or corroborated by observable market data through correlation or other means. Primary inputs to this valuation technique may include comparative trades, bid/ask, interest rate movements, U.S. Treasury rates, London Interbank Offered Rate, prime rates, cash flows, maturity dates, call ability, estimated prepayments and/or underlying collateral values.

Level 3. Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimates of the assumptions market participants would use at the measurement date in pricing the asset or liability. Consideration is given to the risk inherent in both the method of valuation and the valuation inputs. Primary inputs to this valuation technique include broker quotes and comparative trades.

The Company reviews its fair value hierarchy classifications for assets and liabilities quarterly. Changes in observability of significant valuation inputs identified during these reviews may trigger reclassifications. Reclassifications are reported as transfers at the beginning of the period in which the change occurs.

Independent pricing services are most often utilized to determine the fair value of bonds and stocks for which market quotations or quotations on comparable securities are available. For these bonds and stocks, the Company obtains the pricing services' methodologies, pricing from additional sources, inputs and assumptions and classifies the investments accordingly in the fair value hierarchy.

A corporate pricing matrix is used in valuing certain corporate bonds. The corporate pricing matrix was developed using publicly available spreads for privately placed corporate securities with varying weighted average lives and credit quality ratings. The weighted average life and credit quality rating of a particular bond to be priced using the corporate pricing matrix are important inputs into the model and are used to determine a corresponding spread that is added to the appropriate U.S. Treasury yield to create an estimated market yield for that bond. The estimated market yield and other relevant factors are then used to estimate the fair value of the particular bond.

Non-binding broker quotes are also utilized to determine the fair value of certain bonds when deemed appropriate or when quotes are not available from independent pricing services or a corporate pricing matrix. These bonds are classified with the lowest priority in the fair value hierarchy as only one broker quote is ordinarily obtained, the investment is not traded on an exchange, the pricing is not available to other entities and/or the transaction volume in the same or similar investments has decreased. Inputs used in the development of prices are not provided to the Company by the brokers as the brokers often do not provide the necessary transparency into their quotes and methodologies. At least annually, the Company performs reviews and tests to ensure that quotes are a reasonable estimate of the investments' fair value. Price movements of broker quotes are subject to validation and require approval from the Company's management. Management uses its knowledge of the investment and current market conditions to determine if the price is indicative of the investment's fair value.

The Company carries short-term investments at amortized cost, which approximates fair value.

NOTES TO THE FINANCIAL STATEMENTS

The following table summarizes assets held at fair value as of December 31, 2019:

	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at Fair Value					
Industrial and miscellaneous	\$ -	\$ 11,017,611	\$ -	\$ -	11,017,611
Total Bonds	\$ -	\$ 11,017,611	\$ -	\$ -	11,017,611
Securities lending collateral assets	-	5,125	-	-	5,125
Total Assets at Fair Value (NAV)	\$ -	\$ 11,022,736	\$ -	\$ -	11,022,736

B. & C. The following table summarizes the carrying value and fair value of the Company's assets not held at fair value as of December 31, 2019:

	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Assets							
Bonds	\$1,271,604,694	\$1,221,055,087	\$384,525,578	\$886,386,186	\$692,930	\$-	\$-
Stocks	61,341,962	61,341,962	-	-	61,341,962	-	-
Short-term investments	85,304,368	85,304,368	-	85,304,368	-	-	-
Securities lending collateral assets	1,106,587	1,085,853	1,056,864	49,723	-	-	-
Total Assets	\$1,419,357,611	\$1,368,787,270	\$385,582,442	\$971,740,277	\$62,034,892	\$-	\$-

D. Not Practicable to Estimate Fair Value

Not applicable.

E. Measured using net asset value

Not Applicable.

Note 21 - Other Items

A. Unusual or Infrequent Items

Not applicable.

B. Troubled Debt Restructuring for Debtors

Not applicable.

C. Other Disclosures

At December 31, 2019, the Company has commitments for unsettled purchases of private placement securities of \$0 and bank loans of \$0.

At December 31, 2019, the Company had no commitments for commercial mortgage loans.

Effective June 1, 2019, the Company renewed the Property Catastrophe Program as follows: National Tower with varying placements totaling \$2.566 billion for losses per event between \$500 million and \$3.40 billion. This includes the catastrophe bond, Caelus Re 2016-1, issued in 2016 providing national coverage at 75% of \$400.0 million excess of \$1.95 billion. Following a single loss event over \$500 million, the retention would be reduced from \$500 million to \$250 million for a second loss event in the treaty year. For the 2019 risk period, the Caelus Re 2017-1 and 2018-1 aggregate catastrophe bonds also provide national coverage. See Note 21G for additional information regarding the Caelus Re catastrophe bonds.

Effective July 1, 2019, the Nationwide group renewed its Property per Risk program on an enterprise-wide basis covering risks underwritten by the Company. The structure remains unchanged at \$115.0 million excess of \$10.0 million.

In August 2011, the Company entered into the California Earthquake Authority (CEA). Exposure to certain potential losses from earthquakes in California is limited by the Company's participation in the CEA, which provides insurance for California earthquake losses. The CEA is a privately-financed, publicly-managed state agency created to provide insurance coverage for earthquake damage. Management believes that the Company's exposure to earthquake losses in California will be significantly reduced as a result of its participation in the CEA.

Should losses arising from an earthquake cause a deficit in the CEA, additional funding would be obtained from the proceeds of revenue bonds the CEA may issue, an existing reinsurance layer and finally, if needed, assessments on participating insurance companies, to restore the CEA capital to the statutory minimum-capital level. All future assessments on participating CEA insurers are based on their CEA market share as of December 31 of the preceding year. As of December 31, 2019, the Company has not been charged an assessment.

D. Business Interruption Insurance Recoveries

Not applicable.

NOTES TO THE FINANCIAL STATEMENTS**E. State Transferable and Non-Transferable Tax Credits****1. Description of State Transferable and Non-Transferable Tax Credits**

	State	Carrying Value	Unused Amount
CCP NI Master Tenant 2 LLC	NC	-	8,289
EC Riverwalk 2 LLC	SC	-	36,796
EC Riverwalk 3 LLC	SC	-	102,494
Laurel Hill	VA	-	584,506
Ohio Equity Fund for Housing Limited Partnership XXV	OH	-	129,252
Stonehenge REV I LLC	OH	-	100,000
Strata Fund 24 Lessee LLC	NC	-	34,522
Strata Fund 25 Lessee LLC	NC	-	42,091
Dominion Arms SP LLC	VA	-	60,399
Academy Theater	VA	-	88,028
Sugar Creek Virginia Credit Fund II LLC	VA	-	145,650
Liberty Heights SP LLC	VA	-	170,880
EC Bottletworks LLC	IN	-	66,430
Enhanced Capital Nebraska NMTC Investor II LLC	NE	-	41,662
Caritas	VA	-	176,130
Hubbell Realty Company	IA	9,977	13,863
CR Lloyd	IA	20,436	21,974
Stonehenge Capital Fund Connecticut I	CT	24,660	27,400
Total		55,073	1,850,366

2. The Company estimates the utilization of remaining transferable and non-transferable state tax credits by projecting future premium and taking into account policy growth, while also projecting future tax liability in the relevant jurisdiction.

3. The Company did not recognize any impairment on state tax credits in 2019.

4. State Tax Credits Admitted and Nonadmitted

	Total Admitted	Total Nonadmitted
a. Transferable	\$ 310,619	\$ -
b. Non-transferable	\$ 1,539,747	\$ -

F. Subprime Mortgage Related Risk Exposure

1. The Company evaluates many characteristics when classifying collateral as subprime, including the credit quality of the borrower as defined by Fair Isaac Credit Organization (FICO) scores, as well as other factors, such as loan-to-value ratios and type of real estate.
2. The company has no direct exposure through investments in subprime mortgage loans.
3. Direct exposure through other investments:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 36,602,060	\$ 36,707,506	\$ 37,120,127	\$ 121,686
b. Commercial mortgage backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investments in SCAs	-	-	-	-
f. Other assets	-	-	-	-
g. Total	\$ 36,602,060	\$ 36,707,506	\$ 37,120,127	\$ 121,686

4. The company has no exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

G. Insurance Linked Securities

An additional issuance, Caelus Re 2018-1, was offered May 10, 2018 within Caelus Re V Limited augmenting the existing program. The coverage is effective June 1, 2018 and expires on May 31, 2021. For the 2019 risk period, the aggregate Caelus Re V structure provides aggregate coverage of \$675 million, prior to accounting for previous qualifying losses, for aggregate losses between \$1.262 billion and \$1.987 billion with varying placements per layer.

On May 4, 2017, the Company and certain of its affiliates entered into an agreement with Caelus Re V Limited, a Cayman Islands Special Purpose Reinsurance Vehicle, for the purpose of securing collateralized, multiyear property catastrophe loss protection through the capital markets. The catastrophe bond, Caelus Re 2017-1, issued as part of this agreement provides reinsurance coverage to the Company and certain of its affiliates for catastrophic events, including hurricanes, winter storms, convective storms, wildfire, meteorite, volcanic eruption, earthquakes and the fires following earthquakes. The catastrophe bond is an indemnity trigger-based bond where the Company and certain of its affiliates recover losses in excess of specified levels of annual aggregate catastrophic claims with a franchise deductible of \$50 million for each catastrophic event. The coverage is effective June 1, 2017 and expires on May 31, 2020.

On February 29, 2016, the Company and certain of its affiliates entered into an agreement with Caelus Re IV Limited, a Cayman Islands Special Purpose Reinsurance Vehicle, for the purpose of securing collateralized, multiyear property catastrophe loss protection through the capital markets. The catastrophe bond, Caelus Re 2016-1, issued as part of this agreement provides per occurrence reinsurance coverage to the Company and certain of its affiliates for catastrophic events, including hurricanes, winter storms, convective storms, wildfire, meteorite, volcanic eruption, earthquakes and the fires following earthquakes. The catastrophe bond is an indemnity trigger-based bond where the Company and certain of its affiliates recover losses in excess of specified levels of catastrophic claims. For the 2019 risk period, the Caelus Re 2016-1 catastrophe bond provides national coverage at 75% of \$400 million excess of \$1.95 billion. The coverage is effective March 1, 2016 and expires on February 29, 2020.

NOTES TO THE FINANCIAL STATEMENTS

	Number of Outstanding ILS Contracts	Aggregate Maximum Proceeds
Management of Risk Related To:		
(1) Directly-Written Insurance Risks		
a. ILS Contracts as Issuer	-	\$ -
b. ILS Contracts as Ceding Insurer	3	\$ 975,000,000
c. ILS Contracts as Counterparty	-	\$ -
(2) Assumed Insurance Risks		
a. ILS Contracts as Issuer	-	\$ -
b. ILS Contracts as Ceding Insurer	-	\$ -
c. ILS Contracts as Counterparty	-	\$ -

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

Not applicable.

Note 22 - Events Subsequent**Type I – Recognized Subsequent Events:**

Subsequent events have been considered through February 20, 2020 for the statutory statement issued on February 21, 2020.

There were no material Type I events occurring subsequent to the end of the year that merited recognition or disclosure in these statements that have not already been reflected as required.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through February 20, 2020 for the statutory statement issued on February 21, 2020.

There were no material Type II events occurring subsequent to the end of the year that merited disclosure in these statements that have not already been reflected as required.

Note 23 – Reinsurance**A. Unsecured Reinsurance Recoverables**

The Company has unsecured aggregate reinsurance recoverable for paid and unpaid losses, including IBNR, loss adjustment expenses and unearned premiums, from an individual reinsurer that exceeds 3% of policyholders' surplus. The amount is shown below by reinsurer.

NAIC Group	Reinsurer	FEIN #	Unsecured Reinsurance (in thousands)
	Berkley Insurance Co	47-0574325	\$22,201
	Endurance Assur Corp	35-2293075	\$103,484
	Hannover Ruck SE	AA-1340125	\$46,975
	Liberty Mutual Insurance Co	04-1543470	\$26,107
	Markel Global Reinsurance	06-1481194	\$112,224
	Munich Reinsurance America Inc	13-4924125	\$105,416
0140	Nationwide Mutual Insurance Company	31-4177100	\$5,703,233
	Odyssey Reinsurance Company	47-0698507	\$62,600
	Partner Reinsurance Company of US	13-3031176	\$40,487
	Renaissance Reinsurance Us Inc	52-1952955	\$74,567
	Scor Reinsurance Company	75-1444207	\$47,517
	Swiss Reinsurance America Corp	13-1675535	\$79,562
	Toa Reinsurance Company Of Amer	13-2918573	\$37,516
	Tokio Millennium Re Ag US Branch	30-0703280	\$19,517
	Transatlantic Reinsurance Co	13-5616275	\$104,510
	Xi Reinsurance America Inc	13-1290712	\$25,855

B. Reinsurance Recoverable in Dispute

The Company does not have reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus from an individual reinsurer or exceed 10% of policyholders' surplus in aggregate.

C. Reinsurance Assumed and Ceded

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

(in thousands)	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$1,154,852	\$236,284	\$1,606,473	\$367,494	\$(451,621)	\$(131,210)
b. All Others	3,998	1,516	227,599	50,037	(223,601)	(48,521)
c. Total	\$1,158,850	\$237,800	\$1,834,072	\$417,531	\$(675,222)	\$(179,731)
d. Direct Unearned Premium Reserve					\$983,934	

NOTES TO THE FINANCIAL STATEMENTS

2. Certain agency agreements and ceded reinsurance contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2019 are as follows:

(in thousands)	Direct	Assumed	Ceded	Net
Reinsurance				
a. Contingent Commissions	\$81,240	\$9,224	\$81,240	\$9,224
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	\$81,240	\$9,224	\$81,240	\$9,224

3. The Company does not use protected cells as an alternative to traditional reinsurance.

D. Uncollectible Reinsurance

No reinsurance recoverables were written off during 2019.

E. Commutation of Ceded Reinsurance

The Company did not enter into any commutation of reinsurance during 2019.

F. Retroactive Reinsurance

There was no retroactive reinsurance affected during 2019.

G. Reinsurance Accounted for as a Deposit

There were no reinsurance agreements that were accounted for as deposits during 2019.

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

There was no transfer of any property and casualty run-off agreements requiring approval of regulators and qualifying under SSAP No. 62R, Property and Casualty Reinsurance, to receive property & casualty run-off accounting treatment.

I. Certified Reinsurer Rating Downgrades or Status Subject to Revocation

Not applicable.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable.

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate

The Company sells accident and health policies for which the premiums vary based on loss experience. Future premium adjustments for these retrospective policies are estimated and accrued. The Company estimates these accrued retrospective premium adjustments through the review of each individual retrospectively rated risk, comparing case basis loss development with that anticipated in the policy contracts to arrive at the best estimates of return or additional premiums.

B. Method Used to Record

The Company records retrospective premium accruals as earned by adjusting unearned premiums. These amounts are not recorded as premiums written until they are billed to the policyholders. Return premiums are recorded as liabilities and additional premiums are recorded as assets.

C. Amount and Percent of Net Retrospective Premiums

Net premiums written for the current year on retrospective accident and health policies were \$9 thousand, or 0.002% of accident and health premiums written.

D. Medical Loss Ratio Rebates

Not applicable.

E. Calculation of Nonadmitted Accrued Retrospective Premiums

Not applicable.

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

Not applicable.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

A. As of December 31, 2018, loss and loss adjustment expense reserves, net of reinsurance recoveries, were \$590.8 million. On January 1, 2019, loss and loss adjustment expense reserves of \$2.6 million were transferred from the Company as a result of the pooling and quota share agreements, effective January 1, 2019. See Note 26 for details. Payments for incurred claims and claim adjustment expenses attributable to insured events of prior years were \$240.8 million for the year ended December 31, 2019. As of December 31, 2019, remaining loss and loss adjustment expense reserves attributable to insured events of prior years were \$356.9 million. The Company experienced unfavorable prior-year development of \$9.6 million during the year ended December 31, 2019, primarily driven by excess and surplus unfavorable development in discontinued lines and development across various liability products, partially offset by lower than expected prior year claim emergence in standard commercial and favorable emergence in homeowners as a result of subrogation.

B. During 2019, the Company did not make any significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses.

NOTES TO THE FINANCIAL STATEMENTS**Note 26 - Intercompany Pooling Arrangements**

Nationwide Mutual Insurance Company is the lead company in the Nationwide Pool. Each pool member company contributes 100% of its underwriting results to the Nationwide Pool through the reinsurance pooling agreement.

Effective January 1, 2019, Nationwide General Insurance Company was added as a Nationwide Pool recipient and changed from a 0% to 1% retrocessionnaire.

As of December 31, 2019 and December 31, 2018, the companies in the Nationwide Pool assuming a proportionate share of the pool are:

	NAIC #	2019 Pool	2018 Pool
Nationwide Mutual Insurance Company	23787	72.0%	73.0%
Nationwide Mutual Fire Insurance Company	23779	23.0%	23.0%
Scottsdale Insurance Company	41297	4.0%	4.0%
Nationwide General Insurance Company	23760	1.0%	0.0%

Effective January 1, 2020, the Nationwide Pool structure was revised. Nationwide Mutual Insurance Company's assumed pooling percentage decreased from 72% to 71%. Scottsdale Insurance Company's was removed as a Nationwide Pool recipient. Nationwide Agribusiness Insurance Company, Nationwide Insurance Company of America and National Casualty Company were each added as a Nationwide Pool recipient with a 3%, 1% and 1% assumed pooling percentage, respectively. Furthermore, National Casualty Company terminated its 100% quota share reinsurance agreement with Nationwide Mutual and was added to the Nationwide Pool with a 1% retainage share.

Effective January 1, 2019, Victoria Select Insurance Company was removed from the Nationwide Pool and entered into a 100% quota share reinsurance agreement with Nationwide Mutual Insurance Company. Nationwide Mutual Insurance Company then cedes 100% of the business to the Nationwide Pool.

Effective January 1, 2019, in conjunction with the merger of Titan Indemnity Company with and into Titan Insurance Company on January 1, 2019, Titan Indemnity Company terminated its participation in the Nationwide Pool and the assets and liabilities were commuted back to Titan Indemnity Company.

All of the other companies in the Nationwide Pool have a 0% retrocession. The zero percent participants in the Nationwide Pool as of December 31, 2019 are: Nationwide Property and Casualty Insurance Company (NAIC #37877), Nationwide Affinity Insurance Company of America (NAIC #26093), Crestbrook Insurance Company (NAIC #18961), Allied Insurance Company of America (NAIC #10127), Nationwide Assurance Company (NAIC #10723), Nationwide Lloyds (NAIC #42110), Nationwide Insurance Company of Florida (NAIC #10948), AMCO Insurance Company (NAIC #19100), Allied Property and Casualty Insurance Company (NAIC #42579), Depositors Insurance Company (NAIC #42587), Nationwide Agribusiness Insurance Company (NAIC #28223), Nationwide Insurance Company of America (NAIC #25453), Victoria Fire & Casualty Company (NAIC #42889), Victoria National Insurance Company (NAIC #10778), Harleysville Preferred Insurance Company (NAIC #35696), Harleysville Insurance Company of New Jersey (NAIC #42900), Harleysville Worcester Insurance Company (NAIC #26182), Harleysville Insurance Company of New York (NAIC #10674), Harleysville Lake States Insurance Company (NAIC #14516), Harleysville Insurance Company (NAIC #23582) and Veterinary Pet Insurance Company (NAIC #42285).

All lines of business are subject to the pooling agreements.

There are no discrepancies related to the pooled business between the assumed and ceded reinsurance schedules of the pool participants.

Amounts due to/from the lead entity and pool participants as of December 31, 2019:

Name of Insurer	Amounts Receivable	Amounts Payable
Nationwide Mutual Insurance Company (Lead Insurer)	\$ 246,611,254	\$ 182,870,305
Nationwide Mutual Fire Insurance Company	\$ 20,171,254	\$ 6,335
Scottsdale Insurance Company	\$ 13,374,734	\$ 2,809,498
Nationwide General Insurance Company	\$ 17,095,182	\$ 12,133
Nationwide Property & Casualty Insurance Company	\$ 17,934,650	\$ 186,688
Nationwide Affinity Insurance Company of America	\$ 5,079,134	\$ 1,159,238
Crestbrook Insurance Company	\$ 2,049,417	\$ 5,427,413
Allied Insurance Company of America	\$ 17,009,232	\$ 14,190,466
AMCO Insurance Company	\$ 132,407,895	\$ 107,924,191
Allied Property & Casualty Insurance Company	\$ 9,730,938	\$ 11,963,058
Depositors Insurance Company	\$ 18,058,273	\$ 16,920,790
Nationwide Agribusiness Insurance Company	\$ 36,127,203	\$ 39,151,644
Victoria Fire & Casualty Company	\$ 16,075	\$ 626,812
Victoria Select Insurance Company	\$ -	\$ 85,359
Victoria National Insurance Company	\$ -	\$ 527
Harleysville Worcester Insurance Company	\$ 1,871	\$ 7,004,946
Harleysville Insurance Company of New Jersey	\$ 271	\$ 1,510,419
Harleysville Preferred Insurance Company	\$ 674	\$ 2,663,806
Harleysville Lake States Insurance Company	\$ 399	\$ 1,219,064
Harleysville Insurance Company	\$ 869,208	\$ 134,089
Harleysville Insurance Company of New York	\$ 261	\$ 2,160,653
Nationwide Assurance Company	\$ 50,527,908	\$ 49,878,834
Nationwide Lloyds	\$ 305	\$ 916,249
Nationwide Insurance Company of Florida	\$ 3,387	\$ 1,021,288
Nationwide Insurance Company of America	\$ 19,284,753	\$ 18,208
Veterinary Pet Insurance Company	\$ 1,933	\$ 17,312,845

As of December 31, 2019, National Casualty Company and Colonial County Mutual Insurance Company remain covered under separate 100% quota share reinsurance agreements with Nationwide Mutual Insurance Company. Nationwide Mutual Insurance Company then cedes 100% of this business to the Nationwide Pool.

As of December 31, 2019, Scottsdale Surplus Lines Insurance Company, Scottsdale Indemnity Company and Freedom Specialty Insurance Company remain covered under a separate 100% quota share reinsurance agreement with Scottsdale Insurance Company. Scottsdale Insurance Company then cedes 100% of this business to the Nationwide Pool.

NOTES TO THE FINANCIAL STATEMENTS

In connection with the above pooling percentage change and the participation of Titan Indemnity Company being terminated effective January 1, 2019, assets and liabilities were transferred between Nationwide Mutual Insurance Company, Nationwide Mutual Fire Insurance Company, Scottsdale Insurance Company, Nationwide General Insurance Company and Titan Insurance Company. The Company transferred assets of \$0.8 million and liabilities of \$2.6 million, primarily consisting of loss and loss expense reserves of \$2.6 million.

Furthermore, the Company transferred cash of \$1.9 million to settle these transactions.

In connection with the above pooling structure change effective January 1, 2020, assets and liabilities were transferred between Nationwide Mutual Insurance Company, Nationwide Agribusiness, Nationwide Insurance Company of America, National Casualty Company and the Company. The Company transferred assets of \$185.7 million and liabilities of \$928.3 million, primarily consisting of loss and loss expense reserves of \$567.5 million and unearned premiums of \$308.7 million.

In addition, the Company transferred ceding commissions of \$54.0 million.

Furthermore, the Company transferred securities of \$636.0 million and cash of \$52.6 million to settle these transactions.

Note 27 - Structured Settlements

A. Reserves Released due to Purchases of Annuities

The Company has settled certain losses with structured settlement agreements whereby the Company has purchased an annuity with the claimant as the payee. The structured settlement agreements are considered qualified assignments, and therefore the Company is not contingently liable if the annuity issuing company is unable to meet the payment obligations.

<u>Loss Reserves Eliminated by Annuities</u>	<u>Unrecorded Loss Contingencies</u>
\$3.7 million	\$0

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

There were no annuity insurers with balances due greater than 1% of policyholders' surplus in 2019.

Note 28 - Health Care Receivables

Not applicable.

Note 29 – Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

The Company's liability for premium deficiency reserves as of December 31, 2019 is as follows:

1. Liability carried for premium deficiency reserves	\$0
2. Date of the most recent evaluation of this liability	January 24, 2020
3. Was anticipated investment income utilized in the calculation?	Yes

Note 31 – High Deductibles

Not applicable.

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

The Company discounts the liabilities for unpaid losses and loss expenses for long-term accident and health claims. The Company does not discount IBNR for accident and health claims. Third party administrators service the Company's long-term accident and health unpaid disability claims and supply the reserves and tabular discount; thus, different methodologies have been utilized.

A. Tabular Discounts

Reserves for long-term accident and health claims have been discounted on a tabular basis using the 1987 Commissioner's Group Disability Table (CGDT). The rate used was the maximum interest rate permitted by law in the valuation of a single premium immediate annuity issued on the same date as the claim incurral date, reduced by one hundred basis points (rates used vary from 2.75% to 10.25%). As of December 31, 2019 and 2018, liabilities include \$22,675 and \$39,036 of such discounted reserves, respectively.

During 2019, the Company recognized \$1,297 of interest accretion related to tabular discount, which is included within the Statement of Income on Line 2.

NOTES TO THE FINANCIAL STATEMENTS

The table below represents the amount of tabular discount for case and IBNR reserves as of December 31, 2019:

Schedule P Lines of Business	Tabular Discount Included in Schedule P, Part 1*	
	1 Case	2 IBNR
1. Homeowners/Farmowners	\$ -	\$ -
2. Private Passenger Auto Liability/Medical	-	-
3. Commercial Auto/Truck Liability/Medical	-	-
4. Workers' Compensation	-	-
5. Commercial Multiple Peril	-	-
6. Medical Professional Liability - occurrence	-	-
7. Medical Professional Liability - claims-made	-	-
8. Special Liability	-	-
9. Other Liability - occurrence	-	-
10. Other Liability - claims-made	-	-
11. Special Property	-	-
12. Auto Physical Damage	-	-
13. Fidelity, Surety	-	-
14. Other (including Credit, Accident & Health)	1,981	-
15. International	-	-
16. Reinsurance Nonproportional Assumed Property	-	-
17. Reinsurance Nonproportional Assumed Liability	-	-
18. Reinsurance Nonproportional Assumed Financial Lines	-	-
19. Products Liability - occurrence	-	-
20. Products Liability - claims-made	-	-
21. Financial Guaranty/Mortgage Guaranty	-	-
22. Warranty	-	-
23. Total	\$ 1,981	\$ -

* Must exclude medical loss reserves and all loss adjustment expense reserves.

B. Non-Tabular Discounts

The Company does not have any non-tabular discount.

C. Changes in Discount Assumptions

None

NOTES TO THE FINANCIAL STATEMENTS**Note 33 - Asbestos/Environmental Reserves**

A. The Company has exposure to asbestos and environmental claims through either the direct issuance of general liability policies or through reinsurance assumptions. The Company estimates the full impact of its asbestos and environmental exposure by establishing case reserves when sufficient information has been developed to indicate the involvement of a specific insurance policy. In addition, incurred but not reported reserves have been established to cover additional exposures on both known and unasserted claims, primarily utilizing historical information.

		2015	2016	2017	2018	2019
(1) Asbestos Claims - Direct						
Beginning Reserves:	\$	2,105,655	\$	2,090,652	\$	2,197,825
Incurred Loss and Loss Adj. Expense:	\$	547,974	\$	435,510	\$	53,672
Calendar Year Payments:	\$	562,977	\$	328,337	\$	305,528
Ending Reserve:	\$	2,090,652	\$	2,197,825	\$	1,945,969
(2) Asbestos Claims - Assumed		2015	2016	2017	2018	2019
Beginning Reserves:	\$	3,458,738	\$	3,924,208	\$	3,909,682
Incurred Loss and Loss Adj. Expense:	\$	120,000	\$	188,404	\$	(396,000)
Calendar Year Payments:	\$	(345,470)	\$	202,930	\$	158,256
Ending Reserve:	\$	3,924,208	\$	3,909,682	\$	3,355,426
(3) Asbestos Claims - Net		2015	2016	2017	2018	2019
Beginning Reserves:	\$	452,614	\$	460,008	\$	582,869
Incurred Loss and Loss Adj. Expense:	\$	129,406	\$	300,357	\$	(133,353)
Calendar Year Payments:	\$	122,012	\$	177,496	\$	445,128
Ending Reserve:	\$	460,008	\$	582,869	\$	4,388
B. Bulk and IBNR Losses and LAE						
(1) Direct					\$	1,481,842
(2) Assumed					\$	2,221,721
(3) Net of Ceded Reinsurance					\$	-
C. Case, Bulk and IBNR LAE						
(1) Direct					\$	919,400
(2) Assumed					\$	24,993
(3) Net of Ceded Reinsurance					\$	-
D. See A above						
(1) Environmental Claims - Direct		2015	2016	2017	2018	2019
Beginning Reserves:	\$	1,327,317	\$	1,255,749	\$	842,012
Incurred Loss & Loss Adj. Expense:	\$	80,871	\$	(236,825)	\$	(73,108)
Calendar Year Payments:	\$	152,439	\$	176,912	\$	182,426
Ending Reserve:	\$	1,255,749	\$	842,012	\$	586,478
(2) Environmental Claims - Assumed		2015	2016	2017	2018	2019
Beginning Reserves:	\$	678,048	\$	946,037	\$	794,134
Incurred Loss and Loss Adj. Expense:	\$	208,000	\$	(104,000)	\$	12,000
Calendar Year Payments:	\$	(59,989)	\$	47,903	\$	47,745
Ending Reserve:	\$	946,037	\$	794,134	\$	758,389
(3) Environmental Claims - Net		2015	2016	2017	2018	2019
Beginning Reserves:	\$	1,233,728	\$	1,166,041	\$	751,548
Incurred Loss and Loss Adj. Expense:	\$	79,319	\$	(233,328)	\$	(73,108)
Calendar Year Payments:	\$	147,006	\$	181,165	\$	170,032
Ending Reserve:	\$	1,166,041	\$	751,548	\$	508,408
E. Bulk and IBNR Losses and LAE						
(1) Direct					\$	211,590
(2) Assumed					\$	275,106
(3) Net of Ceded Reinsurance					\$	170,529
F. Case, Bulk and IBNR LAE						
(1) Direct					\$	84,804
(2) Assumed					\$	5,718
(3) Net of Ceded Reinsurance					\$	58,727

NOTES TO THE FINANCIAL STATEMENTS

Note 34 – Subscriber Savings Accounts

Not applicable.

Note 35 – Multiple Peril Crop Insurance

Not applicable.

Note 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? Yes [X] No []
If yes, complete Schedule Y, Parts 1, 1A and 2.

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? OH Yes [] No [X]

1.4 Is the reporting entity publicly traded or a member of 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: 12/31/2016

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2016

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. 12/31/2016

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). 05/24/2018

3.4 By what department or departments? OH Yes [] No [] N/A [X]

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [] No [] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]

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

4.11 sales of new business? Yes [] No [X]

4.12 renewals? Yes [] No [X]

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

4.21 sales of new business? Yes [] No [X]

4.22 renewals? Yes [] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
If the answer is YES, complete and file the merger history data file with the NAIC.

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

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]

7.2 If yes,

7.21 State the percentage of foreign control %

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

1 Nationality	2 Type of Entity

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

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

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

8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Nationwide Trust Company, FSB	Columbus, OH	No	Yes	No	No
Nationwide Investment Services Corp.	Columbus, OH	No	No	No	Yes
Nationwide Investment Advisors, LLC	Columbus, OH	No	No	No	Yes
Nationwide Securities, LLC	Columbus, OH	No	No	No	Yes
Nationwide Fund Advisors	Columbus, OH	No	No	No	Yes
Nationwide Fund Distributors, LLC	Columbus, OH	No	No	No	Yes
Nationwide Asset Management, LLC	Columbus, OH	No	No	No	Yes
Jefferson National Securities Corporation	Louisville, KY	No	No	No	Yes
JNF Advisors, Inc.	Louisville, KY	No	No	No	Yes

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, 191 W NATIONWIDE BLVD., SUITE 500, COLUMBUS, OH 43215

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

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

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed 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?
G. Chris Nyce, FCAS, MAAA, KPMG LLP, Three Radnor Corporate Center Suite 105, 100 Matsonford Road Radnor, PA 19087

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	0
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? Yes [X] No []

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [] 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).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]

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

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator 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	\$ 0
20.12 To stockholders not officers	\$ 0
20.13 Trustees, supreme or grand (Fraternal only)	\$ 0

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

20.21 To directors or other officers	\$ 0
20.22 To stockholders not officers	\$ 0
20.23 Trustees, supreme or grand (Fraternal only)	\$ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes [] No [X]

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

21.21 Rented from others	\$ 0
21.22 Borrowed from others	\$ 0
21.23 Leased from others	\$ 0

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

21.24	Other	\$	0
22.1	Does this statement include payments for assessments as described in the <i>Annual Statement Instructions</i> other than guaranty fund or guaranty association assessments?	Yes []	No [X]
22.2	If answer is yes:		
22.21	Amount paid as losses or risk adjustment	\$	0
22.22	Amount paid as expenses	\$	0
22.23	Other amounts paid	\$	0
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes [X]	No []
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:	\$	13,365,491

INVESTMENT

24.01	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?	Yes [X]	No []
24.02	If no, give full and complete information, relating thereto: <u>Yes</u>		
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). <u>Please refer to Footnote 17 where this information is provided</u>		
24.04	Does the company's security lending program meet the requirements for a conforming program as outlined in the <i>Risk-Based Capital Instructions</i> ?	Yes [X]	No []
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	\$	0
24.07	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?	Yes [X]	No []
24.08	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes [X]	No []
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 [X]	No []
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:	\$	1,111,711
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:	\$	1,090,977
24.103	Total payable for securities lending reported on the liability page:	\$	1,126,550
25.1	Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)	Yes [X]	No []
25.2	If yes, state the amount thereof at December 31 of the current year:		
25.21	Subject to repurchase agreements	\$	0
25.22	Subject to reverse repurchase agreements	\$	0
25.23	Subject to dollar repurchase agreements	\$	0
25.24	Subject to reverse dollar repurchase agreements	\$	0
25.25	Placed under option agreements	\$	0
25.26	Letter stock or securities restricted as sale – excluding FHLB Capital Stock	\$	0
25.27	FHLB Capital Stock	\$	0
25.28	On deposit with states	\$	6,796,427
25.29	On deposit with other regulatory bodies	\$	14,291,096
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	\$	0
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	\$	0
25.32	Other	\$	0
25.3	For category (25.26) provide the following:		

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1	Does the reporting entity have any hedging transactions reported on Schedule DB?	Yes []	No [X]
26.2	If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.	Yes []	No []

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:		
	<ul style="list-style-type: none"> 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 Guidance 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 the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts. 	Yes []	No []
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:	\$	N/A

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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
The Bank of New York Mellon	1 Wall Street, New York, NY 10286
BNY Trust of Canada	320 Bay St., 11th Floor, Toronto, ON M5H 4A6

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

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

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
Members of the investment staff designated by the Chief Investment Officer as detailed in the Corporate Resolution	I

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 [] No [X]

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 [] No [X]

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

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

29.2 If yes, complete the following schedule:

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

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

1 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	\$ 1,232,072,698	\$ 1,282,622,310	\$ 50,549,612
30.2 Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3 Totals	\$ 1,232,072,698	\$ 1,282,622,310	\$ 50,549,612

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

For fixed maturity and marketable equity securities for which market quotations generally are available, Nationwide generally uses independent pricing services to assist in determining the fair value measurement. For certain fixed maturity securities not priced by independent services (generally private placement securities without quoted market prices), an internally developed pricing model or "corporate pricing matrix" is most often used. The corporate pricing matrix is developed by obtaining private spreads versus the U.S. Treasury yield for corporate securities with varying weighted average lives and bond ratings. The weighted average life and bond rating of a particular fixed maturity security to be priced using the corporate matrix are important inputs into the model and are used to determine a corresponding spread that is added to the U.S. Treasury yield to create an estimated market yield for that bond. The estimated market yield and other relevant factors are then used to estimate the fair value of the particular fixed maturity security. Nationwide also utilized broker quotes to assist in pricing securities or to validate modeled prices.

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

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

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

Nationwide relies on broker valuations only when an approved third party vendor evaluation is not available. Any exceptions are approved by Risk Management and the Middle Office and reviewed by the Investments Pricing Committee. The brokers used to value securities are deemed to be main market makers for each individual security and therefore have in depth knowledge of the particular issue.

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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

32.2 If no, list exceptions:

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

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

 Has the reporting entity self-designated 5GI securities? Yes [] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

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

 Has the reporting entity self-designated PLGI securities? Yes [] No [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? \$ 0

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
	\$

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

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

1 Name	2 Amount Paid
	\$

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

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
	\$

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.	\$	0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	0
1.31	Reason for excluding:		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$	0
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$	0
1.62	Total incurred claims	\$	0
1.63	Number of covered lives		0
	All years prior to most current three years:		
1.64	Total premium earned	\$	0
1.65	Total incurred claims	\$	0
1.66	Number of covered lives		0
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$	0
1.72	Total incurred claims	\$	0
1.73	Number of covered lives		0
	All years prior to most current three years:		
1.74	Total premium earned	\$	0
1.75	Total incurred claims	\$	0
1.76	Number of covered lives		0
2.	Health Test:		
		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 0	\$ 0
2.2	Premium Denominator	\$ 711,066,494	\$ 734,755,758
2.3	Premium Ratio (2.1/2.2)	0.0%	0.0%
2.4	Reserve Numerator	\$ 226,119	\$ 220,262
2.5	Reserve Denominator	\$ 1,011,417,526	\$ 1,013,722,685
2.6	Reserve Ratio (2.4/2.5)	0.0%	0.0%
3.1	Does the reporting entity issue both participating and non-participating policies?		Yes [] No [X]
3.2	If yes, state the amount of calendar year premiums written on:		
3.21	Participating policies	\$ 0	
3.22	Non-participating policies	\$ 0	
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:		
4.1	Does the reporting entity issue assessable policies?	Yes []	No [X]
4.2	Does the reporting entity issue non-assessable policies?	Yes []	No [X]
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?		%
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$ 0	
5.	FOR RECIPROCAL EXCHANGES ONLY:		
5.1	Does the exchange appoint local agents?	Yes []	No []
5.2	If yes, is the commission paid:		
5.21	Out of Attorney's-in-fact compensation	Yes []	No []
5.22	As a direct expense of the exchange	Yes []	N/A []
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?	Yes []	No []
5.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?	Yes []	No []
5.5	If yes, give full information:		
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?		
	<u>The company's net exposure arises from its participation in the Nationwide Mutual Insurance Company Pool or as a stand-alone entity. Exposure to a Workers' Compensation catastrophe is protected by a Liability Excess of Loss (Clash) treaty providing \$90M limit excess of \$10M per occurrence retention and containing a \$10M or \$15M per claimant limit depending on the reinsured layer.</u>		
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:		
	<u>The company's net exposure arises from its participation in the Nationwide Mutual Insurance Company Pool or as stand-alone entity. Catastrophic risk to the Pool arises primarily from windstorm events in the eastern United States affecting personal and commercial lines. The company's property exposures are aggregated with the other Nationwide companies and modeled using Applied Insurance Research (AIR) software.</u>		
6.3	What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?		
	<u>The company's net property-catastrophe exposures, if any, are mitigated through managed coastal growth, purchase of excess of loss reinsurance, policy provisions such as higher deductibles, and enforcement of underwriting guidelines related to building construction, etc.</u>		
6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?		Yes [X] No []
6.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:		

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes [X] No []
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	2
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes [X] No []
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes [] No [X]
8.2	If yes, give full information	
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:	
	(a) A contract term longer than two years and the contract is noncancelable 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:	Yes [] No [X]
	(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or	
	(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes [] No [X]
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:	
	(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;	
	(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and	
	(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.	
9.4	Except for transactions meeting the requirements of paragraph 37 of SSAP No. 62R, <i>Property and Casualty Reinsurance</i> , has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:	
	(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or	
	(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes [] No [X]
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.	
9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:	
	(a) The entity does not utilize reinsurance; or,	Yes [] No [X]
	(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	Yes [] No [X]
	(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes [] No [X]
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes [X] No [] N/A []
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes [] No [X]
11.2	If yes, give full information	
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:	
12.11	Unpaid losses	\$ _____ 0
12.12	Unpaid underwriting expenses (including loss adjustment expenses)	\$ _____ 0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$ _____ 0
12.3	If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes [] No [X] N/A []
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement:	
12.41	From	% _____
12.42	To	% _____
12.5	Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?	Yes [X] No []
12.6	If yes, state the amount thereof at December 31 of current year:	
12.61	Letters of Credit	\$ 12,407,380
12.62	Collateral and other funds	\$ 1,786,671
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):	\$ 723,090

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

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

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

14.1 Is the reporting entity a cedant in a multiple cedant reinsurance contract? Yes [X] No []

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
Companies that are not part of the Nationwide Mutual Insurance Company Pooling and Quota Share Arrangements receive a fair and equitable allocation of ceded premium and loss. The terms of the Nationwide Pooling and Quota Share Agreements govern the allocation and recording of ceded premium and loss for the participating companies.

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 [X]

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 [X]

14.5 If the answer to 14.4 is no, please explain:
Written agreements are in place for all multi-cedent reinsurance treaties that cover any company that does not participate in the Nationwide Mutual Insurance Company Pooling and Quota Share Arrangements.

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 [X] No []

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

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.12 Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
16.13 Automobile	\$ 2,823	\$ 2,676	\$ 0	\$ 0	\$ 0
16.14 Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that is exempt from the statutory provision for unauthorized reinsurance? Yes [] No [X]

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

17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 exempt from the statutory provision for unauthorized reinsurance	\$ 0
17.12 Unfunded portion of Interrogatory 17.11	\$ 0
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ 0
17.14 Case reserves portion of Interrogatory 17.11	\$ 0
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ 0
17.16 Unearned premium portion of Interrogatory 17.11	\$ 0
17.17 Contingent commission portion of Interrogatory 17.11	\$ 0

18.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0

18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0

19. Is the reporting entity licensed or charted, registered, qualified, eligible, or writing business in at least 2 states? Yes [X] No []

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

FIVE-YEAR HISTORICAL DATA

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

	1 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).....	2,351,899,805	2,091,316,449	2,043,993,372	2,081,971,679	2,060,358,987
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,005,811,783	906,650,417	839,873,828	1,043,670,909	815,640,321
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	945,873,242	860,433,687	848,474,125	827,138,635	871,433,696
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	117,209,831	102,670,676	38,928,533	40,116,226	40,539,453
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,327		121,973		780
6. Total (Line 35).....	4,420,796,988	3,961,071,229	3,771,391,831	3,992,897,449	3,787,973,237
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).....	292,356,087	299,536,675	315,061,034	327,569,344	322,387,606
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	175,970,819	177,652,134	186,487,465	194,818,651	171,621,010
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	238,044,214	235,605,511	244,989,743	247,277,652	243,510,754
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	13,710,952	12,538,535	8,074,647	9,824,027	9,987,139
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	2,327		121,973		780
12. Total (Line 35).....	720,084,399	725,332,855	754,734,862	779,489,674	747,507,289
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(29,465,786)	(55,215,430)	(96,096,280)	(53,693,945)	(35,002,602)
14. Net investment gain (loss) (Line 11).....	49,973,162	108,754,105	43,259,777	62,778,550	42,367,684
15. Total other income (Line 15).....	5,472,925	8,459,362	10,679,897	5,666,816	4,394,416
16. Dividends to policyholders (Line 17).....	276,438	385,765	502,664	526,212	640,572
17. Federal and foreign income taxes incurred (Line 19).....	2,463,917	(796,766)	(6,228,628)	(2,799,023)	2,613,014
18. Net income (Line 20).....	23,239,946	62,409,038	(36,430,642)	17,024,232	8,505,912
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	2,457,048,185	2,294,860,321	2,523,298,312	2,683,325,113	2,313,260,386
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	626,204,308	509,106,753	498,720,009	562,535,966	476,827,657
20.2 Deferred and not yet due (Line 15.2).....	279,145,041	261,427,636	241,917,654	247,579,441	118,994,365
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	1,903,140,005	1,768,617,558	1,785,508,417	1,908,044,931	1,547,117,460
22. Losses (Page 3, Line 1).....	471,177,336	497,432,836	518,593,774	484,144,500	443,230,814
23. Loss adjustment expenses (Page 3, Line 3).....	96,393,439	93,360,582	91,979,999	90,174,456	89,396,660
24. Unearned premiums (Page 3, Line 9).....	308,712,320	299,685,149	309,110,540	315,232,712	303,492,700
25. Capital paid up (Page 3, Lines 30 & 31).....	6,027,200	6,027,200	10,803,276	6,027,200	6,027,200
26. Surplus as regards policyholders (Page 3, Line 37).....	553,908,180	526,242,763	737,789,895	775,280,182	766,142,926
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	(25,896,001)	5,536,722	(4,776,968)	6,810,838	36,231,967
Risk-Based Capital Analysis					
28. Total adjusted capital.....	553,908,180	526,242,763	737,789,895	775,280,182	766,142,926
29. Authorized control level risk-based capital.....	92,115,075	92,297,572	99,171,241	91,524,418	121,183,780
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).....	96.6	99.4	89.6	82.4	82.6
31. Stocks (Lines 2.1 & 2.2).....	4.8	4.4	11.6	19.3	19.0
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	(1.5)	(4.1)	(1.8)	(2.3)	(2.5)
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivables for securities (Line 9).....					
39. Securities lending reinvested collateral assets (Line 10).....	0.1	0.2	0.6	0.6	0.8
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	61,341,962	55,662,388	173,303,698	287,086,358	277,523,112
45. Affiliated short-term investments					
(subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	61,341,962	55,662,388	173,303,698	287,086,358	277,523,112
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	11.1	10.6	23.5	37.0	36.2

SCOTTSDALE INSURANCE COMPANY
FIVE-YEAR HISTORICAL DATA
(Continued)

	1 2019	2 2018	3 2017	4 2016	5 2015
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	2,180,737	(67,385,725)	4,102,038	(3,821,554)	(7,013,889)
52. Dividends to stockholders (Line 35).....		(195,000,000)			
53. Change in surplus as regards policyholders for the year (Line 38).....	27,665,417	(211,547,132)	(37,490,287)	9,137,256	1,291,099
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).....	1,252,805,865	1,209,187,428	1,045,010,642	1,080,168,753	967,370,231
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	610,514,584	568,342,782	515,864,151	464,502,996	430,480,194
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	570,831,082	604,381,843	533,112,358	451,852,748	403,794,088
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	80,615,325	49,708,020	16,491,806	11,625,611	13,646,190
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(120,062)	(735)	(688,959)	30,837	4,728
59. Total (Line 35).....	2,514,646,794	2,431,619,338	2,109,789,997	2,008,180,945	1,815,295,431
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).....	184,747,485	195,286,317	199,118,190	200,892,410	182,942,599
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	106,537,766	110,053,286	120,846,793	119,568,417	102,796,264
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	158,234,929	181,937,141	180,235,135	134,129,765	122,028,743
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	8,184,653	7,377,058	3,632,992	5,603,849	6,209,187
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(120,062)	(735)	(688,959)	30,837	4,728
65. Total (Line 35).....	457,584,771	494,653,067	503,144,151	460,225,278	413,981,521
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).....	60.7	64.4	70.7	65.3	61.5
68. Loss expenses incurred (Line 3).....	10.4	10.7	10.4	9.4	9.5
69. Other underwriting expenses incurred (Line 4).....	33.1	32.4	31.6	32.3	33.7
70. Net underwriting gain (loss) (Line 8).....	(4.1)	(7.5)	(12.6)	(7.0)	(4.8)
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).....	31.9	31.6	30.4	31.1	32.5
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	71.1	75.1	81.1	74.7	71.1
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).....	130.0	137.8	102.3	100.5	97.6
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).....	7,416	6,126	3,408	14,612	8,777
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).....	1.4	0.8	0.4	1.9	1.1
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).....	15,982	9,348	15,126	18,560	6,832
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).....	2.2	1.2	2.0	2.4	1.0

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

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 Number of Claims Reported-Direct and Assumed	
	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)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior.....	....XXX.....	....XXX.....	....XXX.....	.....4,298	.....1,805	.....1,068	.....324	.....639	.....261	.....234	.....3,615	....XXX.....
2. 2010.....	....722,413	....97,765	....624,648	....411,695	....44,173	....20,798	....1,864	....50,992	....4,721	....20,931	....432,728	....XXX.....
3. 2011.....	....685,142	....66,412	....618,731	....466,799	....41,931	....24,463	....3,211	....52,083	....2,108	....22,973	....496,094	....XXX.....
4. 2012.....	....708,715	....71,699	....637,015	....448,587	....58,218	....22,319	....2,119	....51,154	....2,952	....23,759	....458,770	....XXX.....
5. 2013.....	....746,121	....75,809	....670,312	....417,606	....35,269	....22,331	....2,272	....49,205	....2,517	....24,273	....449,084	....XXX.....
6. 2014.....	....786,485	....77,061	....709,425	....463,204	....36,867	....23,868	....2,515	....49,227	....2,123	....26,399	....494,794	....XXX.....
7. 2015.....	....819,405	....80,272	....739,134	....466,275	....38,298	....22,292	....1,830	....49,071	....2,107	....28,204	....495,403	....XXX.....
8. 2016.....	....835,311	....74,791	....760,519	....481,664	....35,632	....21,089	....2,070	....49,927	....1,984	....29,626	....512,995	....XXX.....
9. 2017.....	....821,573	....65,039	....756,534	....498,576	....32,614	....15,519	....1,083	....51,661	....1,833	....33,032	....530,227	....XXX.....
10. 2018.....	....801,554	....68,442	....733,112	....393,886	....27,219	....7,738	....520	....45,906	....1,562	....32,710	....418,229	....XXX.....
11. 2019.....	....788,161	....77,094	....711,066	....270,996	....21,964	....2,569	....134	....34,434	....961	....16,243	....284,940	....XXX.....
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....4,323,586	....373,990	....184,054	....17,944	....484,300	....23,128	....258,383	....4,576,879	....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. Prior.....	....60,673	....40,864	....15,265	....8,329	....1,190	....516	....3,015	....1,008	....489	....12	....250	....29,902	....XXX.....
2. 2010.....	....3,000	....1,083	....2,300	....1,129	....278	....26	....534	....49	....124	....1	....47	....3,947	....XXX.....
3. 2011.....	....5,516	....2,613	....2,396	....1,064	....258	....(167)	....739	....46	....155	....7	....94	....5,499	....XXX.....
4. 2012.....	....6,299	....1,968	....2,997	....1,242	....294	....292	....881	....60	....208	....10	....142	....7,107	....XXX.....
5. 2013.....	....7,891	....1,197	....2,445	....937	....691	....214	....1,478	....125	....330	....27	....210	....10,334	....XXX.....
6. 2014.....	....16,877	....4,032	....6,027	....3,122	....877	....210	....2,537	....207	....600	....30	....451	....19,317	....XXX.....
7. 2015.....	....19,658	....2,755	....5,646	....1,029	....1,099	....189	....4,433	....371	....744	....76	....603	....27,161	....XXX.....
8. 2016.....	....37,770	....5,012	....11,453	....2,863	....1,899	....552	....7,918	....651	....1,126	....122	....1,150	....50,965	....XXX.....
9. 2017.....	....66,842	....7,179	....11,269	....4,449	....3,028	....680	....12,372	....960	....1,971	....158	....2,517	....82,055	....XXX.....
10. 2018.....	....73,242	....5,726	....39,674	....8,742	....3,063	....545	....18,361	....1,774	....3,376	....297	....6,132	....120,631	....XXX.....
11. 2019.....	....98,666	....6,061	....102,601	....15,930	....2,164	....410	....24,355	....2,675	....8,585	....643	....12,409	....210,652	....XXX.....
12. Totals.....	....396,434	....78,492	....202,073	....48,837	....14,839	....3,467	....76,623	....7,925	....17,706	....1,384	....24,005	....567,570	....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 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior..	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	.....	.....	....XXX.....	....26,745	....3,158
2. 2010.....	....489,720	....53,046	....436,674	....67.8	....54.3	....69.9	.....	.....	.....	....3,088	....859
3. 2011.....	....552,408	....50,814	....501,593	....80.6	....76.5	....81.1	.....	.....	.....	....4,234	....1,265
4. 2012.....	....532,739	....66,863	....465,877	....75.2	....93.3	....73.1	.....	.....	.....	....6,086	....1,021
5. 2013.....	....501,975	....42,557	....459,418	....67.3	....56.1	....68.5	.....	.....	.....	....8,201	....2,133
6. 2014.....	....563,216	....49,106	....514,111	....71.6	....63.7	....72.5	.....	.....	.....	....15,751	....3,567
7. 2015.....	....569,219	....46,655	....522,565	....69.5	....58.1	....70.7	.....	.....	.....	....21,521	....5,641
8. 2016.....	....612,847	....48,887	....563,960	....73.4	....65.4	....74.2	.....	.....	.....	....41,348	....9,617
9. 2017.....	....661,238	....48,956	....612,282	....80.5	....75.3	....80.9	.....	.....	.....	....66,482	....15,573
10. 2018.....	....585,245	....46,385	....538,860	....73.0	....67.8	....73.5	.....	.....	.....	....98,447	....22,184
11. 2019.....	....544,369	....48,777	....495,592	....69.1	....63.3	....69.7	.....	.....	....4.00	....179,275	....31,377
12. Totals.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....XXX.....	....0	....0	....XXX.....	....471,178	....96,392

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 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019	11 One Year	12 Two Year
1. Prior....	282,916	269,530	264,557	260,727	257,597	256,015	255,666	255,769	256,441	257,045	604	1,276
2. 2010....	399,705	394,949	392,943	391,065	390,793	390,636	390,160	390,246	390,105	390,280	175	35
3. 2011....	XXX....	447,273	446,301	447,742	449,899	451,121	450,895	451,206	451,478	451,471	(7)	266
4. 2012....	XXX....	XXX....	416,224	414,190	415,978	416,753	417,597	417,257	417,474	417,477	2	220
5. 2013....	XXX....	XXX....	XXX....	402,517	406,081	408,541	412,650	412,725	412,086	412,429	343	(297)
6. 2014....	XXX....	XXX....	XXX....	XXX....	451,938	458,027	463,133	464,416	465,747	466,438	691	2,022
7. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	468,542	471,151	471,872	473,806	474,933	1,127	3,061
8. 2016....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	506,052	508,025	509,729	515,012	5,283	6,988
9. 2017....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	558,229	557,927	560,640	2,714	2,412
10. 2018....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	494,954	491,437	(3,517)	XXX....
11. 2019....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	454,176	XXX....	XXX....
											12. Totals....	7,416
												15,982

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019		
1. Prior....	000....	89,012	142,114	172,359	190,347	202,627	211,074	219,237	224,382	227,619	XXX....	XXX....
2. 2010....	227,310	307,917	340,266	361,267	373,265	379,128	382,295	384,224	385,556	386,456	XXX....	XXX....
3. 2011....	XXX....	270,500	355,090	389,819	413,704	428,551	437,131	441,344	444,359	446,119	XXX....	XXX....
4. 2012....	XXX....	XXX....	236,922	322,106	358,324	382,558	397,393	404,360	408,339	410,568	XXX....	XXX....
5. 2013....	XXX....	XXX....	XXX....	223,611	307,895	345,190	373,143	389,443	397,582	402,395	XXX....	XXX....
6. 2014....	XXX....	XXX....	XXX....	XXX....	254,495	346,406	390,420	418,456	437,568	447,690	XXX....	XXX....
7. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	251,945	349,230	393,930	427,107	448,440	XXX....	XXX....
8. 2016....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	273,909	379,104	429,673	465,051	XXX....	XXX....
9. 2017....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	309,465	432,806	480,398	XXX....	XXX....
10. 2018....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	271,032	373,885	XXX....	XXX....
11. 2019....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	251,467	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 2010	2 2011	3 2012	4 2013	5 2014	6 2015	7 2016	8 2017	9 2018	10 2019
1. Prior....	123,692	74,202	50,080	35,953	24,011	16,774	11,965	9,443	8,758	8,943
2. 2010....	86,856	36,102	20,123	11,004	6,329	4,111	2,473	2,057	1,762	1,656
3. 2011....	XXX....	85,029	36,114	20,064	10,634	6,761	4,091	2,731	2,196	2,025
4. 2012....	XXX....	XXX....	89,784	37,741	20,140	10,440	5,955	4,113	3,153	2,577
5. 2013....	XXX....	XXX....	XXX....	87,071	38,537	20,573	10,612	6,365	4,321	2,861
6. 2014....	XXX....	XXX....	XXX....	XXX....	93,632	42,347	21,993	11,614	7,184	5,235
7. 2015....	XXX....	XXX....	XXX....	XXX....	XXX....	104,355	47,208	24,268	12,915	8,679
8. 2016....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	115,111	48,506	25,379	15,857
9. 2017....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	105,303	37,798	18,232
10. 2018....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	103,126	47,518
11. 2019....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	XXX....	108,350

SCOTTSDALE INSURANCE COMPANY
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....	AL E.....	29,928,499	27,634,608		15,112,600	18,887,826	25,797,313	645	
2. Alaska.....	AK E.....	4,054,058	3,909,788		4,499,048	3,750,569	4,216,323		
3. Arizona.....	AZ L.....	11,496,363	11,088,013		5,761,621	4,804,891	7,115,761	450	107,628
4. Arkansas.....	AR E.....	13,904,291	13,192,986		7,744,429	10,533,901	12,486,724		
5. California.....	CA E.....	422,557,841	381,759,139		176,278,315	275,543,448	457,785,290	325	
6. Colorado.....	CO E.....	39,933,573	36,120,929		26,576,575	25,841,950	42,528,893		
7. Connecticut.....	CT E.....	11,770,294	10,949,680		6,893,969	9,709,051	17,747,788		
8. Delaware.....	DE L.....	2,714,240	1,831,080		1,354,461	1,305,678	1,270,974	400	
9. District of Columbia.....	DC E.....	15,592,940	15,150,920		4,019,323	1,130,794	6,561,829		9,837,608
10. Florida.....	FL E.....	239,064,468	221,650,946		165,168,182	119,216,476	263,926,678		
11. Georgia.....	GA E.....	47,890,121	47,555,964		24,799,401	29,175,652	43,248,667		
12. Hawaii.....	HI E.....	11,602,949	10,821,613		4,755,543	2,760,768	11,239,796		
13. Idaho.....	ID E.....	6,677,514	6,080,483		2,577,271	3,817,808	6,480,514		
14. Illinois.....	IL E.....	46,572,749	43,474,844		36,894,459	28,678,472	48,069,844		
15. Indiana.....	IN E.....	40,680,202	34,974,306		15,788,665	22,149,022	36,959,875	295	
16. Iowa.....	IA E.....	8,364,218	7,250,965		1,860,499	2,227,744	6,433,714		
17. Kansas.....	KS E.....	9,884,192	9,374,290		5,690,002	14,334,441	15,320,598		(371)
18. Kentucky.....	KY E.....	13,339,983	12,708,570		5,727,472	6,548,340	12,410,051		
19. Louisiana.....	LA E.....	102,724,520	97,006,246		37,454,898	53,316,174	96,313,763		
20. Maine.....	ME E.....	3,523,862	2,756,399		1,900,251	1,298,050	2,038,460		
21. Maryland.....	MD E.....	24,128,132	20,317,796		12,577,340	18,612,401	33,376,378		
22. Massachusetts.....	MA E.....	26,085,751	25,757,327		24,819,337	20,320,178	40,876,223		
23. Michigan.....	MI E.....	23,617,892	16,842,103		4,937,785	11,168,453	24,183,272		
24. Minnesota.....	MN E.....	15,511,944	14,711,695		6,094,489	3,943,301	15,552,933		
25. Mississippi.....	MS E.....	26,403,359	22,620,411		9,270,003	18,049,909	19,810,532		
26. Missouri.....	MO E.....	23,771,714	21,139,271		7,661,704	12,063,892	22,881,276		
27. Montana.....	MT E.....	11,393,643	10,619,403		6,044,333	8,348,969	9,854,999		
28. Nebraska.....	NE E.....	8,013,298	7,436,556		2,426,215	6,173,441	9,584,958		
29. Nevada.....	NV E.....	12,653,285	11,188,127		7,078,629	9,748,066	14,845,637		
30. New Hampshire.....	NH E.....	2,541,277	2,273,701		595,162	664,093	1,816,743		
31. New Jersey.....	NJ E.....	73,329,951	65,893,291		33,566,378	34,461,087	105,968,182	160	
32. New Mexico.....	NM E.....	10,942,655	10,308,873		5,635,557	8,403,635	9,925,023		
33. New York.....	NY E.....	120,704,579	117,934,858		166,568,351	206,246,092	726,289,522		
34. North Carolina.....	NC E.....	32,878,384	30,645,882		12,406,242	5,919,888	29,184,534		
35. North Dakota.....	ND E.....	4,826,574	4,681,919		569,122	1,732,133	3,914,936		
36. Ohio.....	OH L.....	4,819,825	5,123,589		3,362,868	2,972,312	6,854,943	120	16,937
37. Oklahoma.....	OK E.....	26,193,317	23,558,849		11,462,118	15,763,097	20,732,913		
38. Oregon.....	OR E.....	18,836,740	16,907,645		9,712,375	28,684,263	41,392,419		
39. Pennsylvania.....	PA E.....	38,488,911	34,198,381		14,619,887	19,937,154	54,296,658		
40. Rhode Island.....	RI E.....	4,679,958	4,412,137		484,377	1,533,187	5,586,741		
41. South Carolina.....	SC E.....	29,114,722	27,327,264		16,969,686	17,240,335	31,453,802		
42. South Dakota.....	SD E.....	2,633,820	2,433,067		809,033	1,626,186	2,203,928		
43. Tennessee.....	TN E.....	21,896,210	20,225,763		6,789,662	13,449,342	21,652,657		
44. Texas.....	TX E.....	220,023,884	206,491,843		130,343,630	157,105,664	252,701,827	45	217,272
45. Utah.....	UT N.....	11,095,639	10,344,887		3,582,072	5,684,733	12,491,083		
46. Vermont.....	VT E.....	2,378,009	1,989,418		125,309	490,266	2,177,371		
47. Virginia.....	VA E.....	31,768,863	31,242,596		10,611,871	17,903,811	29,746,029		
48. Washington.....	WA E.....	39,876,684	37,868,535		12,426,893	22,497,419	47,214,031		
49. West Virginia.....	WV E.....	9,548,053	8,562,682		2,726,971	4,477,004	7,314,454		
50. Wisconsin.....	WI E.....	12,479,359	11,343,026		2,086,717	4,322,065	9,026,017		
51. Wyoming.....	WY E.....	6,067,882	5,607,465		1,784,946	2,756,811	4,038,477		
52. American Samoa.....	AS N.....								
53. Guam.....	GU N.....								
54. Puerto Rico.....	PR E.....	165,299	149,392		842,500	53,741	2,099,719		
55. US Virgin Islands.....	VI E.....	149,958	136,893			63,159	216,728		
56. Northern Mariana Islands.....	MP N.....								
57. Canada.....	CAN N.....					13,805	25,045		
58. Aggregate Other Alien.....	OT XXX	1,944,322	1,345,360	0	0	430,568	1,097,695	0	0
59. Totals.....	XXX	1,981,240,769	1,826,931,774	0	1,079,848,544	1,317,891,511	2,738,340,538	2,440	10,179,074

DETAILS OF WRITE-INS

58001. Bermuda BMU.....	XXX	1,804,564	1,316,243			543,413	1,097,695		
58002. England GBR.....	XXX	139,758	29,116			(112,845)			
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page			0						
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	1,944,322	1,345,360	0	0	430,568	1,097,695	0	0

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 3

E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI)..... 49

D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile..... 0

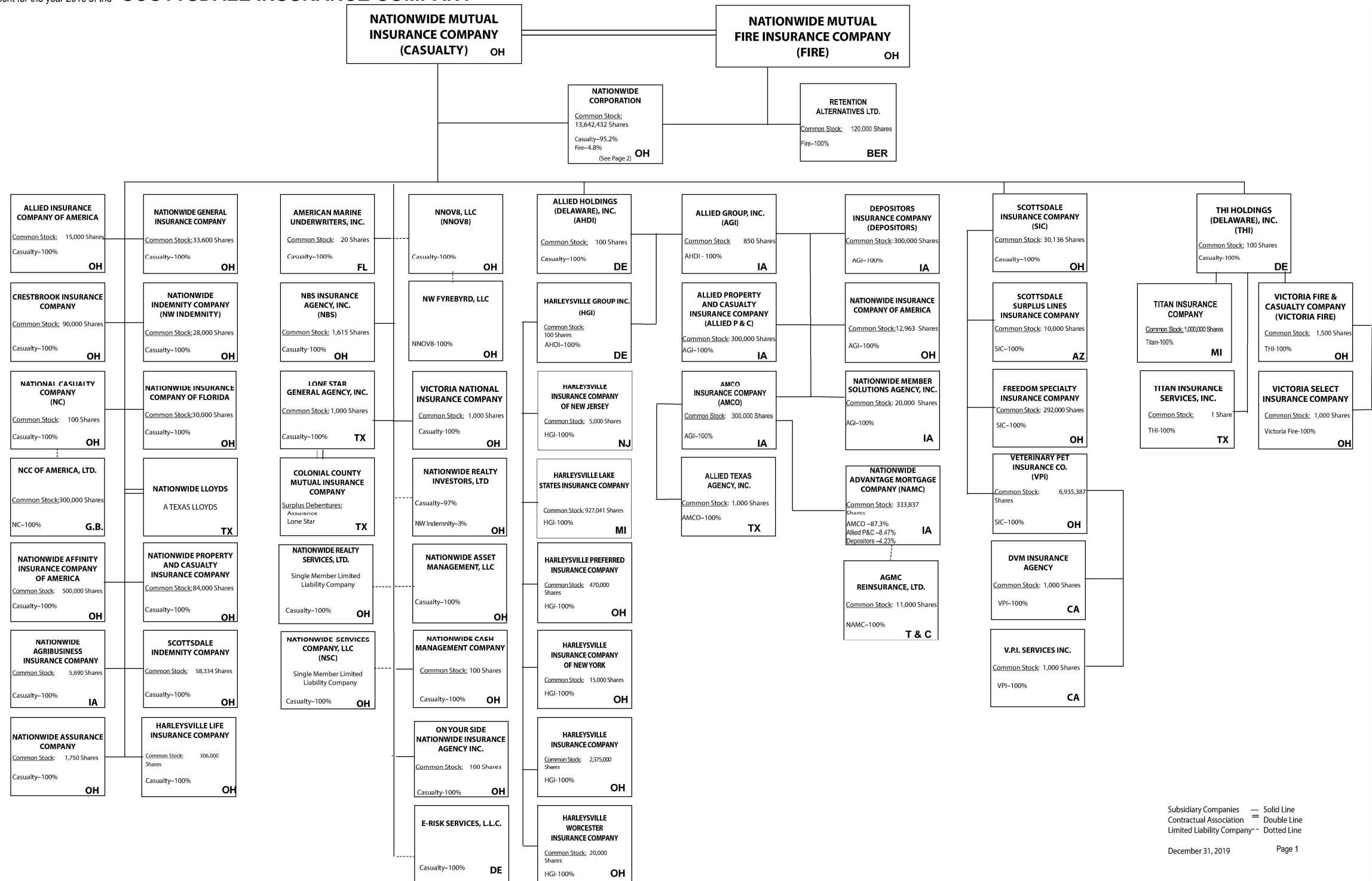
(b) Explanation of Basis of Allocation of Premiums by States, etc.

Premiums are allocated to those states where the insured risks are located: principle garage for automobile, physical address for homeowners, commercial multiple peril and other liability and main place of work for workers' compensation. Allocation of premiums for individual and group health insurance is based on the situs of the contract.

R - Registered - Non-domiciled RRGs..... 0

Q - Qualified - Qualified or accredited reinsurer..... 0

N - None of the above - Not allowed to write business in the state..... 5

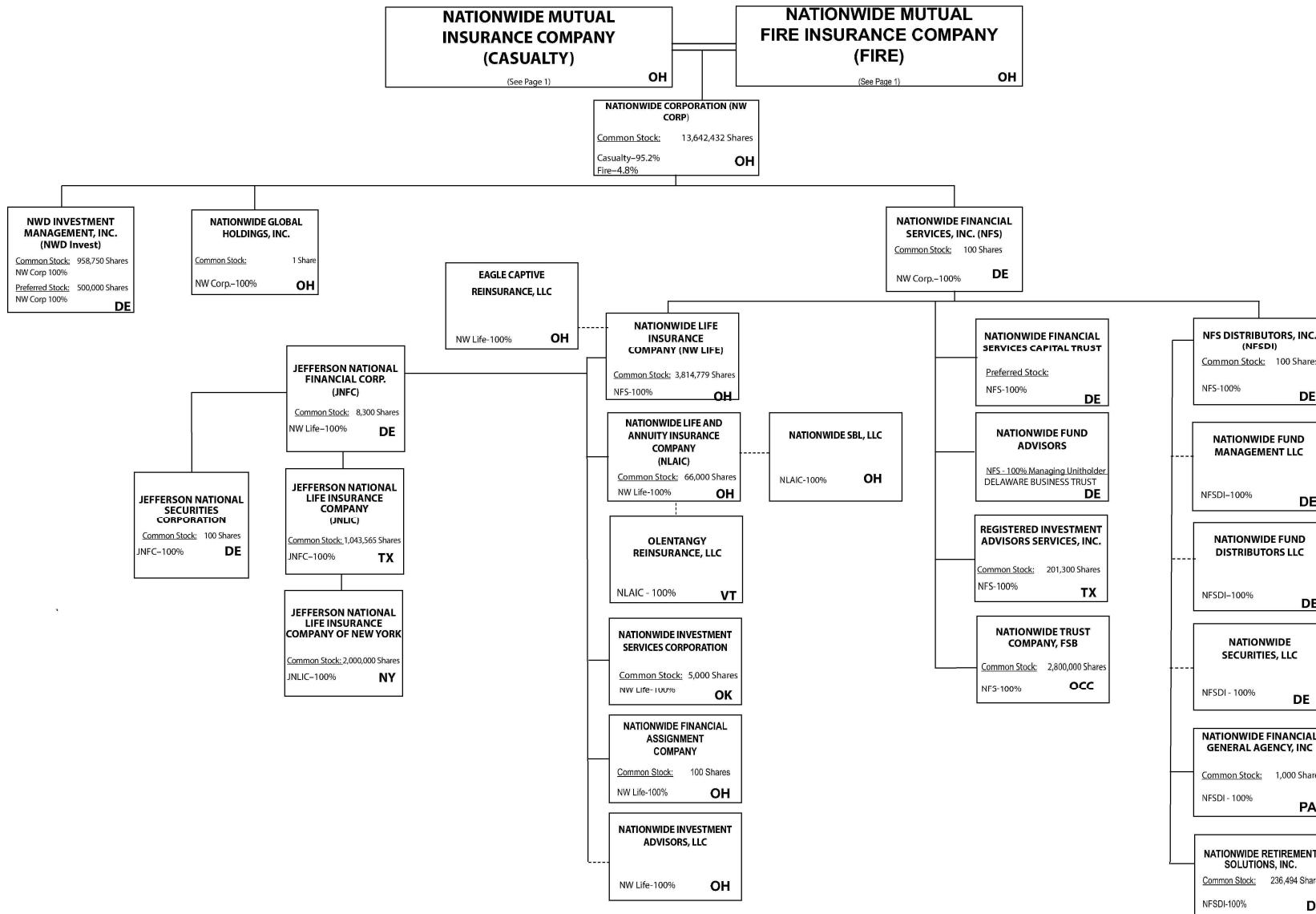


(Casualty/Fire subsidiaries)

Subsidiary Companies — Solid Line
Contractual Association = Double Line
Limited Liability Company- - Dotted Line

December 31, 2012

Page 1

NATIONWIDE®

Subsidiary Companies — Solid Line
Contractual Association = Double Line
Limited Liability Company - - Dotted Line

NATIONWIDE INSURANCE COMPANIES

NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	Federal ID Number	Name of Company
0140	Nationwide	10127	OH	27-0114983	Allied Insurance Company of America
0140	Nationwide	42579	IA	42-1201931	Allied Property and Casualty Insurance Company
0140	Nationwide	19100	IA	42-6054959	AMCO Insurance Company
0140	Nationwide	29262	TX	74-1061659	Colonial County Mutual Insurance Company
0140	Nationwide	18961	OH	68-0066866	Crestbrook Insurance Company
0140	Nationwide	42587	IA	42-1207150	Depositors Insurance Company
0140	Nationwide	15821	OH	42-4523959	Eagle Captive Reinsurance, LLC
0140	Nationwide	22209	OH	75-6013587	Freedom Specialty Insurance Company
0140	Nationwide	23582	OH	41-0417250	Harleysville Insurance Company
0140	Nationwide	42900	NJ	23-2253669	Harleysville Insurance Company of New Jersey
0140	Nationwide	10674	OH	23-2864924	Harleysville Insurance Company of New York
0140	Nationwide	14516	MI	38-3198542	Harleysville Lake States Insurance Company
0140	Nationwide	64327	OH	23-1580983	Harleysville Life Insurance Company
0140	Nationwide	35696	OH	23-2384978	Harleysville Preferred Insurance Company
0140	Nationwide	26182	OH	04-1989660	Harleysville Worcester Insurance Company
0140	Nationwide	64017	TX	75-0300900	Jefferson National Life Insurance Company
0140	Nationwide	15727	NY	47-1180302	Jefferson National Life Insurance Company of New York
0140	Nationwide	11991	OH	38-0865250	National Casualty Company
0140	Nationwide	26093	OH	48-0470690	Nationwide Affinity Insurance Company of America
0140	Nationwide	28223	IA	42-1015537	Nationwide Agribusiness Insurance Company
0140	Nationwide	10723	OH	95-0639970	Nationwide Assurance Company
0140	Nationwide	23760	OH	31-4425763	Nationwide General Insurance Company
0140	Nationwide	10070	OH	31-1399201	Nationwide Indemnity Company
0140	Nationwide	25453	OH	95-2130882	Nationwide Insurance Company of America
0140	Nationwide	10948	OH	31-1613686	Nationwide Insurance Company of Florida
0140	Nationwide	92657	OH	31-1000740	Nationwide Life and Annuity Insurance Company
0140	Nationwide	66869	OH	31-4156830	Nationwide Life Insurance Company
0140	Nationwide	42110	TX	75-1780981	Nationwide Lloyds
0140	Nationwide	23779	OH	31-4177110	Nationwide Mutual Fire Insurance Company
0140	Nationwide	23787	OH	31-4177100	Nationwide Mutual Insurance Company
0140	Nationwide	37877	OH	31-0970750	Nationwide Property & Casualty Insurance Company
0140	Nationwide	13999	VT	27-1712056	Odentangy Reinsurance, LLC
0140	Nationwide	15580	OH	31-1117969	Scottsdale Indemnity Company
0140	Nationwide	41297	OH	31-1024978	Scottsdale Insurance Company
0140	Nationwide	10672	AZ	86-0835870	Scottsdale Surplus Lines Insurance Company
0140	Nationwide	36269	MI	86-0619597	Titan Insurance Company
0140	Nationwide	42285	OH	95-3750113	Veterinary Pet Insurance Company
0140	Nationwide	42889	OH	34-1394913	Victoria Fire & Casualty Company
0140	Nationwide	10778	OH	34-1842604	Victoria National Insurance Company
0140	Nationwide	10105	OH	34-1777972	Victoria Select Insurance Company

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