



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020
OF THE CONDITION AND AFFAIRS OF THE

Obsidian Insurance Company

NAIC Group Code

4982

(Current)

0000

(Prior)

NAIC Company Code

35602

Employer's ID Number

31-0926059

Organized under the Laws of

Ohio

State of Domicile or Port of Entry

OH

Country of Domicile

United States of America

Incorporated/Organized

02/09/1978

Commenced Business

03/01/1978

Statutory Home Office

41 S. HIGH STREET, SUITE 1700

(Street and Number)

COLUMBUS, OH, US 43215

(City or Town, State, Country and Zip Code)

Main Administrative Office

1330 AVENUE OF THE AMERICAS, STE 23A

(Street and Number)

NEW YORK, NY, US 10019

(City or Town, State, Country and Zip Code)

800-684-5425

(Area Code) (Telephone Number)

Mail Address

1330 AVENUE OF THE AMERICAS, STE 23A

(Street and Number or P.O. Box)

NEW YORK, NY, US 10019

(City or Town, State, Country and Zip Code)

Primary Location of Books and Records

1330 AVENUE OF THE AMERICAS, STE 23A

(Street and Number)

NEW YORK, NY, US 10019

(City or Town, State, Country and Zip Code)

800-684-5428

(Area Code) (Telephone Number)

Internet Website Address

www.obsidianspecialty.com

Statutory Statement Contact

CRAIG RAPPAPORT

(Name)

860-325-3202

(Area Code) (Telephone Number)

crappaport@obsidianspecialty.com

(E-mail Address)

(FAX Number)

OFFICERS

CHIEF EXECUTIVE OFFICER

WILLIAM JEWETT

CHIEF FINANCIAL OFFICER, TREASURER

CRAIG RAPPAPORT

CHIEF LEGAL OFFICER, SECRETARY

EMILY CANELO

OTHER

DIRECTORS OR TRUSTEES

WILLIAM JEWETT

J. RYAN CLARK

EMILY CANELO

SCOTT NIEHAUS

CRAIG RAPPAPORT

State of _____ SS:
County of _____

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.

WILLIAM JEWETT

CHIEF EXECUTIVE OFFICER

EMILY CANELO

CHIEF LEGAL OFFICER, SECRETARY

CRAIG RAPPAPORT

CHIEF FINANCIAL OFFICER, TREASURER

Subscribed and sworn to before me this

_____ day of _____

a. Is this an original filing? Yes [X] No []

b. If no,

1. State the amendment number.....

2. Date filed03/01/2021

3. Number of pages attached.....

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian 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)	27,474,905		27,474,905	7,073,311
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$				
encumbrances)			0	0
4.2 Properties held for the production of income (less				
\$ encumbrances)			0	0
4.3 Properties held for sale (less \$				
encumbrances)			0	0
5. Cash (\$1,388,948 , Schedule E - Part 1), cash equivalents				
(\$506,598 , Schedule E - Part 2) and short-term				
investments (\$, Schedule DA)	1,895,548		1,895,548	2,190,149
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)			0	0
9. Receivable for securities	150,000		150,000	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	756	0	756	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	29,521,209	0	29,521,209	9,263,460
13. Title plants less \$ charged off (for Title insurers				
only)			0	0
14. Investment income due and accrued	149,603		149,603	165,294
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums and agents' balances and installments booked but				
deferred and not yet due (including \$0				
earned but unbilled premiums)	963,211		963,211	0
15.3 Accrued retrospective premiums (\$) and				
contracts subject to redetermination (\$)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	(182,042)		(182,042)	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets				
(\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	0	0	0	635,110
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25)	30,451,981	0	30,451,981	10,063,864
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts			0	0
28. Total (Lines 26 and 27)	30,451,981	0	30,451,981	10,063,864
DETAILS OF WRITE-INS				
1101. Other ST Investment	756		756	
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	756	0	756	0
2501. Receivable			0	635,110
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	635,110

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	358	0
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	381,000	0
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	730	0
4. Commissions payable, contingent commissions and other similar charges	182,085	
5. Other expenses (excluding taxes, licenses and fees)	206,609	0
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,064	
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	1,738	31,367
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$205,000 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$0 for medical loss ratio rebate per the Public Health Service Act)	66,947	0
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	205,000	0
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	0	0
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		521,000
16. Provision for reinsurance (including \$0 certified) (Schedule F, Part 3, Column 78)	1,000	0
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	1,701,656	0
20. Derivatives	0	0
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	2,749,187	552,367
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	2,749,187	552,367
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	3,591,990	3,591,990
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	23,408,012	5,919,507
35. Unassigned funds (surplus)	702,792	0
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	27,702,794	9,511,497
38. TOTALS (Page 2, Line 28, Col. 3)	30,451,981	10,063,864
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	801	0
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	358	0
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	381,287	(177,289)
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,455,048	618,361
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	1,836,693	441,072
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(1,835,892)	(441,072)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	814,567	473,997
10. Net realized capital gains or (losses) less capital gains tax of \$ (Exhibit of Capital Gains (Losses))	1,908,896	298,625
11. Net investment gain (loss) (Lines 9 + 10)	2,723,463	772,622
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)	0	0
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income	0	0
15. Total other income (Lines 12 through 14)	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	887,571	331,550
17. Dividends to policyholders		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	887,571	331,550
19. Federal and foreign income taxes incurred	1,737	(53,361)
20. Net income (Line 18 minus Line 19)(to Line 22)	885,834	384,911
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	9,511,497	19,137,377
22. Net income (from Line 20)	885,834	384,911
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$		0
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(182,042)	(10,791)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)		0
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(1,000)	0
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	17,488,505	(10,000,000)
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	18,191,297	(9,625,880)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	27,702,794	9,511,497
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 thru 0503 plus 0598)(Line 5 above)	0	0
1401. Misc Income		0
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0
3701. SSAP 72- Surplus reset adjustment to unassigned surplus		9,080,493
3702. SSAP 72- Surplus reset adjustment to gross paid in capital		(9,080,493)
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	(690,463)	0
2. Net investment income	1,050,773	578,346
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	360,310	578,346
5. Benefit and loss related payments	0	(10,506)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	1,063,706	479,694
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	29,629	(615,347)
10. Total (Lines 5 through 9)	1,093,335	(146,159)
11. Net cash from operations (Line 4 minus Line 10)	(733,025)	724,505
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	55,436,983	7,635,726
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	13
12.7 Miscellaneous proceeds	681	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	55,437,664	7,635,739
13. Cost of investments acquired (long-term only):		
13.1 Bonds	74,152,754	93,646
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	150,756	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	74,303,510	93,646
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(18,865,846)	7,542,093
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	17,488,505	(10,000,000)
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	1,815,766	(146,129)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	19,304,271	(10,146,129)
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)	(294,600)	(1,879,531)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	2,190,148	4,069,679
19.2 End of period (Line 18 plus Line 19.1)	1,895,548	2,190,148

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

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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	0	0	0	0
2.	Allied lines	0	0	0	0
3.	Farmowners multiple peril	0	0	0	0
4.	Homeowners multiple peril	0	0	0	0
5.	Commercial multiple peril	0	0	0	0
6.	Mortgage guaranty	0	0	0	0
8.	Ocean marine	0	0	0	0
9.	Inland marine	0	0	0	0
10.	Financial guaranty	0	0	0	0
11.1	Medical professional liability - occurrence	0	0	0	0
11.2	Medical professional liability - claims-made	0	0	0	0
12.	Earthquake	0	0	0	0
13.	Group accident and health	0	0	0	0
14.	Credit accident and health (group and individual)	0	0	0	0
15.	Other accident and health	0	0	0	0
16.	Workers' compensation	0	0	0	0
17.1	Other liability - occurrence	0	0	0	0
17.2	Other liability - claims-made	67,748	0	66,947	801
17.3	Excess workers' compensation	0	0	0	0
18.1	Products liability - occurrence	0	0	0	0
18.2	Products liability - claims-made	0	0	0	0
19.1, 19.2	Private passenger auto liability	0	0	0	0
19.3, 19.4	Commercial auto liability	0	0	0	0
21.	Auto physical damage	0	0	0	0
22.	Aircraft (all perils)	0	0	0	0
23.	Fidelity	0	0	0	0
24.	Surety	0	0	0	0
26.	Burglary and theft	0	0	0	0
27.	Boiler and machinery	0	0	0	0
28.	Credit	0	0	0	0
29.	International	0	0	0	0
30.	Warranty	0	0	0	0
31.	Reinsurance - nonproportional assumed property	0	0	0	0
32.	Reinsurance - nonproportional assumed liability	0	0	0	0
33.	Reinsurance - nonproportional assumed financial lines	0	0	0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	67,748	0	66,947	801
DETAILS OF WRITE-INS					
3401.	.....			
3402.	.....			
3403.	.....			
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire					0
2.	Allied lines					0
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril					0
5.	Commercial multiple peril					0
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine					0
10.	Financial guaranty					0
11.1	Medical professional liability - occurrence					0
11.2	Medical professional liability - claims-made					0
12.	Earthquake					0
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation					0
17.1	Other liability - occurrence					0
17.2	Other liability - claims-made	66,947				66,947
17.3	Excess workers' compensation					0
18.1	Products liability - occurrence					0
18.2	Products liability - claims-made					0
19.1, 19.2	Private passenger auto liability					0
19.3, 19.4	Commercial auto liability					0
21.	Auto physical damage					0
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft					0
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance - nonproportional assumed property					0
32.	Reinsurance - nonproportional assumed liability					0
33.	Reinsurance - nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	66,947	0	0	0	66,947
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					
38.	Balance (Sum of Line 35 through 37)					66,947
DETAILS OF WRITE-INS						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1	Reinsurance Assumed		Reinsurance Ceded		6
		Direct Business (a)	2	3	4	5	Net Premiums Written Cols. 1+2+3-4-5
1.	Fire	0					0
2.	Allied lines	0					0
3.	Farmowners multiple peril	0					0
4.	Homeowners multiple peril	0					0
5.	Commercial multiple peril	0					0
6.	Mortgage guaranty	0					0
8.	Ocean marine	0					0
9.	Inland marine	0					0
10.	Financial guaranty	0					0
11.1	Medical professional liability - occurrence						0
11.2	Medical professional liability - claims-made						0
12.	Earthquake	0					0
13.	Group accident and health	0					0
14.	Credit accident and health (group and individual)	0					0
15.	Other accident and health	0					0
16.	Workers' compensation	0					0
17.1	Other liability - occurrence	0					0
17.2	Other liability - claims-made	206,362	67,748		50,874	155,488	67,748
17.3	Excess workers' compensation	0					0
18.1	Products liability - occurrence						0
18.2	Products liability - claims-made						0
19.1, 19.2	Private passenger auto liability	0					0
19.3, 19.4	Commercial auto liability	0					0
21.	Auto physical damage	0					0
22.	Aircraft (all perils)	0					0
23.	Fidelity	0					0
24.	Surety	0					0
26.	Burglary and theft	0					0
27.	Boiler and machinery	0					0
28.	Credit	0					0
29.	International	0					0
30.	Warranty	0					0
31.	Reinsurance - nonproportional assumed property	XXX					0
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	206,362	67,748	0	50,874	155,488	67,748
DETAILS OF WRITE-INS							
3401.	.....					
3402.	.....					
3403.	.....					
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 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 \$
 2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 -3)	Net Losses Unpaid Current Year (Part 2A , Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	0			0	0	0	0	0.0
2.	Allied lines	0			0	0	0	0	0.0
3.	Farmowners multiple peril	0			0	0	0	0	0.0
4.	Homeowners multiple peril	0			0	0	0	0	0.0
5.	Commercial multiple peril	0			0	0	0	0	0.0
6.	Mortgage guaranty	0			0	0	0	0	0.0
8.	Ocean marine	0			0	0	0	0	0.0
9.	Inland marine	0			0	0	0	0	0.0
10.	Financial guaranty	0			0	0	0	0	0.0
11.1	Medical professional liability - occurrence				0	0	0	0	0.0
11.2	Medical professional liability - claims-made				0	0	0	0	0.0
12.	Earthquake	0			0	0	0	0	0.0
13.	Group accident and health	0			0	0	0	0	0.0
14.	Credit accident and health (group and individual)	0			0	0	0	0	0.0
15.	Other accident and health	0			0	0	0	0	0.0
16.	Workers' compensation	0			0	0	0	0	0.0
17.1	Other liability - occurrence	0			0	0	0	0	0.0
17.2	Other liability - claims-made	0			0	358	0	358	44.7
17.3	Excess workers' compensation	0			0	0	0	0	0.0
18.1	Products liability - occurrence				0	0	0	0	0.0
18.2	Products liability - claims-made				0	0	0	0	0.0
19.1, 19.2	Private passenger auto liability	0			0	0	0	0	0.0
19.3, 19.4	Commercial auto liability	0			0	0	0	0	0.0
21.	Auto physical damage	0			0	0	0	0	0.0
22.	Aircraft (all perils)	0			0	0	0	0	0.0
23.	Fidelity	0			0	0	0	0	0.0
24.	Surety	0			0	0	0	0	0.0
26.	Burglary and theft	0			0	0	0	0	0.0
27.	Boiler and machinery	0			0	0	0	0	0.0
28.	Credit	0			0	0	0	0	0.0
29.	International	0			0	0	0	0	0.0
30.	Warranty	0			0	0	0	0	0.0
31.	Reinsurance - nonproportional assumed property	XXX			0	0	0	0	0.0
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	0	0	0	0	358	0	358	44.7
DETAILS OF WRITE-INS									
3401.	.....							
3402.	.....							
3403.	.....							
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	
3499.	Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1	2	3	4	5	6	7		
	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire				0				0	
2. Allied lines				0				0	
3. Farmowners multiple peril				0				0	
4. Homeowners multiple peril				0				0	
5. Commercial multiple peril				0				0	
6. Mortgage guaranty				0				0	
8. Ocean marine				0				0	
9. Inland marine				0				0	
10. Financial guaranty				0				0	
11.1 Medical professional liability - occurrence	7,160,000	0	7,160,000	0	(4,509,262)	0	(4,509,262)	0	0
11.2 Medical professional liability - claims-made	12,550,000	0	12,550,000	0	3,909,384	0	3,909,384	0	0
12. Earthquake				0				0	
13. Group accident and health				0				(a) 0	
14. Credit accident and health (group and individual)				0				0	
15. Other accident and health				0				(a) 0	
16. Workers' compensation				0				0	
17.1 Other liability - occurrence				0				0	
17.2 Other liability - claims-made	0	0	0	0	316	358	316	358	730
17.3 Excess workers' compensation				0				0	
18.1 Products liability - occurrence				0				0	
18.2 Products liability - claims-made				0				0	
19.1, 19.2 Private passenger auto liability				0				0	
19.3, 19.4 Commercial auto liability				0				0	
21. Auto physical damage				0				0	
22. Aircraft (all perils)				0				0	
23. Fidelity				0				0	
24. Surety				0				0	
26. Burglary and theft				0				0	
27. Boiler and machinery				0				0	
28. Credit				0				0	
29. International				0				0	
30. Warranty				0				0	
31. Reinsurance - nonproportional assumed property	XXX			0	XXX			0	
32. Reinsurance - nonproportional assumed liability	XXX			0	XXX			0	
33. Reinsurance - nonproportional assumed financial lines	XXX			0	XXX			0	
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35. TOTALS	19,710,000	0	19,710,000	0	(599,562)	358	(599,562)	358	730
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
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 thru 3403 plus 3498)(Line 34 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	2,165	0	0	2,165
1.2 Reinsurance assumed	730	0	0	730
1.3 Reinsurance ceded	2,165	0	0	2,165
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	730	0	0	730
2. Commission and brokerage:				
2.1 Direct excluding contingent	0	48,134	0	48,134
2.2 Reinsurance assumed, excluding contingent	0	(29,529)	0	(29,529)
2.3 Reinsurance ceded, excluding contingent	0	48,134	0	48,134
2.4 Contingent - direct				0
2.5 Contingent - reinsurance assumed	0	(293)	0	(293)
2.6 Contingent - reinsurance ceded				0
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	(29,822)	0	(29,822)
3. Allowances to managers and agents	53	4,660	0	4,713
4. Advertising	420	2,401	0	2,821
5. Boards, bureaus and associations				0
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	97,158	291,545	0	388,703
8.2 Payroll taxes	5,696	17,093	0	22,789
9. Employee relations and welfare	12,617	40,315	0	52,932
10. Insurance	3,787	10,754	0	14,541
11. Directors' fees				0
12. Travel and travel items	948	12,351	0	13,299
13. Rent and rent items				0
14. Equipment	9,243	26,891	0	36,134
15. Cost or depreciation of EDP equipment and software	2,924	8,301	0	11,225
16. Printing and stationery				0
17. Postage, telephone and telegraph, exchange and express	536	1,758	0	2,294
18. Legal and auditing	247,175	1,018,263	0	1,265,438
19. Totals (Lines 3 to 18)	380,557	1,434,332	0	1,814,889
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$				0
20.2 Insurance department licenses and fees	0	50,538	0	50,538
20.3 Gross guaranty association assessments				0
20.4 All other (excluding federal and foreign income and real estate)				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	50,538	0	50,538
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	0	0	18,547	18,547
25. Total expenses incurred	381,287	1,455,048	18,547	(a) 1,854,882
26. Less unpaid expenses - current year	730			730
27. Add unpaid expenses - prior year	0	0	0	0
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	380,557	1,455,048	18,547	1,854,152
DETAILS OF WRITE-INS				
2401. Investment Fees			18,547	18,547
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	0	0	18,547	18,547

(a) Includes management fees of \$ to affiliates and \$18,547 to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....147,076	.....61,530
1.1	Bonds exempt from U.S. tax	(a) .....133,122	.....87,532
1.2	Other bonds (unaffiliated)	(a) .....544,359	.....649,132
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5	Contract loans .....	.....	.....
6	Cash, cash equivalents and short-term investments	(e) .....34,920	.....34,920
7	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	859,477	833,114
11.	Investment expenses		(g) .....18,547
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) .....0
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....18,547
17.	Net investment income (Line 10 minus Line 16)		814,567
DETAILS OF WRITE-INS			
0901.	.....	
0902.	.....	
0903.	.....	
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$9,611 accrual of discount less \$230,126 amortization of premium and less \$173,183 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....0	.....0	.....0	.....0	.....0
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....0	.....	.....
1.2	Other bonds (unaffiliated) .....	.....1,906,341	.....0	.....1,906,341	.....0	.....0
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....	.....0	.....0	.....0	.....0
4.	Real estate .....	.....	.....0	.....0	.....	.....0
5.	Contract loans .....	.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....2,555	.....	.....2,555	.....	.....
7.	Derivative instruments .....	.....	.....	.....0	.....	.....
8.	Other invested assets .....	.....	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	1,908,896	0	1,908,896	0	0
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)			
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)			
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)			

NOTES TO FINANCIAL STATEMENTS

NOTE 1 Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of Obsidian Insurance Company (OIC or the Company) have been prepared on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance. The State of Ohio requires insurance companies domiciled in the State of Ohio to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) subject to any deviations prescribed or permitted by the Ohio Department of Insurance. The Company has no prescribed or permitted practices exceptions.

	SSAP #	F/S Page	F/S Line #	2020		2019	
NET INCOME							
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$	885,834	\$	384,911
(2) State Prescribed Practices that are an increase/ (decrease) from NAIC SAP:							
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:							
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$	885,834	\$	384,911
SURPLUS							
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$	27,702,794	\$	9,511,497
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:							
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:							
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$	27,702,794	\$	9,511,497

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

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

C. Accounting Policy

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

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

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

(1) Basis for Short-Term Investments

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

NOTES TO FINANCIAL STATEMENTS

(2) Basis for Bonds, Mandatory Convertible Securities, SVO-Identified Investments and Amortization Method
Investment grade bonds not backed by other loans are stated at amortized value using the interest method. Non-investment grade bonds with NAIC designation of 3 through 6 are stated at the lower amortized value or fair value.

(3) Basis for Common Stocks
Common stocks, other than investments in stocks of subsidiaries and affiliates are state at fair value.

(4) Basis for Preferred Stocks
Investment grade redeemable preferred stocks are stated at amortized value. Investment grade perpetual preferred stocks are stated at fair value. Non investment grade preferred stocks are stated at the lower of amortized value or fair value.

(5) Basis for Mortgage Loans
First lien mortgage loans on real estate are stated at their estimated fair value. See Note 5A.

(6) Basis for Loan-Backed Securities and Adjustment Methodology
Loan-backed securities are stated at either amortized cost or the lower of amortized or fair value. The retrospective adjustment method is used to value all securities.

(7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities
The Company had no investments in subsidiary or affiliated companies.

(8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities
Investments in joint ventures, most partnerships and limited liability companies are stated at the underlying audited GAAP equity value.

(9) Accounting Policies for Derivatives
The Company does not hold investments in derivative instruments as defined by SSAP No. 31.

(10) Anticipated Investment Income Used in Premium Deficiency Calculation
The Company does not anticipate investment income as a factor in premium deficiency calculations.

(11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses
Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.

(12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period
There have been no changes to the Company's capitalization policy.

(13) Method Used to Estimate Pharmaceutical Rebate Receivables
The Company has not pharmaceutical rebate receivables.

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
On December 23, 2019, 100% of the capital stock of OIC was acquired by Obsidian Insurance Holdings, Inc.
- B. Statutory Merger
Not Applicable
- C. Impairment Loss
Not Applicable

NOTE 4 Discontinued Operations
Not Applicable

NOTE 5 Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans
Not Applicable
- B. Debt Restructuring
Not Applicable
- C. Reverse Mortgages
Not Applicable
- D. Loan-Backed Securities
 - (1) Prepayment assumptions for loan-backed and structured securities were obtained from our investment software vendor through an independent third-party source.
 - (2) Other-Than-Temporary Impairments - None
 - (3) Recognized OTTI Securities - None

NOTES TO FINANCIAL STATEMENTS

- (4) All impaired securities (fair value is less than cost or amortized cost) for which 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
 - 2. 12 Months or Longer
- b)The aggregate related fair value of securities with unrealized losses:
- 1. Less than 12 Months
 - 2. 12 Months or Longer
- (5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary

All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether other-than-temporary impairments should be recognized. The Company considers various factors when determining other-than temporary impairment, including: Intent or requirement to sell the security, length of time the security has been in a continuous unrealized loss position, depth of amortized value compared to fair value, and expected redemption percentage. The Company asserts that it has the intent and ability to hold these securities long enough for all the cost basis of the securities to be recovered. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities if future events, information and the passage of time causes it to conclude the declines in value are other-than-temporary.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions
Not Applicable
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing
Not Applicable
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
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 (LIHTC)
Not Applicable
- L. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted						
	Current Year					6	7
	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)
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	\$ 4,091,990				\$ 4,091,990	\$ 3,722,806	\$ 369,184
k. On deposit with other regulatory bodies					\$ -	\$ -	\$ -
l. Pledged collateral to FHLB (including assets backing funding agreements)					\$ -	\$ -	\$ -
m. Pledged as collateral not captured in other categories					\$ -	\$ -	\$ -
n. Other restricted assets					\$ -	\$ -	\$ -
o. Total Restricted Assets	\$ 4,091,990	\$ -	\$ -	\$ -	\$ 4,091,990	\$ 3,722,806	\$ 369,184

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

NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	Current Year			
	8	9	Percentage	
			10	11
	Total Non-admitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Non-admitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown		\$ -	0.000%	0.000%
b. Collateral held under security lending agreements		\$ -	0.000%	0.000%
c. Subject to repurchase agreements		\$ -	0.000%	0.000%
d. Subject to reverse repurchase agreements		\$ -	0.000%	0.000%
e. Subject to dollar repurchase agreements		\$ -	0.000%	0.000%
f. Subject to dollar reverse repurchase agreements		\$ -	0.000%	0.000%
g. Placed under option contracts		\$ -	0.000%	0.000%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock		\$ -	0.000%	0.000%
i. FHLB capital stock		\$ -	0.000%	0.000%
j. On deposit with states		\$ 4,091,990	13.438%	13.438%
k. On deposit with other regulatory bodies		\$ -	0.000%	0.000%
l. Pledged collateral to FHLB (including assets backing funding agreements)		\$ -	0.000%	0.000%
m. Pledged as collateral not captured in other categories		\$ -	0.000%	0.000%
n. Other restricted assets		\$ -	0.000%	0.000%
o. Total Restricted Assets	\$ -	\$ 4,091,990	13.438%	13.438%

(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)

Not Applicable

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

Not Applicable

M. Working Capital Finance Investments

Not Applicable

N. Offsetting and Netting of Assets and Liabilities

Not Applicable

O. 5GI Securities

Not Applicable

P. Short Sales

Not Applicable

Q. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
1. Number of CUSIPs	1	
2. Aggregate Amount of Investment Income		

NOTE 6 Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable

NOTE 7 Investment Income

A. Accrued Investment Income

Not Applicable

B. Amounts Nonadmitted

Not Applicable

NOTE 8 Derivative Instruments

Not Applicable

NOTES TO FINANCIAL STATEMENTS

NOTE 9 Income Taxes

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

1.

	As of End of Current Period			12/31/2019			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 - 4) Ordinary	(Col. 2 - 5) Capital	(Col. 7 + 8) Total
(a) Gross Deferred Tax Assets	\$ 235,810		\$ 235,810	\$ -	\$ -	\$ -	\$ 235,810	\$ -	\$ 235,810
(b) Statutory Valuation Allowance Adjustment			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 235,810	\$ -	\$ 235,810	\$ -	\$ -	\$ -	\$ 235,810	\$ -	\$ 235,810
(d) Deferred Tax Assets Nonadmitted			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 235,810	\$ -	\$ 235,810	\$ -	\$ -	\$ -	\$ 235,810	\$ -	\$ 235,810
(f) Deferred Tax Liabilities	\$ 16,984	\$ 400,868	\$ 417,852	\$ -	\$ -	\$ -	\$ 16,984	\$ 400,868	\$ 417,852
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 218,826	\$ (400,868)	\$ (182,042)	\$ -	\$ -	\$ -	\$ 218,826	\$ (400,868)	\$ (182,042)

2.

	As of End of Current Period			12/31/2019			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 - 4) Ordinary	(Col. 2 - 5) Capital	(Col. 7 + 8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX		XXX	XXX	\$ -	XXX	XXX	\$ -
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ 235,810		\$ 235,810	\$ -	\$ -	\$ -	\$ 235,810	\$ -	\$ 235,810
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 235,810	\$ -	\$ 235,810	\$ -	\$ -	\$ -	\$ 235,810	\$ -	\$ 235,810

3.

	2020	2019
a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	0.000%	1828.737%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.		\$ 9,511,497

4.

	As of End of Current Period		12/31/2019		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	(Col. 1 - 3) Ordinary	(Col. 2 - 4) Capital
Impact of Tax Planning Strategies:						
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.						
1. Adjusted Gross DTAs amount from Note 9A1(c)	\$ 235,810	\$ -	\$ -	\$ -	\$ 235,810	\$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 235,810	\$ -	\$ -	\$ -	\$ 235,810	\$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

b. Do the Company's tax-planning strategies include the use of reinsurance? Yes [] No [X]

B. Deferred Tax Liabilities
Not Applicable

NOTES TO FINANCIAL STATEMENTS

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

	(1) As of End of Current Period	(2) 12/31/2019	(3) (Col. 1 - 2) Change
1. Current Income Tax			
(a) Federal	\$ 1,737	\$ (53,361)	\$ 55,098
(b) Foreign		\$ -	\$ -
(c) Subtotal	\$ 1,737	\$ (53,361)	\$ 55,098
(d) Federal income tax on net capital gains		\$ 79,381	\$ (79,381)
(e) Utilization of capital loss carry-forwards		\$ -	\$ -
(f) Other		\$ -	\$ -
(g) Federal and foreign income taxes incurred	\$ 1,737	\$ 26,020	\$ (24,283)
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 25	\$ -	\$ 25
(2) Unearned premium reserve	\$ 2,812	\$ -	\$ 2,812
(3) Policyholder reserves		\$ -	\$ -
(4) Investments		\$ -	\$ -
(5) Deferred acquisition costs		\$ -	\$ -
(6) Policyholder dividends accrual		\$ -	\$ -
(7) Fixed Assets		\$ -	\$ -
(8) Compensation and benefits accrual		\$ -	\$ -
(9) Pension accrual		\$ -	\$ -
(10) Receivables - nonadmitted		\$ -	\$ -
(11) Net operating loss carry-forward	\$ 207,773	\$ -	\$ 207,773
(12) Tax credit carry-forward		\$ -	\$ -
(13) Other (including items <5% of total ordinary tax assets)	\$ 25,200	\$ -	\$ 25,200
(99) Subtotal	\$ 235,810	\$ -	\$ 235,810
(b) Statutory valuation allowance adjustment		\$ -	\$ -
(c) Nonadmitted		\$ -	\$ -
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 235,810	\$ -	\$ 235,810
(e) Capital:			
(1) Investments		\$ -	\$ -
(2) Net capital loss carry-forward		\$ -	\$ -
(3) Real estate		\$ -	\$ -
(4) Other (including items <5% of total ordinary tax assets)		\$ -	\$ -
(99) Subtotal	\$ -	\$ -	\$ -
(f) Statutory valuation allowance adjustment		\$ -	\$ -
(g) Nonadmitted		\$ -	\$ -
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ -	\$ -	\$ -
(i) Admitted deferred tax assets (2d + 2h)	\$ 235,810	\$ -	\$ 235,810
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ 16,984	\$ (1,092)	\$ 18,076
(2) Fixed Assets		\$ -	\$ -
(3) Deferred and uncollected premium		\$ -	\$ -
(4) Policyholder reserves		\$ -	\$ -
(5) Other (including items <5% of total ordinary tax liabilities)		\$ 1,092	\$ (1,092)
(99) Subtotal	\$ 16,984	\$ -	\$ 16,984
(b) Capital:			
(1) Investments	\$ 400,868	\$ -	\$ 400,868
(2) Real estate		\$ -	\$ -
(3) Other (including items <5% of total capital tax liabilities)		\$ -	\$ -
(99) Subtotal	\$ 400,868	\$ -	\$ 400,868
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 417,852	\$ -	\$ 417,852
4. Net deferred tax assets/liabilities (2i - 3c)	\$ (182,042)	\$ -	\$ (182,042)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

Among the most significant book to tax adjustments were the following:

		2020	
Provision computed at statutory rate		Amount	ETR %
	\$ 887,572	\$ 186,390	21.00%
Tax exempt income deduction		\$ (4,634)	0.52%
Disallowed meals and entertainment		\$ 181	0.02%
Permanent adjustments - prior year		\$ 1,843	0.21%
Total		\$ 183,780	20.71%
Federal and foreign income taxes incurred		\$ 1,738	0.20%
Change in net deferred income taxes		\$ 182,042	20.51%
Total statutory income taxes		\$ 183,780	20.71%

E. Operating Loss Carry Forwards and Income Taxes Available for Recoupment

1 At December 31, 2020 and December 31, 2019 the Company has net operating loss carryforwards of \$989,395 and \$0, respectively, which originated in tax years 2020 and expire in tax year 2040.

2 The following is income tax expense for 2020 and 2019 that is available for recoupment in the event of future net losses:

Year	Amount
2020	\$ -
2019	\$ 1,738

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

NOTES TO FINANCIAL STATEMENTS

F. Consolidated Federal Income Tax Return

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

OBS Intermediate I, Inc.
OBS Intermediate II, Inc.
Obsidian Insurance Holdings, Inc.
Obsidian Specialty Insurance Company

2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:

The Company entered into a tax sharing and allocation agreement effective 10/1/20 that was approved by the Delaware and Ohio State Insurance Departments and the Board of Directors. Tax payments are made to, or refunds from Obsidian Insurance Holdings, Inc. in amounts which would result from filing separate tax returns with federal taxing authorities.

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)
None

I. Alternative Minimum Tax (AMT) Credit
None

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

- A. Nature of Relationship Involved
Effective September 28, 2020, Obsidian Insurance Holdings, Inc. transferred 100% Obsidian Insurance Company stock to Obsidian Specialty Insurance Company. The result is Obsidian Insurance Company is owned 100% by Obsidian Specialty Insurance Company who is 100% owned by Obsidian Insurance Holdings, Inc.
- B. Transactions
The Ohio Department of Insurance approved a dividend of \$58 million to the Company's parent, Obsidian Insurance Holdings, Inc on July 10, 2020 which was subsequently transferred.
- C. Transactions with related party who are not reported on Schedule Y
Not Applicable
- D. Amounts Due From or To Related Parties
The Company reported \$1,701,657 and \$0 due to affiliates in 2020 and 2019, respectively. These agreements require that intercompany balances be settled within 45 days.
- E. Material Management or Services Contracts and Cost-Sharing Arrangements
Effective October 1, 2020, the Company entered into an Administrative Services and Cost Agreement with the Company's affiliates, Obsidian Specialty Insurance Company and Obsidian Insurance Holdings, Inc., to cover administration services and costs for personnel, office space and equipment, and other administrative functions of the insurance company operations.
- F. Guarantees or Undertakings
Not Applicable
- G. Nature of the Control Relationship
Not Applicable
- H. Amount Deducted from the Value Upstream Intermediate Entity or Ultimate Parent Owned
Not Applicable
- I. Investments in SCA that Exceed 10% of Admitted Assets
Not Applicable
- J. Investments in Impaired SCAs
Not Applicable
- K. Investment in Foreign Insurance Subsidiary
Not Applicable
- L. Investment in Downstream Noninsurance Holding Company
Not Applicable
- M. All SCA Investments
Not Applicable
- N. Investment in Insurance SCAs
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 Plan
Not Applicable
- B. Description of Investment Policies
Not Applicable
- C. The fair value of each class of plan assets
Not Applicable

NOTES TO FINANCIAL STATEMENTS

- D. Rate of Return on Assets Assumptions
Not Applicable
- E. Defined Contribution Plan
Not Applicable
- F. Multiemployer Plans
Not Applicable
- G. Consolidated/Holding Company Plans
The Company participates in a 401(k) savings plan sponsored by Obsidian Insurance Holdings, Inc. (OIH) for substantially all employees of OIH and its affiliates. The Company has no legal obligation for benefits under this plan. The Company is charged for its allocable share of expense for this plan based on its allocated and/or direct salary costs in accordance with the cost sharing agreement. The total cost of the 401(k) savings plan expense was \$75,026 for 2020.
- 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, Dividend Restrictions and Quasi-Reorganizations

- A. The number of shares of each class of capital stock authorized, issued and outstanding as of the balance sheet date and the par value of each class.
The Company has 12,100 shares authorized with a par value of \$900 per share, 3,991 shares are issued and outstanding. All shares are Class A shares.
- B. The dividend rate, liquidation value and redemption schedule (including prices and dates) of any preferred stock issues.
None
- C. Dividend restrictions, if any, and an indication if the dividends are cumulative.
Without the prior approval of the Ohio Department of Insurance, dividends are subject to Ohio insurance code 3901.34.
- D. The dates and amounts of dividends paid. Note for each payment whether the dividend was ordinary or extraordinary.
August 24, 2020, a \$58 million of extraordinary dividend was paid.
- E. The portion of the reporting entity's profits that may be paid as ordinary dividends to stockholders.
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 stockholders.
- F. A description of any restrictions placed on the unassigned funds (surplus), including for whom the surplus is being held.
None
- G. For mutual reciprocals, and similarly organized entities, the total amount of advances to surplus not repaid, if any.
Not Applicable
- H. Amount of stock held for special purposes (conversion of preferred stock, employee stock options, stock purchase warrants)
Not Applicable
- I. A descrption of the reasons for changes in the balances of any special surplus funds from the prior period
Not Applicable
- J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$ 1,536,052
- K. The Company issued the following surplus debentures or similar obligations:
Not Applicable
- L. The impact of any restatement due to prior quasi-reorganizations is as follows:
The Company, through approval of the Commissioner of Insurance of the State of Ohio, reset its December 31, 2019, unassigned surplus funds to \$0 via quasi-reorganization pursuant to the provisions of SSAP 72. The impact of the restatement due to the quasi-reorganization is as follows:

	Pre Quasi-Reorganization		Post Quasi-Reorganization	
	Unassigned Gross Paid-in		Unassigned Gross Paid-in	
	Surplus	Capital	Surplus	Capital
2019	(\$9,080,493)	\$15,000,000	\$0	\$5,919,507

- M. The effective date of a quasi-reorganization for a period of ten years following the reorganization
See note 13L

NOTE 14 Liabilities, Contingencies and Assessments

- A. Contingent Commitments
None
- B. Assessments
None
- C. Gain Contingencies
None
- D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits
None
- E. Product Warranties
Not Applicable
- F. Joint and Several Liabilities
Not Applicable

NOTES TO FINANCIAL STATEMENTS

G. All Other Contingencies
Lawsuits may arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

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
Not Applicable

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

- A. ASO Plans:
Not Applicable
- B. ASC Plans:
Not Applicable
- C. Medicare or Similarly Structured Cost Based Reimbursement Contract
Not Applicable

NOTE 19 Direct Premium Written/Produced by Managing General Agents/Third Party Administrators
Not Applicable

NOTE 20 Fair Value Measurements

A.
(1) Fair Value Measurements at Reporting Date
The Company has categorized its assets and liabilities that are reported on the balance sheet at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows:

- Level 1 - Quoted prices in active markets for identical assets and liabilities: This category is for items measured at fair value on a recurring basis includes exchange-trade stocks. The fair value of these stocks is based on quoted prices in active markets.

- Level 2 Significant observable inputs: The estimated fair values for some of these items are determined by independent pricing services using observable inputs. Others are based on quotes from markets which are not considered actively traded. This category is for items measured at fair value on a recurring basis may include long term bonds.

- Level 3 - Significant unobservable inputs: The estimated fair values for these items may be determined by various parties using methods that are not available to the Company, or that may be unavailable to the general public. This category is for items measured at fair value on a recurring basis may include limited partnerships or other invested assets.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Bonds	\$ 2,944,594	\$ 26,066,368			\$ 29,010,962
Cash and Cash Equivalents		\$ 499,961		\$ 6,638	\$ 506,599
Total assets at fair value/NAV	\$ 2,944,594	\$ 26,566,329	\$ -	\$ 6,638	\$ 29,517,561

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
b. Liabilities at fair value					
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

- (2) Fair Value Measurements in (Level 3) of the Fair Value hierarchy
None
- (3) Policies when Transfers Between Levels are Recognized
None
- (4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations as quoted market prices for similar instruments in an active market were utilized. This was accomplished by the use of matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held. Features that are inputs into the analysis include duration, credit quality, tax status and call and sinking fund features.

Preferred stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because either quoted markets prices for similar instruments in an active market were utilized via matrix pricing as described above or because quoted markets prices for identical instruments trading in an inactive market were utilized.

Common stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because of quoted markets prices for identical instruments trading in an inactive market were utilized. When an equity instrument is illiquid due to limited trading activity, the use of quoted markets prices for identical instruments was determined by the Company to the most reliable method to determine fair value.

- (5) Fair Value Disclosures
None

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

NOTES TO FINANCIAL STATEMENTS

B. Fair Value under SSAP 100 and Other Accounting Pronouncements
None

C. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 29,010,962	\$ 27,474,909	\$ 2,944,594	\$ 26,066,368			
Cash and Cash Equivalents	\$ 506,599	\$ 506,599		\$ 499,961		\$ 6,638	

D. Not Practicable to Estimate Fair Value
None

E. Investment Held at Net Asset Value (NAV)
Net Asset Value includes: Open-ended mutual funds which trade at their end of day NAV and represents the exit value of the security at the measurement date, and money market mutual funds which are priced at NAV as a practical expedient to fair value.

NOTE 21 Other Items

- A. Unusual or Infrequent Items
Not Applicable
- B. Troubled Debt Restructuring: Debtors
Not Applicable
- C. Other Disclosures
Not Applicable
- D. Business Interruption Insurance Recoveries
Not Applicable
- E. State Transferable and Non-transferable Tax Credits
Not Applicable
- F. Subprime Mortgage Related Risk Exposure
Not Applicable
- G. Insurance-Linked Securities (ILS) Contracts
Not Applicable
- 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

Subsequent material events were considered through February 24, 2021.

On January 27, 2021, Obsidian Specialty Insurance Company received the approval of the Ohio Department of Insurance as an accredited reinsurer as designated in Ohio Revised Code Section 3901.62(B) and Ohio Administrative Code Section 3901-3-16(D). Such accreditation allows Obsidian Insurance Company to take credit for reinsurance ceded to Obsidian Specialty Insurance Company in financial statements after January 27, 2021.

Type II - Nonrecognized Subsequent Events:

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?		
B. ACA fee assessment payable for the upcoming year		
C. ACA fee assessment paid		
D. Premium written subject to ACA 9010 assessment		
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 28)	\$ -	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 28 minus 22B above)	\$ -	
G. Authorized Control Level (Five-Year Historical Line 29)	\$ -	
H. Would reporting the ACA assessment as of Dec. 31, 2020 have triggered an RBC action level (YES/NO)?		

NOTES TO FINANCIAL STATEMENTS

NOTE 23 Reinsurance

A. Unsecured Reinsurance Recoverables

Individual Reinsurers with Unsecured Reinsurance Recoverables Exceeding 3% of Policyholder Surplus

Individual Reinsurers Who Are Members of a Group

Group Code	FEIN	Reinsurer Name	Unsecured Amount
10227	13-4924125	Munich Reinsurance America Inc.	\$ 11,583
34495	95-3014772	The Doctors Company, an Interinsurance Exchange	\$ 4,171
39845	48-0921045	Westport Insurance Corp	\$ 1,791

All Members of the Groups Shown above with Unsecured Reinsurance Recoverables

Group Code	FEIN	Reinsurer Name	Unsecured Amount
10227	13-4924125	Munich Reinsurance America Inc.	XXX
Total			\$ 11,583
34495	95-3014772	The Doctors Company, an Interinsurance Exchange	XXX
Total			\$ 4,171
39845	48-0921045	Westport Insurance Corp	XXX
Total			\$ 1,791

B. Reinsurance Recoverable in Dispute

Not Applicable

C. Reinsurance Assumed and Ceded

(1)

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 66,947		\$ 50,000		\$ 16,947	\$ -
b. All Other			\$ 155,000	\$ 42,923	\$ (155,000)	\$ (42,923)
c. Total	\$ 66,947	\$ -	\$ 205,000	\$ 42,923	\$ (138,053)	\$ (42,923)

d. Direct Unearned Premium Reserve

(2)

	Direct	Assumed	Ceded	Net
a. Contingent Commission		\$ (293)		\$ (293)
b. Sliding Scale Adjustments				\$ -
c. Other Profit Commission Arrangements				\$ -
d. TOTAL	\$ -	\$ (293)	\$ -	\$ (293)

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

D. Uncollectible Reinsurance

Not Applicable

E. Commutation of Reinsurance Reflected in Income and Expenses.

Not Applicable

F. Retroactive Reinsurance

Not Applicable

G. Reinsurance Accounted for as a Deposit

Not Applicable

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

Not Applicable

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not Applicable

K. Reinsurance Credit

Not Applicable

NOTE 24 Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not Applicable

NOTE 25 Change in Incurred Losses and Loss Adjustment Expenses

A. Change in Incurred Loses and Loss Adjustment Expenses

Incurred losses and loss adjustment expenses attributable to insured events of prior years has remained the same; \$746,258,934 as of December 31, 2019 and \$746,258,934 as of December 31, 2020. This is the result of ongoing analysis of recent loss development trends in the medical malpractice liability line of business. Original estimates are increased and decreased, as additional information becomes known regarding individual claims.

NOTES TO FINANCIAL STATEMENTS

B. Information about Significant Changes in Methodologies and Assumptions
There have not been changes to the reserving methodology for prior year events. Reserves were set for the current year's risks using standard actuarial methods.

NOTE 26 Intercompany Pooling Arrangements
Effective October 1, 2020, Obsidian Insurance Company (NAIC #35602) and Obsidian Specialty Insurance Company (NAIC #16871) entered a Reinsurance Pooling Agreement, which has been approved by both the Delaware and Ohio Departments of Insurance. Under the Reinsurance Pooling Agreement net premium, net losses and net reserves after taking into account all third-party reinsurance of Obsidian Insurance Company are 100% ceded to Obsidian Specialty Insurance Company. Subsequently, total net premium, net losses, and net reserves after third-party reinsurance are allocated 50%/50% between Obsidian Specialty Insurance Company and Obsidian Insurance Company. As of December 31, 2020, the total amount under the Reinsurance Pooling Agreement due to/from Obsidian Specialty Insurance Company was -\$409,992 and total amount under the Reinsurance Pooling Agreement due to/from Obsidian Insurance Company was \$409,992.

NOTE 27 Structured Settlements
Not Applicable

NOTE 28 Health Care Receivables
Not Applicable

NOTE 29 Participating Policies
Not Applicable

NOTE 30 Premium Deficiency Reserves
Not Applicable

NOTE 31 High Deductibles
Not Applicable

NOTE 32 Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses
Not Applicable

NOTE 33 Asbestos/Environmental Reserves
Not Applicable

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?
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes ☒ No ☐

1.2

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

Yes ☒ No ☐ N/A ☐

1.3

State Regulating?

Ohio

1.4

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

Yes ☐ No ☒

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 ☒

2.2

If yes, date of change:

3.1

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

12/31/2015

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.

12/31/2015

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).

02/24/2017

3.4

By what department or departments?
Ohio Insurance Department

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 ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐ No ☐ N/A ☒

4.1

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

Yes ☐ No ☒
Yes ☐ No ☒

4.2

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

Yes ☐ No ☒
Yes ☐ No ☒

5.1

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

Yes ☐ No ☒

5.2

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

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

6.1

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

Yes ☐ No ☒

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 ☒

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 or government, manager or attorney in fact).

%

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

GENERAL INTERROGATORIES

- 8.1

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

Yes [] No [X]
- 8.2

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

.....
- 8.3

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

Yes [] No [X]
- 8.4

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

.....

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC
.....

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Ernst & Young, 20 Chruch Street, Harford, CT 06103
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]
- 10.2

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

.....
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]
- 10.4

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

.....
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []
- 10.6

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

.....
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Kim Ho Lo VP - Lead Actuary - Employee 1330 Avenues of the Americas Suite 23A New York, NY 10019
- 12.1

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

Yes [] No [X]
- 12.11

Name of real estate holding company

.....
- 12.12

Number of parcels involved

.....
- 12.13

Total book/adjusted carrying value

\$
- 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).

.....

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

GENERAL INTERROGATORIES

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

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 subordinate committee thereof?
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
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 with the official duties of such person?
- Yes [X] No []
- Yes [X] No []
- 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)?
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers
- 20.12 To stockholders not officers
- 20.13 Trustees, supreme or grand (Fraternal Only)
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers
- 20.22 To stockholders not officers
- 20.23 Trustees, supreme or grand (Fraternal Only)
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others
- 21.22 Borrowed from others
- 21.23 Leased from others
- 21.24 Other
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment
- 22.22 Amount paid as expenses
- 22.23 Other amounts paid
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- Yes [] No [X]
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- Yes [] No [X]
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- Yes [] No [X]
- \$ 0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- 24.02 If no, give full and complete information relating thereto
- 24.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions.
- 24.05 For the reporting entity's securities lending program, report amount of collateral for other programs.
- 24.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- 24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- 24.08 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 []
-
-
- \$ 0
- \$ 0
- Yes [] No [] N/A [X]
- Yes [] No [] N/A [X]
- Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

GENERAL INTERROGATORIES

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

24.091	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.092	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$	0
24.093	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes [X] No []

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	
		25.22 Subject to reverse repurchase agreements	\$	
		25.23 Subject to dollar repurchase agreements	\$	
		25.24 Subject to reverse dollar repurchase agreements	\$	
		25.25 Placed under option agreements	\$	
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	
		25.27 FHLB Capital Stock	\$	
		25.28 On deposit with states	\$	4,091,990
		25.29 On deposit with other regulatory bodies	\$	
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	
		25.32 Other	\$	

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

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

If no, attach a description with this statement.

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

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity?

Yes [] No []

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

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

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

Yes [] No []

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

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [] No [X]

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

\$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian's Address
US Bank	50 S. 16th Street 20th Floor Philadelphia, PA 19102
Northern Trust Corporation	50 S. Lasalle St, Chicago, IL 60603

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

GENERAL INTERROGATORIES

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 [X] No []

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Northern Trust Corporation	US Bank	03/12/2020	Business strategy

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
New England Asset Management, Inc.	U.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [X] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [X] No []

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
105900	New England Asset Management, Inc.	KUR85E5PS4GQFZTFC130	SEC	DS.....

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

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

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

GENERAL INTERROGATORIES

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	27,474,905	29,010,965	1,536,060
30.2 Preferred stocks	0		0
30.3 Totals	27,474,905	29,010,965	1,536,060

30.4 Describe the sources or methods utilized in determining the fair values:
Market quotations used to calculate fair values are supplied to us by our investment software vendor through an independent third party source. In the event that such market prices are unavailable, the Company will request pricing from its professional investment managers.

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

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

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

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

32.2 If no, list exceptions:
.....

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
Has the reporting entity self-designated 5GI securities? Yes [] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
a. The security was purchased prior to January 1, 2018.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a 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]

36. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:
a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a - 36.c are reported as long-term investments.
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [] No [X] N/A []

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

GENERAL INTERROGATORIES

OTHER

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

37.2 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
.....

38.1 Amount of payments for legal expenses, if any?\$30,485

38.2 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
Westmont Associates, Inc.	24,558
.....

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

39.2 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 AND 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.

\$

1.3

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

\$

1.31

Reason for excluding

1.4

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

\$

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

0

1.62

Total incurred claims

\$

0

1.63

Number of covered lives

0

All years prior to most current three years

1.64

Total premium earned

\$

0

1.65

Total incurred claims

\$

0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

0

1.72

Total incurred claims

\$

0

1.73

Number of covered lives

0

All years prior to most current three years

1.74

Total premium earned

\$

0

1.75

Total incurred claims

\$

0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

2.2

Premium Denominator

.801

0

2.3

Premium Ratio (2.1/2.2)

0.000

0.000

2.4

Reserve Numerator

0

0

2.5

Reserve Denominator

449,035

0

2.6

Reserve Ratio (2.4/2.5)

0.000

0.000

3.1

Did the reporting entity issue participating policies during the calendar year?

Yes [] No [X]

3.2

If yes, provide the amount of premium written for participating and/or non-participating policies during the calendar year:

3.21

Participating policies

\$

3.22

Non-participating policies

\$

4.

For mutual reporting Entities and Reciprocal Exchanges Only:

4.1

Does the reporting entity issue assessable policies?

Yes [] No []

4.2

Does the reporting entity issue non-assessable policies?

Yes [] No []

4.3

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

%

4.4

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

\$

5.

For Reciprocal Exchanges Only:

5.1

Does the Exchange appoint local agents?

Yes [] No []

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation.....

Yes [] No [] N/A []

5.22

As a direct expense of the exchange.....

Yes [] No [] N/A []

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes [] No []

5.5

If yes, give full information

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
The Company does not write workers compensation policies.

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
The Company did not write property insurance policies.

6.3

What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
The Company did not write property insurance policies.

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 [☐] 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 uninsured catastrophic loss.
The Company did not write property insurance policies.

7.1

Has this 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 ratio cap, an aggregate limit or any similar provisions)?

Yes [☒] No [☐]

7.2

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

1

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 [☒] 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 [☒]

8.2

If yes, give full information
.....

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

Yes [☐] No [☒]

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

Yes [☐] No [☒]

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 36 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [☐] No [☒]

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 [☒]

(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 [☒]

(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 [☒]

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes [☒] No [☐] N/A [☐]

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

11.1

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

Yes [] No [X]

11.2

If yes, give full information

12.1

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

12.11 Unpaid losses

\$

12.12 Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral, and other funds

\$

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

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

12.4

If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From

%

12.42 To

%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves , including unpaid losses under loss deductible features of commercial policies?

Yes [] No [X]

12.6

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

12.61 Letters of credit

\$

12.62 Collateral and other funds

\$

13.1

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

\$625,000

13.2

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

Yes [X] No []

13.3

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

1

14.1

Is the company 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:
All contracts are quota share allocated by the entity's direct writings.

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 [X] No []

14.4

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

Yes [] No []

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes [] No [X]

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

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

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1

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

Yes [☐] No [☒]

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

17.11

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

\$

17.12

Unfunded portion of Interrogatory 17.11

\$

17.13

Paid losses and loss adjustment expenses portion of Interrogatory 17.11.....

\$

17.14

Case reserves portion of Interrogatory 17.11

\$

17.15

Incurred but not reported portion of Interrogatory 17.11

\$

17.16

Unearned premium portion of Interrogatory 17.11

\$

17.17

Contingent commission portion of Interrogatory 17.11

\$

18.1

Do you act as a custodian for health savings accounts?

Yes [☐] No [☒]

18.2

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

\$

18.3

Do you act as an administrator for health savings accounts?

Yes [☐] No [☒]

18.4

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

\$

19.

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

Yes [☒] No [☐]

19.1

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

Yes [☐] No [☐]

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

FIVE-YEAR HISTORICAL DATA

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

	1 2020	2 2019	3 2018	4 2017	5 2016
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)	274,110	0	0	0	0
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
6. Total (Line 35)	274,110	0	0	0	0
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)	67,748	0	0	0	0
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
12. Total (Line 35)	67,748	0	0	0	0
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(1,835,892)	(441,072)	(1,112,545)	37,196,025	(18,943,757)
14. Net investment gain or (loss) (Line 11)	2,723,463	772,622	169,381	2,697,701	3,821,547
15. Total other income (Line 15)	0	0	25	0	74
16. Dividends to policyholders (Line 17)		0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	1,737	(53,361)	(253,493)	13,576,438	(6,018,255)
18. Net income (Line 20)	885,834	384,911	(689,645)	26,317,287	(9,103,880)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	30,451,981	10,063,865	19,301,106	98,642,749	97,347,366
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	0	0	0	0	0
20.2 Deferred and not yet due (Line 15.2)	963,211	0	0	0	0
20.3 Accrued retrospective premiums (Line 15.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 26)	2,749,187	552,368	163,727	25,690,231	50,446,063
22. Losses (Page 3, Line 1)	358	0	0	5,900,832	34,102,903
23. Loss adjustment expenses (Page 3, Line 3)	730	0	0	2,105,104	14,111,760
24. Unearned premiums (Page 3, Line 9)	66,947	0	0	0	0
25. Capital paid up (Page 3, Lines 30 & 31)	3,591,990	3,591,990	3,591,990	3,591,990	3,591,990
26. Surplus as regards policyholders (Page 3, Line 37)	27,702,794	9,511,497	19,137,379	72,952,518	46,901,303
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(733,025)	724,505	(20,420,400)	5,231,581	(8,130,510)
Risk-Based Capital Analysis					
28. Total adjusted capital	27,702,794	9,511,497	19,137,379	72,952,518	46,901,303
29. Authorized control level risk-based capital	580,210	520,113	395,907	1,012,619	6,015,131
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	93.1	76.4	77.8	93.0	90.4
31. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
34. Cash, cash equivalents and short-term investments (Line 5)	6.4	23.6	22.2	2.9	7.4
35. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
36. Derivatives (Line 7)	0.0	0.0	0.0	0.0	0.0
37. Other invested assets (Line 8)	0.0	0.0	0.0	0.0	0.0
38. Receivables for securities (Line 9)	0.5	0.0	0.0	0.0	0.0
39. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	4.1	2.2
40. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)		0	0	0	0
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)	0	0	0	0	0
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	0	0	0	0	0
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47	0	0	0	0	0
49. Total Investment in Parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0	0.0	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2020	2 2019	3 2018	4 2017	5 2016
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)		0	1,103	(1,103)	0
52. Dividends to stockholders (Line 35)		0	0	0	0
53. Change in surplus as regards policyholders for the year (Line 38)	18,191,297	(9,625,880)	(53,815,140)	26,051,215	(9,039,326)
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)	0	521,000	60,000	0	6,750,000
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
59. Total (Line 35)	0	521,000	60,000	0	6,750,000
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)	0	0	6,376,215	(8,794)	849,575
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	0	0	0	0	0
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	0	0	0	0	0
65. Total (Line 35)	0	0	6,376,215	(8,794)	849,575
Operating Percentages (Page 4) (Line 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)	44.7	0.0	0.0	0.0	0.0
68. Loss expenses incurred (Line 3)	47,601.4	0.0	0.0	0.0	0.0
69. Other underwriting expenses incurred (Line 4)	181,653.9	0.0	0.0	0.0	0.0
70. Net underwriting gain (loss) (Line 8)	(229,200.0)	0.0	0.0	0.0	0.0
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)	2,147.7	0.0	0.0	0.0	0.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	47,646.1	0.0	0.0	0.0	0.0
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	0.2	0.0	0.0	0.0	0.0
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	0	0	186	(36,733)	14,382
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0).....	0.0	0.0	0.3	(78.3)	25.7
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	0	187	(36,547)	(22,351)	3,550
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	0.0	0.3	(77.9)	(40.0)	7.3

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

Yes [] No []

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Obsidian Insurance Company

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1 Direct and Assumed	2 Ceded	3 Net (1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	0	0	231	231	0	0	0	0	XXX
2. 2011.....	6,355	5,599	756	941	1,710	1,085	73	229	3	0	469	XXX
3. 2012.....	1,100	(1,597)	2,697	43	428	1,220	262	309	0	0	882	XXX
4. 2013.....	0	0	0	0	0	0	0	0	0	0	0	XXX
5. 2014.....	0	(3,009)	3,009	0	0	0	0	0	0	0	0	XXX
6. 2015.....	0	0	0	0	0	0	0	0	0	0	0	XXX
7. 2016.....	0	0	0	0	0	0	0	0	0	0	0	XXX
8. 2017.....	0	0	0	0	0	0	0	0	0	0	0	XXX
9. 2018.....	0	0	0	0	0	0	0	0	0	0	0	XXX
10. 2019.....	0	0	0	0	0	0	0	0	0	0	0	XXX
11. 2020.....	1	1	0	0	0	0	0	381	0	0	381	XXX
12. Totals	XXX	XXX	XXX	984	2,138	2,536	566	919	3	0	1,732	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded				Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior.....	19,460	19,460	(1,905)	(1,905)	421	421	(2,052)	(2,052)	356	356	0	0	XXX
2. 2011.....	250	250	1,252	1,252	143	143	649	649	(35)	(35)	0	0	XXX
3. 2012.....	0	0	52	52	0	0	28	28	0	0	0	0	XXX
4. 2013.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
5. 2014.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6. 2015.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
7. 2016.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8. 2017.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9. 2018.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
10. 2019.....	0	0	0	0	0	0	0	0	0	0	0	0	XXX
11. 2020.....	0	0	1	0	0	0	0	0	3	2	0	1	XXX
12. Totals	19,710	19,710	(600)	(601)	564	564	(1,375)	(1,375)	324	323	0	1	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred /Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33	Inter- Company Pooling Participation Percentage	35	36
	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	0	0	XXX	0	0
2. 2011.....	4,514	4,045	469	71.0	72.2	62.0	0	0		0	0
3. 2012.....	1,652	770	882	150.2	(48.2)	32.7	0	0		0	0
4. 2013.....	0	0	0	0.0	0.0	0.0	0	0		0	0
5. 2014.....	0	0	0	0.0	0.0	0.0	0	0		0	0
6. 2015.....	0	0	0	0.0	0.0	0.0	0	0		0	0
7. 2016.....	0	0	0	0.0	0.0	0.0	0	0		0	0
8. 2017.....	0	0	0	0.0	0.0	0.0	0	0		0	0
9. 2018.....	0	0	0	0.0	0.0	0.0	0	0		0	0
10. 2019.....	0	0	0	0.0	0.0	0.0	0	0		0	0
11. 2020.....	385	2	382	38,456.8	248.1	0.0	0	0	50.0	0	1
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	1

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 2011	2 2012	3 2013	4 2014	5 2015	6 2016	7 2017	8 2018	9 2019	10 2020	11 One Year	12 Two Year
1. Prior.....	26,125	58,990	61,903	63,528	52,695	66,744	30,030	30,538	30,539	30,539	0	1
2. 2011.....	472	471	1,121	(122)	(122)	210	191	243	243	243	0	0
3. 2012.....	XXX	52	3,045	947	947	947	947	574	573	573	0	(1)
4. 2013.....	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2014.....	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2015.....	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2016.....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1	XXX	XXX
12. Totals											0	0

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2011	2 2012	3 2013	4 2014	5 2015	6 2016	7 2017	8 2018	9 2019	10 2020		
1. Prior.....	000	4,636	9,186	14,994	18,521	23,070	25,856	30,538	30,539	30,539	XXX	XXX
2. 2011.....	51	61	(3,351)	(2,203)	(2,173)	(2,153)	(2,123)	243	243	243	XXX	XXX
3. 2012.....	XXX	(26)	(524)	(126)	232	494	494	574	573	573	XXX	XXX
4. 2013.....	XXX	XXX	0	0	0	0	0	0	0	0	XXX	XXX
5. 2014.....	XXX	XXX	XXX	0	0	0	0	0	0	0	XXX	XXX
6. 2015.....	XXX	XXX	XXX	XXX	0	0	0	0	0	0	XXX	XXX
7. 2016.....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	XXX	XXX
8. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	XXX	XXX
9. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX	XXX
10. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
11. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	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 2011	2 2012	3 2013	4 2014	5 2015	6 2016	7 2017	8 2018	9 2019	10 2020
1. Prior.....	8,457	30,049	28,568	29,055	20,810	(15,530)	(17,299)	0	0	0
2. 2011.....	229	138	2,590	2,051	2,024	2,051	2,051	0	0	0
3. 2012.....	XXX	12	1,505	80	715	454	454	0	0	0
4. 2013.....	XXX	XXX	0	0	0	0	0	0	0	0
5. 2014.....	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2015.....	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2016.....	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1

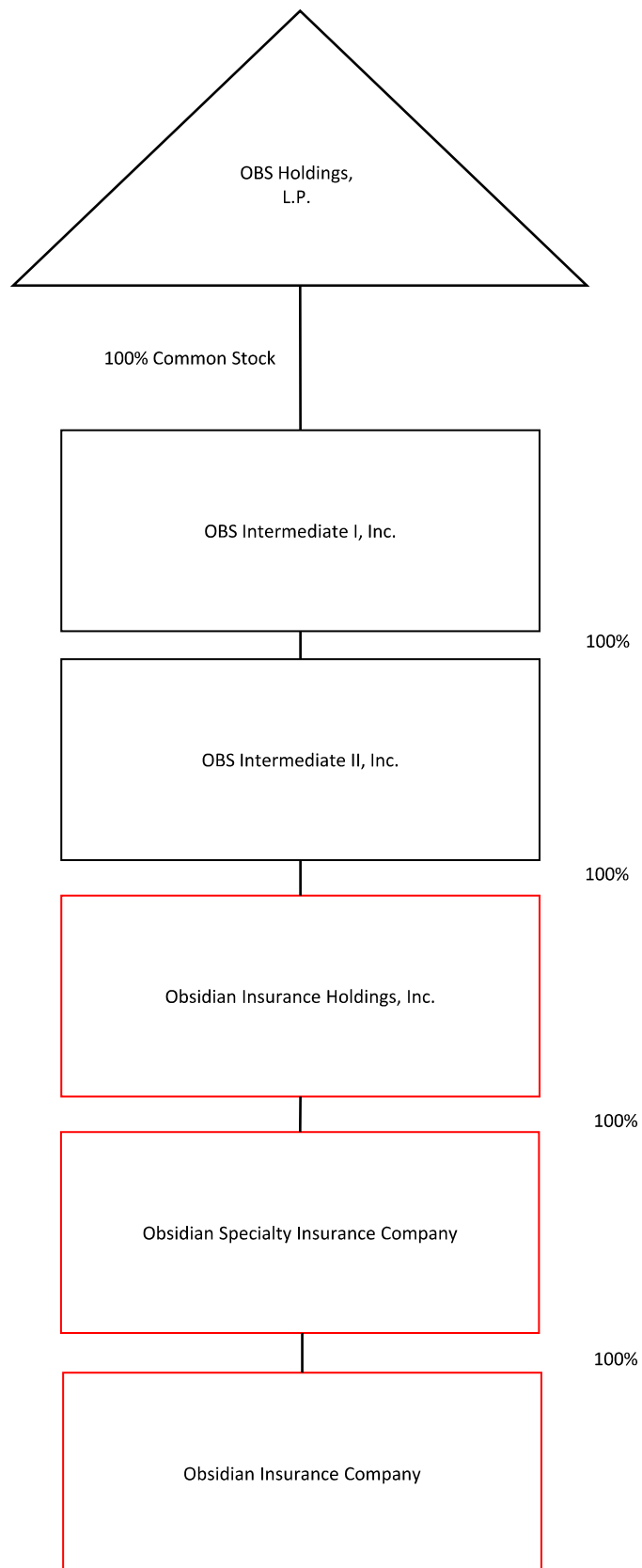
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

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 (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	N							
2. Alaska	AK	L	0	0	0	0	0		
3. Arizona	AZ	L	0	0	0	0	0		
4. Arkansas	AR	L	0	0	0	0	0		
5. California	CA	N	0	0	0	0	0		
6. Colorado	CO	L	0	0	0	0	0		
7. Connecticut	CT	N	0	0	0	0	0		
8. Delaware	DE	L	0	0	0	0	0		
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	L	0	0	0	0	0		
12. Hawaii	HI	N	0	0	0	0	0		
13. Idaho	ID	L	0	0	0	0	0		
14. Illinois	IL	L	0	0	0	0	0		
15. Indiana	IN	L	0	0	0	(704)	3,859,384		
16. Iowa	IA	L	0	0	0	0	0		
17. Kansas	KS	L	0	0	0	0	0		
18. Kentucky	KY	L	0	0	0	0	0		
19. Louisiana	LA	L							
20. Maine	ME	N							
21. Maryland	MD	L	4,776	144	0	2,909	5,069		
22. Massachusetts	MA	N	0	0	0	0	0		
23. Michigan	MI	L	0	0	0	0	0		
24. Minnesota	MN	L	0	0	0	0	0		
25. Mississippi	MS	N							
26. Missouri	MO	L	0	0	0	0	0		
27. Montana	MT	L	0	0	0	0	0		
28. Nebraska	NE	L	0	0	0	0	0		
29. Nevada	NV	L	0	0	0	0	0		
30. New Hampshire	NH	L							
31. New Jersey	NJ	E							
32. New Mexico	NM	L	0	0	0	0	0		
33. New York	NY	L	201,586	551	0	247	247		
34. North Carolina	NC	N							
35. North Dakota	ND	L	0	0	0	0	0		
36. Ohio	OH	L	0	0	0	(2,136)	15,245,738		
37. Oklahoma	OK	L	0	0	0	0	0		
38. Oregon	OR	L	0	0	0	0	0		
39. Pennsylvania	PA	L	0	0	0	0	0		
40. Rhode Island	RI	N							
41. South Carolina	SC	N							
42. South Dakota	SD	L	0	0	0	0	0		
43. Tennessee	TN	L	0	0	0	0	0		
44. Texas	TX	L	0	0	0	0	0		
45. Utah	UT	L	0	0	0	0	0		
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	L	0	0	0	0	0		
49. West Virginia	WV	L	0	0	0	0	0		
50. Wisconsin	WI	L	0	0	0	0	0		
51. Wyoming	WY	L	0	0	0	0	0		
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Totals	XXX	206,362	695	0	0	316	19,110,438	0	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Active Status Counts:
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....36 R - Registered - Non-domiciled RRGs.....0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI).....1 Q - Qualified - Qualified or accredited reinsurer.....0
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus business in the state20
lines in the state of domicile.....0
(b) Explanation of basis of allocation of premiums by states, etc.



Obsidian Structure Chart



OVERFLOW PAGE FOR WRITE-INS