
AMENDED FILING EXPLANATION

The Annual Statement as originally submitted included \$2.3m of contribution claim expense recoveries in cash clearing which was included in the cash balances reported. The time period from recording the recovery to the funds clearing took longer than anticipated and the balance is being reclassified in this amended filing as an expense recovery on the write-in line. All impacted pages have been updated to reflect the reclassification. The amount in question was collected in full prior to the filing of this amended Statement. Please note that the Company's previously reported total assets, liabilities , income, and surplus remain unchanged



ANNUAL STATEMENT

For the Year Ended December 31, 2021
of the Condition and Affairs of the

TRANSPORT INSURANCE COMPANY

NAIC Group Code..... 4234, 4234
(Current Period) (Prior Period)

NAIC Company Code..... 33014

Employer's ID Number..... 75-0784127

Organized under the Laws of OH

State of Domicile or Port of Entry OH

Country of Domicile US

Incorporated/Organized..... May 25, 1976

Commenced Business..... June 2, 1976

Statutory Home Office

Cogency Global (Registered Agent) 3958-D Brown Park Drive .. Hillard .. OH
.. US .. 43026
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office

Two Logan Square, Suite 600 .. Philadelphia .. PA .. US .. 19103
(Street and Number) (City or Town, State, Country and Zip Code)

267-675-3348
(Area Code) (Telephone Number)

Mail Address

Two Logan Square, Suite 600 .. Philadelphia .. PA .. US .. 19103
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records

Two Logan Square, Suite 600 .. Philadelphia .. PA .. US .. 19103
(Street and Number) (City or Town, State, Country and Zip Code)

267-675-3348
(Area Code) (Telephone Number)

Internet Web Site Address

Statutory Statement Contact

Desiree Rose Mecca
(Name)

267-675-3348
(Area Code) (Telephone Number) (Extension)

Desiree.Mecca@rqih.com
(E-Mail Address)

267-675-3340
(Fax Number)

OFFICERS

Name	Title	Name	Title
1. John William Fischer #	President	2. Kenneth Michael Portner	Secretary
3. Desiree Rose Mecca	Treasurer	4.	

OTHER

DIRECTORS OR TRUSTEES

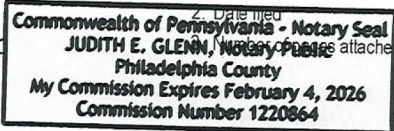
John William Fischer	Gerald James Caldwell	Marney Nolan Emel	Christopher William Reichow
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State of..... Pennsylvania
County of..... Philadelphia

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

(Signature)	(Signature)	(Signature)
John William Fischer	Kenneth Michael Portner	Desiree Rose Mecca
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 14 day of April 2022



a. Is this an original filing?
b. If no 1. State the amendment number

Yes [] No [X]

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4/14/2022
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TRANSPORT INSURANCE COMPANY
ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	16,475,485		16,475,485	17,574,476
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....5,604,723, Schedule E-Part 1), cash equivalents (\$.....82,093, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	5,686,816		5,686,816	1,330,680
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	22,162,301	0	22,162,301	18,905,156
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	57,316		57,316	50,087
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	2,268,181		2,268,181	8,173,414
16.2 Funds held by or deposited with reinsured companies.....	17,545		17,545	17,545
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	4,936,122	4,936,122	0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	2,000,000		2,000,000	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	2,348,826	48,826	2,300,000	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	33,790,292	4,984,948	28,805,344	27,146,202
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	33,790,292	4,984,948	28,805,344	27,146,202

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Prepaid Asset -Insurance.....	48,826	48,826	0	
2502. Expense Recovery	2,300,000		2,300,000	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	2,348,826	48,826	2,300,000	0

TRANSPORT INSURANCE COMPANY
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	.....	.....14
2. Net investment income.....	.....142,439	.....294,361
3. Miscellaneous income.....	.....2,265,449	.....535,510
4. Total (Lines 1 through 3).....	.....2,407,888	.....829,885
5. Benefit and loss related payments.....	.....(4,191,627)	.....949,346
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	.....	.....
7. Commissions, expenses paid and aggregate write-ins for deductions.....	.....9,565,135	.....5,204,504
8. Dividends paid to policyholders.....	.....	.....
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	.....(451,602)	.....(428,351)
10. Total (Lines 5 through 9).....	.....4,921,906	.....5,725,500
11. Net cash from operations (Line 4 minus Line 10).....	.....(2,514,018)	.....(4,895,614)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	.....14,199,535	.....19,183,936
12.2 Stocks.....	.....	.....
12.3 Mortgage loans.....	.....	.....
12.4 Real estate.....	.....	.....
12.5 Other invested assets.....	.....	.....
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	.....25	.....6,867
12.7 Miscellaneous proceeds.....	.....20,188	.....
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	.....14,219,749	.....19,190,803
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	.....13,097,852	.....19,969,495
13.2 Stocks.....	.....	.....
13.3 Mortgage loans.....	.....	.....
13.4 Real estate.....	.....	.....
13.5 Other invested assets.....	.....	.....
13.6 Miscellaneous applications.....	.....	.....75,000
13.7 Total investments acquired (Lines 13.1 to 13.6).....	.....13,097,852	.....20,044,495
14. Net increase (decrease) in contract loans and premium notes.....	.....	.....
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	.....1,121,897	.....(853,692)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	.....	.....
16.2 Capital and paid in surplus, less treasury stock.....	.....6,800,000	.....1
16.3 Borrowed funds.....	.....	.....
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	.....	.....
16.5 Dividends to stockholders.....	.....	.....
16.6 Other cash provided (applied).....	.....(1,051,743)	.....2,992,714
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	.....5,748,258	.....2,992,714
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).....	.....4,356,136	.....(2,756,592)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	.....1,330,680	.....4,087,272
19.2 End of year (Line 18 plus Line 19.1).....	.....5,686,816	.....1,330,680

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

20.0001
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NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

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

On October 14 2021, the Ohio Department of Insurance granted a premitted practice allowing the Company to discount Loss and LAE (excluding A&O/ULAE) reserves on a non-tabular basis at a rate of 3% on the Workers' Compensation line of business only to continue until the Department instructs otherwise. On Februray 8, 2022, the Ohio Department of Insurance granted a premitted practice allowing the Company to discount Loss and LAE (excluding A&O/ULAE) reserves on a non-tabular basis at a rate of 3% on all lines of business, other than Workers' Compensation to continue untl July 1, 2022. The change to full discounting was implemented during the 4th quarter 2021.

Below is a reconciliation of the Company's income statement and statutory surplus between practices permitted by the State (Annual Statement) and NAIC SSAP:

	SSAP #	F/S Page	F/S Line #	2021	2020
NET INCOME					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ (8,600,278)	\$ (2,088,183)
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
Discount of non-tabular Loss Reserves & ALAE Reserves (excluding A&O/ULAE) - Workers' Compensation	65	4	2	\$ 1,202,000	\$
Discount of non-tabular Loss Reserves & ALAE Reserves (excluding A&O/ULAE) - All Other	65	4	2	\$ 5,758,000	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ (15,560,278)	\$ (2,088,183)
SURPLUS					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 5,332,156	\$ 6,710,802
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				\$	\$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
Discount of non-tabular Loss Reserves & ALAE Reserves (excluding A&O/ULAE) - Workers' Compensation	65	3	1	\$ 1,202,000	\$
Discount of non-tabular Loss Reserves & ALAE Reserves (excluding A&O/ULAE) - All Other	65	3	1	\$ 5,758,000	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ (1,627,844)	\$ 6,710,802

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

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

C. Accounting Policy

- (1) Basis for Short-Term Investments
Short term investments are stated at fair value, which approximates cost.
- (2) Basis for Bonds and Amortization Schedule
Bonds (NAIC designations 1 & 2) are stated at amortized cost using the effective interest method. Bonds designated 3 to 6 are carried at the lower of amortized cost or fair value.
- (3) Basis for Common Stocks
Common stocks are stated at market.
- (4) Basis for Preferred Stocks
Not Applicable
- (5) Basis for Mortgage Loans
Not Applicable
- (6) Basis for Loan-Backed Securities and Adjustment Methodology
Loan backed securities are stated at amortized cost or the lower of amortized cost or fair market value, using the interest method. The retrospective method is used to value all securities except for interest only securities, which are valued using the prospective method.
- (7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities
Not Applicable
- (8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities
Not Applicable
- (9) Accounting Policies for Derivatives
Not Applicable

NOTES TO FINANCIAL STATEMENTS

- (10) Anticipated Investment Income Used in Premium Deficiency Calculation
Not Applicable
- (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. There are various methods used to estimate reserves and due to the general volatility, judgement is applied within our methods and selections. 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 are continually reviewed and any adjustments are reflected in the period determined.
- (12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period
Not Applicable
- (13) Method Used to Estimate Pharmaceutical Rebate Receivables
Not Applicable

D. Going Concern

During 2021, the Company lost an arbitration pursuing a reinsurance recoverable of approximately \$2m and agreed to a material settlement with a claimant related to legal defenses associated with an ongoing environmental claim. These two events had cash and capital implications not considered in earlier going concern analyses.

The impact of those events in combination with the Company's annual reserve review resulted in a surplus strain. Management has met with the Ohio Department of Insurance and developed a plan that alleviates the substantial doubt about the Company's ability to continue as a going concern. This analysis and plan are based upon what management believes are reasonable assumptions. Actual results and future events could differ materially from the assumptions and the Company's going concern status will continue to be evaluated.

Note 2 – Accounting Changes and Corrections of Errors

Change in Accounting Estimate

On October 14 2021, the Ohio Department of Insurance granted a permitted practice allowing the Company to discount Loss and LAE (excluding A&O/ULAE) reserves on a non-tabular basis at a rate of 3% on the Workers' Compensation line of business only to continue until the Department instructs otherwise. On February 8, 2022, the Ohio Department of Insurance granted a permitted practice allowing the Company to discount Loss and LAE (excluding A&O/ULAE) reserves on a non-tabular basis at a rate of 3% on all lines of business, other than Workers' Compensation to continue until July 1, 2022. The change to full discounting was implemented during the 4th quarter 2021.

Note 3 – Business Combinations and Goodwill

- A. Statutory Purchase Method
Not Applicable
- B. Statutory Merger
Not Applicable
- C. Impairment Loss
Not Applicable

Note 4 – Discontinued Operations

- A. Discontinued Operation Disposed of or Classified as Held for Sale
Not Applicable
- B. Change in Plan of Sale of Discontinued Operation
Not Applicable
- C. Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal
Not Applicable
- D. Equity Interest Retained in the Discontinued Operation After Disposal
Not Applicable

Note 5 – Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans
Not Applicable
- B. Debt Restructuring
Not Applicable

NOTES TO FINANCIAL STATEMENTS

- C. Reverse Mortgages

Not Applicable
- D. Loan-Backed Securities

(1) Description of Sources Used to Determine Prepayment Assumptions
Not Applicable

(2) Other-Than-Temporary Impairments
Not Applicable

(3) Recognized OTTI Securities
Not Applicable

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

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$	10,347
	2. 12 Months or Longer	\$	383
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$	1,309,318
	2. 12 Months or Longer	\$	40,141

(5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary
Not Applicable
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Not Applicable
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transaction – Cash Taker – Overview of Secured Borrowing Transactions

Not Applicable
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

Not Applicable
- H. Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Taker – Overview of Sale Transactions

Not Applicable
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Provider – Overview of Sale Transactions

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 (S/A) 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	\$	\$	\$	\$	\$	\$	\$
Lanot5							
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							

NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)
	Current Year						
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Cell Account (S/A) Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)		
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states	5,256,156				5,256,156	5,253,507	2,650
k. On deposit with other regulatory bodies							
l. Pledged as 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	\$ 5,256,156	\$	\$	\$	\$ 5,256,156	\$ 5,253,507	\$ 2,650

Restricted Asset Category	Current Year			
	8 Total Nonadmitted Restricted	9 Total Admitted Restricted (5 minus 8)	Percentage	
			10	11
			Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$	\$	%	%
b. Collateral held under security lending arrangements			%	%
c. Subject to repurchase agreements			%	%
d. Subject to reverse repurchase agreements			%	%
e. Subject to dollar repurchase agreements			%	%
f. Subject to dollar reverse repurchase agreements			%	%
g. Placed under option contracts			%	%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock			%	%
i. FHLB capital stock			%	%
j. On deposit with states		5,256,156	15.6%	18.2%
k. On deposit with other regulatory bodies			%	%
l. Pledged as 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	\$	\$ 5,256,156	15.6%	18.2%

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Column 5 divided by Asset Page, Column 1, Line 28
- (d) Column 9 divided by Asset Page, Column 3, Line 28

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

Description of Assets	Gross (Admitted & Nonadmitted) Restricted							8 Total Current Year Admitted Restricted	Percentage	
	Current Year					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)		9 Gross (Admitted & Nonadmitted) Restricted to Total Assets	10 Admitted Restricted to Total Admitted Assets
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting Protected Cell Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Assets Supporting G/A Activity (b)	Total (1 plus 3)					
	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Total (c)	\$	\$	\$	\$	\$	\$	\$	\$	%	%

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Total Line for Columns 1 through 7 should equal 5L(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5L(1)m Columns 9 through 11 respectively.

- (3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

Not Applicable

NOTES TO FINANCIAL STATEMENTS

- M.

Working Capital Finance Investments

Not Applicable
- N.

Offsetting and Netting of Assets and Liabilities

Not Applicable
- O.

5GI Securities

Not Applicable
- .

Short Sales

Not Applicable
- Q.

Prepayment Penalty and Acceleration Fees

Not Applicable
- R.

Reporting Entity's Share of Cash Pool by Asset Type

Not Applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

- A.

Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership

Not Applicable
- B.

Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable

Note 7 – Investment Income

- A.

The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:

The Company does non admit investment income due & accrued if amounts are over 90 days past due.
- B.

The total amount excluded:

Not Applicable

Note 8 – Derivative Instruments

Not Applicable

Note 9 – Income Taxes

- A.

Deferred Tax Assets/(Liabilities)

1. Components of Net Deferred Tax Asset/(Liability)

	2021			2020			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	\$ 4,937,550	\$	\$ 4,937,550	\$ 2,141,365	\$	\$ 2,141,365	\$ 2,796,185	\$	\$ 2,796,185
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 4,937,550	\$	\$ 4,937,550	\$ 2,141,365	\$	\$ 2,141,365	\$ 2,796,185	\$	\$ 2,796,185
d. Deferred tax assets nonadmitted	4,936,122		4,936,122	2,139,000		2,139,000	2,797,122		2,797,122
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 1,428	\$	\$ 1,428	\$ 2,365	\$	\$ 2,365	\$ (937)	\$	\$ (937)
f. Deferred tax liabilities	1,428		1,428	2,365		2,365	(937)		(937)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$	\$	\$	\$	\$	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components SSAP No. 101

	2021			2020			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. 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									
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	1,428		1,428	2,364		2,364	(936)		(936)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 1,428	\$	\$ 1,428	\$ 2,364	\$	\$ 2,364	\$ (936)	\$	\$ (936)

3. Other Admissibility Criteria

	2021	2020
a. Ratio percentage used to determine recovery period and threshold limitation amount	100.0%	100.0%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 5,332,156	\$ 6,510,732

4. 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.

	2021		2020		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 4,937,550	\$	\$ 2,141,365	\$	\$ 2,796,185	\$
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 1,428	\$	\$ 2,365	\$	\$ (937)	\$
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

(b) Does the company's tax planning strategies include the use of reinsurance? NO

NOTES TO FINANCIAL STATEMENTS

B. Deferred Tax Liabilities Not Recognized

Not Applicable

C. Current and Deferred Income Taxes

1. Current Income Tax

	1	2	3
	2021	2020	(Col 1-2) Change
a. Federal	\$	\$	\$
b. Foreign	\$	\$	\$
c. Subtotal	\$	\$	\$
d. Federal income tax on net capital gains	\$	\$	\$
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$ (451,602)	\$ (428,351)	\$ (23,251)
g. Federal and Foreign income taxes incurred	\$ (451,602)	\$ (428,351)	\$ (23,251)

2. Deferred Tax Assets

	1	2	3
	2021	2020	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 1,033,164	\$ 103,517	\$ 929,647
2. Unearned premium reserve			
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	10,464	210	10,254
11. Net operating loss carry-forward	2,905,934	1,941,379	964,555
12. Tax credit carry-forward			
13. Other (items <=5% and >5% of total ordinary tax assets)	987,988	96,259	891,729
Other (items listed individually >5%of total ordinary tax assets)			
99. Subtotal	\$ 4,937,550	\$ 2,141,365	\$ 2,796,185
b. Statutory valuation allowance adjustment			
c. Nonadmitted	4,936,122	2,139,000	2,797,122
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 1,428	\$ 2,365	\$ (937)
e. Capital:			
1. Investments	\$	\$	\$
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <=5% and >5% of total capital tax assets)			
Other (items listed individually >5% of total capital 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)	\$ 1,428	\$ 2,365	\$ (937)

3. Deferred Tax Liabilities

	1	2	3
	2021	2020	(Col 1-2) Change
a. Ordinary:			
1. Investments	\$	\$	\$
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)	1,428	2,365	(937)
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	\$ 1,428	\$ 2,365	\$ (937)
b. Capital:			
1. Investments	\$	\$	\$
2. Real estate			
3. Other (Items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	\$	\$	\$
c. Deferred tax liabilities (3a99+3b99)	\$ 1,428	\$ 2,365	\$ (937)
4. Net Deferred Tax Assets/Liabilities (2i – 3c)	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

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

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	\$ (2,249,553)	21.0%
Change in nonadmitted assets	(10,254)	0.1%
Proration of tax exempt investment income		%
Tax exempt income deduction		%
Dividends received deduction		%
Disallowed travel and entertainment	1,544	%
Other permanent differences	(980,206)	9.2%
Other:		
Statutory valuation allowance adjustment		%
Accrual adjustment		%
Other		%
Totals	(3,238,469)	30.2%
Federal and foreign income taxes incurred	\$ (451,602)	4.2%
Realized capital gains (losses) tax		%
Change in net deferred income taxes	(2,786,867)	26.0%
Total statutory income taxes	(3,238,469)	30.2%

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

1. The amounts, origination dates and expiration dates of operating loss and tax credit carry forwards available for tax purposes:

Description (Operating Loss or Tax Credit Carry Forward)	Amounts	Origination Dates	Expiration Dates
Operating Loss	\$981,034	December 31, 2017	December 31, 2037
Operating Loss	\$1,691,474	December 31, 2018	December 31, 2038
Operating Loss	\$1,298,578	December 31, 2019	December 31, 2039
Operating Loss	\$2,850,707	December 31, 2020	December 31, 2040
Operating Loss	\$7,015,986	December 31, 2021	December 31, 2041

2. The following is income tax expense for current year and proceeding years that is available for recoupment in the event of future net losses:

Year	Amounts
2021	\$0.00

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code
The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code

F. Consolidated Federal Income Tax Return

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

Randall & Quilter America Holdings Inc
R&Q Solutions LLC
R&Q Quest PCC, LLC
Excess and Treaty Management Corporation
R&Q Services Holding Inc.
Accredited America Insurance Holdings Corporation
Accredited Surety & Casualty Company, Inc.
Accredited Specialty Insurance Company
Accredited Bond Agencies, Inc.
Accredited Group Agency, Inc.
R&Q Healthcare Interest, LLC
Randall & Quilter Healthcare Holdings, Inc.
Transport Insurance Company
R&Q Reinsurance Company
R&Q RI Insurance Company
ICDC, Ltd.
Global Reinsurance Corporation of America
Global US Holdings, Inc.
Grafton US Holdings
Risk Transfer Underwriting Inc.
National Legacy Insurance Company

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

Randall & Quilter America Holdings Inc. maintains a tax sharing agreement with its subsidiaries, approved by the Board of Directors, whereby allocation of the tax liability is made primarily on a separate return basis, with current credit given for net losses utilized in the consolidated return.

The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return.

G. Federal or Foreign Federal Income Tax Loss Contingencies:

In 2021, the amount is minimal.

H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA

Not Applicable

NOTES TO FINANCIAL STATEMENTS

I. Alternative Minimum Tax Credit
Was the AMT Credit recognized as a current year recoverable or Deferred Tax Asset (DTA)?

Not Applicable

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

A. Nature of the Relationship Involved

The Company is a direct 100% owned subsidiary of Randall & Quilter America Holdings Inc. which in turn is a wholly-owned subsidiary of Randall & Quilter Investment Holdings Ltd. See Schedule Y, Part 1, Organizational Chart.

B. Transactions

As of December 31, 2021, the Company recorded year-to-date total capital contributions from its parent of \$6.8m. In December 2021, the Company recorded a \$2m capital contribution as an approved Type I subsequent event. The related receivable was settled on February 23, 2022.

C. Transactions with Related Parties who are not Reported on Schedule Y

Not Applicable

D. Amounts Due From or To Related Parties

As of December 31, 2021, the Company has the following amounts due from (to) related parties:

R&Q America Holdings Inc (settled 2/23/2022)	\$	2,000,000
R&Q Solutions LLC		(104,531)
R&Q Central Services Limited		(83,702)
Total Net Receivable (Payable)	\$	1,811,767

E. Material Management or Service Contracts and Cost-Sharing Arrangements

None

F. Guarantees or Undertakings

Not Applicable

G. Nature of the Control Relationship

The Company is a wholly owned subsidiary of Randall & Quilter America Holdings, Inc. which in turn is a wholly-owned subsidiary of Randall & Quilter Investment Holdings Ltd. See Schedule Y, Part 1, Organizational Chart.

H. Amount Deducted from the Value of 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

A. Debt, Including Capital Notes

Not Applicable

NOTES TO FINANCIAL STATEMENTS

B. FHLB (Federal Home Loan Bank) Agreements

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. Investment Policies and Strategies

Not Applicable

C. Fair Value of Plan Assets

Not Applicable

D. Basis Used to Determine Expected Long-Term Rate-of-Return

Not Applicable

E. Defined Contribution Plans

Not Applicable

F. Multiemployer Plans

Not Applicable

G. Consolidated/Holding Company Plans

Not Applicable

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, Shareholder’s Dividend Restrictions and Quasi-Reorganizations

A. Number of Share and Par or State Value of Each Class

The Company has 2,350,000 shares of common stock authorized, issued and outstanding with a par value of \$1.50.

B. Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues

The Company has no preferred stock outstanding.

C. Dividend Restrictions

The maximum amount of dividends or distributions which may be paid to stockholders by property/casualty insurance companies domiciled in the State of Ohio without (i) prior approval or (ii) expiration of a 30 day waiting period without disapproval of the Insurance Commissioner is the greater of net income or 10% of policyholders’ surplus as of the preceding December 31, but only to the extent of earned surplus as of the preceding December 31. The maximum amount of ordinary dividends or distributions which were be paid in 2021 based on earned surplus as of the preceding December 31 is \$0.

D. Dates and Amounts of Dividends Paid

Not Applicable

E. Profits that may be Paid as Ordinary Dividends to Stockholders

Not Applicable

F. Restrictions Placed on Unassigned Funds (Surplus)

Not Applicable

G. Amount of Advances to Surplus not Repaid

Not Applicable

H. Amount of Stock Held for Special Purposes

Not Applicable

I. Reasons for Changes in Balance of Special Surplus Funds from Prior Period

Not Applicable

NOTES TO FINANCIAL STATEMENTS

- J.

The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$363,398.
- K.

The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations

Not Applicable
- L.

The impact of any restatement due to prior quasi-reorganizations is as follows

Not Applicable
- M.

Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization

Not Applicable

Note 14 – Liabilities, Contingencies and Assessments

- A.

Contingent Commitments

The Company has no commitments or contingent commitments to an SCA entity, joint venture, partnership or limited liability company (e.g. guarantees or commitments to provide additional capital contributions).
- B.

Assessments

The Company receives notifications of insolvency of a number of insurance companies. It is expected that these insolvencies may result in guaranty fund assessments against the Company at some future date. The Company's management believes that future guaranty assessments will not have a material effect on the financial position or results of operations of the Company.
- C.

Gain Contingencies

Not Applicable
- D.

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

None
- E.

Product Warranties

Not Applicable
- F.

Joint and Several Liabilities

Not Applicable
- G.

All Other Contingencies

Not Applicable.

Note 15 – Leases

- A.-B.

Not Applicable

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

- 1.-4.

Not Applicable

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

- A.

Transfers of Receivables Reported as Sales

Not Applicable
- B.

Transfer and Servicing of Financial Assets

Not Applicable
- C.

Wash Sales

Not Applicable

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

- A.-C.

Not Applicable

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

- Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 20 – Fair Value Measurements

A. Fair Value Measurements

(1) Fair Value Measurements at Reporting Date

Description for Each Type of Asset or Liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
Assets at Fair Value					
Exempt MM Mutual Fund	\$ 127	\$	\$	\$	\$ 127
Other MM Mutual Fund	\$ 61,937	\$	\$	\$	\$ 61,937
Total	\$ 62,064	\$	\$	\$	\$ 62,064
Liabilities at Fair Value					
	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

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

Not Applicable

(3) Policies when Transfers Between Levels are Recognized

Not Applicable

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

Not Applicable

(5) Fair Value Disclosures

Not Applicable

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

Not Applicable

C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 16,385,902	\$ 16,475,485	\$ 5,193,123	\$ 11,192,779	\$	\$	\$
Cash, cash equivalents and short term	\$ 5,686,811	\$ 5,686,816	\$ 5,686,811	\$	\$	\$	\$
Total:	\$ 22,072,713	\$ 22,162,301	\$ 10,879,934	\$ 11,192,779	\$	\$	\$

D. Not Practicable to Estimate Fair Value

Not Applicable

E. NAV Practical Expedient Investments

Not Applicable

Note 21 – Other Items

A. Unusual or Infrequent Items

On October 14 2021, the Ohio Department of Insurance granted a permitted practice allowing the Company to discount Loss and LAE (excluding A&O/ULAE) reserves on a non-tabular basis at a rate of 3% on the Workers' Compensation line of business only to continue until the Department instructs otherwise. On Februray 8, 2022, the Ohio Department of Insurance granted a permitted practice allowing the Company to discount Loss and LAE (excluding A&O/ULAE) reserves on a non-tabular basis at a rate of 3% on all lines of business, other than Workers' Compensation to continue unitl July 1, 2022. The change to full discounting was implemented during the 4th quarter 2021.

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

NOTES TO FINANCIAL STATEMENTS

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

On February 8, 2022, the Ohio Department of Insurance granted a permitted practice allowing the Company to discount Loss and LAE (excluding A&O/ULAE) reserves on a non-tabular basis at a rate of 3% on all lines of business, other than Workers' Compensation to continue until July 1, 2022. The change to full discounting was implemented during the 4th quarter 2021.

During the period after December 31, 2021, and prior to the filing of this statement, the Company sought approval from the Ohio Department of Insurance for a Type I subsequent event. The Company was granted approval to treat a receivable for a capital infusion of \$2m as an admitted asset and as an increase to gross paid and contributed surplus. This request was approved on February 25, 2022 and the related receivable was settled on February 23, 2022

Subsequent events have been considered through February 25, 2022, for these statutory financials which are to be issued on March 1, 2022.

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

Individual Reinsurers Who Are Not Members of a Group

FEIN	Reinsurer Name	Unsecured Amount
95-2769926	ASSOCIATED INTERNATIONAL (AIIC)	\$ 5,301
31-0908652	CONSTELLATION REINS CO	\$ 573
AA-1120495	DOMINION INS CO LTD	\$ 170
AA-9995022	EXCESS AND CASUALTY REINSURANCE ASSOCIAT	\$ 163
74-1280541	FAIRMONT SPECIALTY INSURANCE COMPANY	\$ 175
AA-1121480	UNIONAMERICA INSURANCE COMPANY LTD	\$ 287
	TOTAL	\$ 6,670

Individual Reinsurers Who Are Members of a Group

Group Code	FEIN	Reinsurer Name	Unsecured Amount
215	34-0927698	INFINITY AUTO INSURANCE COMPANY	\$ 6,503
		TOTAL	\$ 6,503

All Members of the Groups Shown Above with Unsecured Reinsurance Recoverables

Group Code	FEIN	Reinsurer Name	Unsecured Amount
	95-2769926	ASSOCIATED INTERNATIONAL (AIIC)	\$ 5,301
	31-0908652	CONSTELLATION REINS CO	\$ 573
	AA-1120495	DOMINION INS CO LTD	\$ 170
	AA-9995022	EXCESS AND CASUALTY REINSURANCE ASSOCIAT	\$ 163
	74-1280541	FAIRMONT SPECIALTY INSURANCE COMPANY	\$ 175
215	34-0927698	INFINITY AUTO INSURANCE COMPANY	\$ 6,503
	AA-1121480	UNIONAMERICA INSURANCE COMPANY LTD	\$ 287
		TOTAL	\$ 13,173

B. Reinsurance Recoverable in Dispute

Name of Reinsurer	Total Amount in Dispute (Including IBNR)	Notification	Arbitration	Litigation
AIOI NISSAY DOWA INS CO	\$ (8)	\$ (8)	\$	\$
AL AHLEIA INS CO SAK	\$ 18	\$ 18	\$	\$
AMERICAN ALTERNATIVE	\$ 54	\$ 54	\$	\$
AMERICAN BANKERS INSURANCE COMPANY OF FL	\$ 10	\$ 10	\$	\$
AMERICAN STATES INS CO	\$ 8	\$ 8	\$	\$
ARGONAUT INSURANCE CO	\$ 22	\$ 22	\$	\$
ARROWOOD INDEMNITY COMPANY	\$ 7	\$ 7	\$	\$
ASSOCIATED INTERNATIONAL (AIIC)	\$ 21	\$ 21	\$	\$
AVIVA ASSURANCES	\$ 36	\$ 36	\$	\$
AXA VERSICHERUNGEN AG	\$ 178	\$ 178	\$	\$
BRITAMCO	\$ (28)	\$ (28)	\$	\$
CHAPARRAL INTL INC	\$ 72	\$ 72	\$	\$
COLISEE RE	\$ 10	\$ 10	\$	\$
CONSTELLATION REINS CO	\$ 194	\$ 194	\$	\$
COPENHAGEN REINS CO LTD	\$ 97	\$ 97	\$	\$
DOMINION INS CO LTD	\$ 49	\$ 49	\$	\$
DORINCO REINSURANCE CO	\$ 130	\$ 130	\$	\$
EXCESS AND CASUALTY REINSURANCE ASSOCIAT	\$ 254	\$ 254	\$	\$
EXCESS INSURANCE CO LTD	\$ 54	\$ 54	\$	\$
FACTORY MUTUAL INSURANCE CO	\$ (11)	\$ (11)	\$	\$
FAIRMONT SPECIALTY INSURANCE CO	\$ 1	\$ 1	\$	\$
FARMERS GROUP PROPERTY & CASUALTY INSURA	\$ 9	\$ 9	\$	\$
FEDERAL INS CO	\$	\$	\$	\$
GENERAL SECURITY NATIONAL INS CO	\$ 34	\$ 34	\$	\$
GENERAL STAR NATIONAL INSURANCE COMPANY	\$ 14	\$ 14	\$	\$
GENERALI - US BRANCH	\$ 1	\$ 1	\$	\$
GJENSIDGE FORSIKRING ASA	\$ 6	\$ 6	\$	\$

NOTES TO FINANCIAL STATEMENTS

Name of Reinsurer	Total Amount in Dispute (Including IBNR)	Notification	Arbitration	Litigation
GREAT AMERICAN INS CO	\$	\$	\$	\$
HARPER VERSICHERUNGS AG	\$ 373	\$ 373	\$	\$
INSURANCE CO LTD / INSCO	\$ 33	\$ 33	\$	\$
LANDSCHAFTICHE BRANDKASSE HANNOVER	\$ 44	\$ 44	\$	\$
LANSFORSAKRINGAR SAK FORSAKRINGSAKTIEBOL	\$ 6	\$ 6	\$	\$
LEGAL AND GENERAL ASSURANCE SOCIETY LIMI	\$ 6	\$ 6	\$	\$
LIBERTY MUTUAL INSURANCE EUROPE	\$ 4	\$ 4	\$	\$
LLOYDS OF LONDON / EQUITAS	\$ (415)	\$	\$ (415)	\$
LONDON & EDINBURGH INS CO LTD	\$ 7	\$ 7	\$	\$
mitsui sumitomo ins co of america	\$ 6	\$ 6	\$	\$
MUNICH REINSURANCE AMERICA INC	\$ 93	\$ 93	\$	\$
NATIONAL CASUALTY COMPANY	\$ 72	\$ 72	\$	\$
NATIONAL INDEMNITY CO	\$ (4)	\$ (4)	\$	\$
NEW ENGLAND REINSURANCE CORPORATION	\$ (8)	\$ (8)	\$	\$
OAKWOOD INSURANCE COMPANY	\$ 20	\$ 20	\$	\$
OVERSEAS UNION INS LTD	\$ 11	\$ 11	\$	\$
PACIFIC RE	\$ 25	\$ 25	\$	\$
PEERLESS INDEMNITY ASSURANCE COMPANY	\$ 3	\$ 3	\$	\$
POHJOLA GROUP PLC	\$ 6	\$ 6	\$	\$
PROVINZIAL RHEINLAND HOLDING	\$ 5	\$ 5	\$	\$
RIVERSTONE INSURANCE (UK) LIMITED	\$ 6	\$ 6	\$	\$
SECURITAS BREMER ALLEGEINE	\$ 10	\$ 10	\$	\$
SPARKASSEN VERSHICHERUNG ALLGEMEINE	\$	\$	\$	\$
SPRE LIMITED	\$ 99	\$ 99	\$	\$
ST PAUL FIRE AND MARINE INS CO	\$ 3	\$ 3	\$	\$
STARR INDEMNITY & LIABILITY COMPANY	\$ 17	\$ 17	\$	\$
SWISS REINSURANCE AMERICA CORP	\$ 9	\$ 9	\$	\$
TENECOM LIMITED	\$ 15	\$ 15	\$	\$
TIG INSURANCE CO	\$ (43)	\$ (43)	\$	\$
TOKIO MARINE AMERICA INSURANCE COMPANY	\$ 12	\$ 12	\$	\$
TORONTO GEN INS CO	\$ 12	\$ 12	\$	\$
UNIONAMERICA INSURANCE COMPANY LTD	\$ 233	\$ 233	\$	\$
UNIPOLSAI ASSICURAZIONI S.P.A.	\$ 21	\$ 21	\$	\$
UNITRIN PREFERRED INSURANCE COMPANY	\$ 75	\$ 75	\$	\$
URSA	\$ 6	\$ 6	\$	\$
WESTPORT INSURANCE CORPORATION	\$ 1	\$ 1	\$	\$
XL REINSURANCE AMERICA INC	\$ 19	\$ 19	\$	\$
Grand Total	\$ 2,018	\$ 2,433	\$ (415)	\$

C. Reinsurance Assumed and Ceded - Not Applicable

D. Uncollectible Reinsurance

(1) The Company has written off in the current year reinsurance balances due (from the companies listed below) in the amount of \$3,169,745 which is reflected as:

a. Losses incurred	\$ 759,744
b. Loss adjustment expenses incurred	\$ 2,410,001
c. Premiums earned	\$
d. Other	\$
e. Company	Amount
Allstate Insurance Company	\$ 609
Associated International (AIIC)	\$ 1,886
CX Reinsurance Company Ltd	\$ (3)
Factory Mutual Insurance Company	\$ (1,313)
Fairmont Specialty Insurance Company	\$ 27,678
Generali - US Branch	\$ 54,027
Guarantee Insurance Company	\$ 196,078
Home Insurance Company	\$ 876,997
ICM Insurance Company	\$ 16,352
Lloyds / Equitas	\$ 1,872,801
National Casualty Company	\$ (234)
New England Reinsurance Corp	\$ 6,086
Sparkassen Versicherung Allgemeine	\$ 3,753
Swiss Reinsurance America Corp	\$ 91,716
TIG Insurance Company	\$ 3,816
Westport Insurance Corp	\$ 19,496
TOTAL	\$ 3,169,745

E. Commutation of Ceded Reinsurance

Not Applicable

NOTES TO FINANCIAL STATEMENTS

F. Retroactive Reinsurance

(1) Retroactive Reinsurance Agreements

		Reported Company	
		Assumed	Ceded
a.	Reserves Transferred		
1.	Initial Reserves	\$	\$ 94,236,970
2.	Adjustments – Prior Year(s)		25,763,030
3.	Adjustments – Current Year		
4.	Current Total	\$	\$ 120,000,000
b.	Consideration Paid or Received:		
1.	Initial Consideration	\$	\$ (93,000,000)
2.	Adjustments – Prior Year(s)		
3.	Adjustments – Current Year		
4.	Current Total	\$	\$ (93,000,000)
c.	Paid Losses Reimbursed or Recovered:		
1.	Prior Year(s)	\$	\$ 107,416,888
2.	Current Year		5,412,491
3.	Current Total	\$	\$ 112,829,379
d.	Special Surplus from Retroactive Reinsurance:		
1.	Initial Surplus Gain or Loss	\$	\$ 1,236,970
2.	Adjustments – Prior Year(s)		25,763,030
3.	Adjustments – Current Year		
4.	Current Year Restricted Surplus		
5.	Cumulative Total Transferred to Unassigned Funds	\$	\$ (27,000,000)

e. All Cedents and Reinsurers Involved in all Transactions Included in Summary Total Above		
Company	Assumed Amount	Ceded Amount
National Indemnity Company NAIC #20087	\$	\$ 120,000,000
Total	\$	\$ 120,000,000

f. Total Paid Loss/LAE Amounts Recoverable

1. Authorized Reinsurers		
Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue
	\$	\$
Total	\$	\$

2. Unauthorized Reinsurers			
Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue	Collateral Held
	\$	\$	\$
Total	\$	\$	\$

3. Certified Reinsurers			
Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue	Collateral Held
	\$	\$	\$
Total	\$	\$	\$

4. Reciprocal Jurisdiction Reinsurers		
Company	Total Paid/Loss/LAE Recoverable	Amounts Over 90 Days Overdue
	\$	\$
Total	\$	\$

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 ApplicableNot Applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not Applicable

K. Reinsurance Credits

Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

A.-F. Not Applicable

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

The following provides an analysis of the change in loss and loss adjustment expense reserves net of reinsurance for the 2021 & 2020 periods:

	December 31, 2021	2020
Balance at beginning of period	\$ 26,566,083	\$ 29,354,602
Loss and loss expense incurred:		
Current accident year	0	0
Prior accident years	8,837,043	2,960,719
	8,837,043	2,960,719
Loss and loss expense payments made for:		
Current accident year	0	0
Prior accident years	(8,484,358)	(5,749,238)
	(8,484,358)	(5,749,238)
Balance at end of period	\$26,918,768	\$ 26,566,083

Incurred losses and loss adjustment expenses are attributable to ULAE expenses and reserve strengthening during the 4th quarter 2021. As of December 31, 2021 the reserves have a non-tabular discount of \$6,960,000.

Note 26 – Intercompany Pooling Arrangements

Not Applicable

Note 27 – Structured Settlements

A & B The Company has a contingent liability, associated with the purchase of annuities under which the claimant is payee and the Company is owner, of \$51,212,157.

Life Insurance Company and Location	Licensed in Company's State of Domicile YES/NO	Statement Value (i.e. Present Value) of Annuities
Aegon Insurance Group	YES	\$ 366,790
AIG Annuity	YES	\$ 252,427
American General Life	YES	\$ 8,378,447
Aurora National Life	YES	\$ 465,470
Cigna	YES	\$ 3,989,397
Employers Modern Life Co.	YES	\$ 280,392
Genworth (Formerly GE Financial Assurance)	YES	\$ 6,895,295
Great American Life Insurance	YES	\$ 5,187,467
Integrity Life Insurance Co.	YES	\$ 5,323,080
Manulife Financial (formerly John Hancock)	YES	\$ 1,065,798
Metropolitan Life Insurance	YES	\$ 7,690,089
Midland National Life Insurance Co.	YES	\$ 5,848,031
Monarch Life Insurance Company	YES	\$ 522,419
Prudential Life Insurance Company	YES	\$ 106,568
Symetra Financial/SAFECO Life Insurance Co.	YES	\$ 530,504
Executive Life (as of 12-31-12)	NO	\$ 4,309,983
Total:		\$ \$51,212,157

Note 28 – Health Care Receivables

A.-B. 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

A. Tabular Discount

Not Applicable

NOTES TO FINANCIAL STATEMENTS

B. Nontabular Discount

On October 14 2021, the Ohio Department of Insurance granted a permitted practice allowing the Company to discount Loss and LAE (excluding A&O/ULAE) reserves on a non-tabular basis at a rate of 3% on the Workers' Compensation line of business only to continue until the Department instructs otherwise. On Februray 8, 2022, the Ohio Department of Insurance granted a permitted practice allowing the Company to discount Loss and LAE (excluding A&O/ULAE) reserves on a non-tabular basis at a rate of 3% on all lines of business, other than Workers' Compensation to continue unitl July 1, 2022. The change to full discounting was implemented during the 4th quarter 2021. The amount of discount for case reserves, IBNR and ALAE at December 31, 2021 is as follows:

		1	2	3	4
		Case	IBNR	Defense and Cost Containment Expense	Adjusting and Other Expense
1.	Homeowners/Farmowners	\$	\$	\$	\$
2.	Private Passenger Auto Liability/Medical	(6,000)	(4,000)		
3.	Commercial Auto/Truck Liability/Medical				
4.	Workers' Compensation	886,000	311,000	5,000	
5.	Commercial Multiple Peril				
6.	Medical Professional Liability-Occurrence				
7.	Medical Professional Liability-Claims-Made				
8.	Special Liability				
9.	Other Liability-Occurrence	161,000	993,000	633,000	
10.	Other Liability-Claims Made				
11.	Special Property				
12.	Auto Physical Damage				
13.	Fidelity, Surety				
14.	Other (including credit, A&H)				
15.	International				
16.	Reinsurance Nonproportional Assumed Property				
17.	Reinsurance Nonproportional Assumed Liability	259,000	3,090,000	632,000	
18.	Reinsurance Nonproportional Assumed Financial Lines				
19.	Products Liability-Occurrence				
20.	Products Liability-Claims-Made				
21.	Financial Guaranty/Mortgage Guaranty				
22.	Warranty				
23.	Total	\$ 1,300,000	\$ 4,390,000	\$ 1,270,000	\$

C. Changes in Rate(s) Used to Discount Prior Years' Liabilities

Not Applicable

Note 33 – Asbestos/Environmental Reserves

A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses?

For claims arising on direct and assumed written business, case reserves are established by claim using estimated settlement values and the relative merits of each case. For claims arising from direct written business and reinsurance assumed, IBNR reserves are established to supplement case reserves and to establish allocated loss adjustment expense reserves.

(1) Direct

	2017	2018	2019	2020	2021
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 1,870,102	\$ 2,004,225	\$ 1,945,500	\$ 1,932,073	\$ 1,869,700
b. Incurred losses and loss adjustment expense	219,107	306,000	(10,000)	(50,000)	
c. Calendar year payments for losses and loss adjustment expenses	84,984	364,725	3,427	12,373	4,440
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 2,004,225	\$ 1,945,500	\$ 1,932,073	\$ 1,869,700	\$ 1,865,260

(2) Assumed Reinsurance

	2017	2018	2019	2020	2021
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 42,878,517	\$ 43,929,885	\$ 41,367,514	\$ 38,331,512	\$ 32,094,541
b. Incurred losses and loss adjustment expense	1,684,359	(535,000)		(4,700,000)	(1,170,000)
c. Calendar year payments for losses and loss adjustment expenses	632,991	2,027,371	3,036,002	1,536,971	292,371
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 43,929,885	\$ 41,367,514	\$ 38,331,512	\$ 32,094,541	\$ 30,632,170

NOTES TO FINANCIAL STATEMENTS

(3) Net of Ceded Reinsurance

	2017	2018	2019	2020	2021
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 14,020,071	\$ 17,104,525	\$ 15,682,874	\$ 14,595,305	\$ 11,960,043
b. Incurred losses and loss adjustment expense	3,689,669	409,040	(130,000)	(1,700,000)	(338,007)
c. Calendar year payments for losses and loss adjustment expenses	605,215	1,830,691	957,569	935,262	613,875
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 17,104,525	\$ 15,682,874	\$ 14,595,305	\$ 11,960,043	\$ 11,008,161

B. State the amount of the ending reserves for Bulk + IBNR included in A (Loss and LAE)

(1) Direct basis	\$ 1,733,760
(2) Assumed reinsurance basis	28,968,652
(3) Net of ceded reinsurance basis	\$ 10,345,702

C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk + IBNR)

(1) Direct basis	\$ 697,398
(2) Assumed reinsurance basis	5,302,104
(3) Net of ceded reinsurance basis	\$ 448,037

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses?

For claims arising on direct and assumed written business, case reserves are established by claim using estimated settlement values and the relative merits of each case. For claims arising from direct written business and reinsurance assumed, IBNR reserves are established to supplement case reserves and to establish allocated loss adjustment expense reserves.

(1) Direct

	2017	2018	2019	2020	2021
a. Beginning reserves	\$ 4,222,025	\$ 3,507,322	\$ 3,910,030	\$ 4,893,042	\$ 3,516,838
b. Incurred losses and loss adjustment expense	8,424,023	782,000	1,192,000	(1,215,286)	3,612,173
c. Calendar year payments for losses and loss adjustment expenses	9,138,726	379,292	208,988	160,918	1,399,593
d. Ending reserves	\$ 3,507,322	\$ 3,910,030	\$ 4,893,042	\$ 3,516,838	\$ 5,729,418

(2) Assumed Reinsurance

	2017	2018	2019	2020	2021
a. Beginning reserves	\$ 6,448,295	\$ 4,896,000	\$ 5,226,410	\$ 2,720,855	\$ 2,752,664
b. Incurred losses and loss adjustment expense	(942,103)	1,043,000		1,720,500	9,191,827
c. Calendar year payments for losses and loss adjustment expenses	610,192	712,590	2,505,555	1,688,691	486,450
d. Ending reserves	\$ 4,896,000	\$ 5,226,410	\$ 2,720,855	\$ 2,752,664	\$ 11,458,041

(3) Net of Ceded Reinsurance

	2017	2018	2019	2020	2021
a. Beginning reserves	\$ 6,652,054	\$ 6,668,655	\$ 7,040,573	\$ 6,177,161	\$ 4,903,764
b. Incurred losses and loss adjustment expense	6,370,907	1,463,693	825,000	2,001,003	15,177,912
d. Calendar year payments for losses and loss adjustment expenses	6,354,306	1,091,775	1,688,412	3,274,400	5,661,953
d. Ending reserves	\$ 6,668,655	\$ 7,040,573	\$ 6,177,161	\$ 4,903,764	\$ 14,419,723

E. State the amount of the ending reserves for Bulk + IBNR included in D (Loss and LAE)

(1) Direct basis	\$ 5,728,343
(2) Assumed reinsurance basis	10,040,071
(3) Net of ceded reinsurance basis	\$ 13,118,585

F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk + IBNR)

(1) Direct basis	\$ 4,125,929
(2) Assumed reinsurance basis	3,959,844
(3) Net of ceded reinsurance basis	\$ 5,547,691

Note 34 – Subscriber Savings Accounts

Not Applicable

Note 35 – Multiple Peril Crop Insurance

Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 36 – Financial Guaranty Insurance

A.-B. Not Applicable

FIVE-YEAR HISTORICAL DATA

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

	1 2021	2 2020	3 2019	4 2018	5 2017
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	0	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).....					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	0	0	0	0	0
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(11,470,415)	(5,900,169)	(4,588,857)	(4,034,640)	(11,518,055)
14. Net investment gain (loss) (Line 11).....	153,085	375,112	268,582	67,802	23,709
15. Total other income (Line 15).....	2,265,449	3,008,527	(564,697)	2,516,927	7,361,514
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	(451,602)	(428,351)	(329,944)	(2,038,983)	
18. Net income (Line 20).....	(8,600,278)	(2,088,179)	(4,555,029)	589,071	(4,132,832)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	28,805,344	27,146,202	31,373,005	33,293,235	37,723,788
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....					
20.2 Deferred and not yet due (Line 15.2).....					
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	23,473,187	20,435,400	22,594,748	16,225,151	20,865,067
22. Losses (Page 3, Line 1).....	19,066,162	21,002,167	22,549,927	23,604,408	25,164,317
23. Loss adjustment expenses (Page 3, Line 3).....	7,852,607	5,563,915	6,804,675	8,286,720	8,452,463
24. Unearned premiums (Page 3, Line 9).....					
25. Capital paid up (Page 3, Lines 30 & 31).....	3,525,000	3,525,000	3,525,000	3,525,000	3,526,000
26. Surplus as regards policyholders (Page 3, Line 37).....	5,332,156	6,710,802	8,778,258	17,068,084	16,858,721
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	(2,514,018)	(4,895,614)	(6,589,732)	(4,898,232)	(9,887,983)
Risk-Based Capital Analysis					
28. Total adjusted capital.....	(1,627,844)	6,710,802	8,778,258	17,068,084	16,858,721
29. Authorized control level risk-based capital.....	5,672,210	4,452,826	5,210,918	8,818,647	9,667,852
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	74.3	93.0	80.3	28.0	31.1
31. Stocks (Lines 2.1 & 2.2).....				46.6	62.2
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	25.7	7.0	19.7	25.5	6.7
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivables for securities (Line 9).....					
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....				10,554,155	15,364,309
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	10,554,155	15,364,309
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			61.8	91.1

TRANSPORT INSURANCE COMPANY
FIVE-YEAR HISTORICAL DATA
(Continued)

	1	2	3	4	5
	2021	2020	2019	2018	2017
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....			9,211	(384,517)	1,063,369
52. Dividends to stockholders (Line 35).....					
53. Change in surplus as regards policyholders for the year (Line 38).....	(1,378,646)	(2,067,458)	(8,289,828)	209,363	(382,255)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	1,228,703	1,643,834	2,596,224	1,922,751	1,177,309
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	372,508	1,576,870	2,592,337	1,688,486	553,851
59. Total (Line 35).....	1,601,211	3,220,704	5,188,561	3,611,237	1,731,160
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).....	1,097,187	2,356,418	1,103,284	1,305,132	1,441,907
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	616,420	919,293	493,600	1,117,342	184,274
65. Total (Line 35).....	1,713,607	3,275,711	1,596,884	2,422,474	1,626,181
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....					
68. Loss expenses incurred (Line 3).....					
69. Other underwriting expenses incurred (Line 4).....					
70. Net underwriting gain (loss) (Line 8).....					
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....					
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....					
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).....					
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).....	15,125	2,453	1,000	2,103	9,810
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).....	225.4	27.9	5.9	12.5	56.9
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	17,578	3,453	3,103	11,913	14,749
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).....	200.2	20.2	18.4	69.1	78.8

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: