



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
OF THE CONDITION AND AFFAIRS OF THE
BRANCH INSURANCE EXCHANGE

NAIC Group Code.....0000.....0000..... NAIC Company Code..... 16825..... Employer's ID Number..... 84-4471638.....
(Current)(Prior)
Organized under the Laws of..... OH..... State of Domicile or Port of Entry..... OH.....
Country of Domicile..... US.....
Incorporated/Organized..... 07/23/2020..... Commenced Business..... 07/23/2020.....
Statutory Home Office..... 20 E. Broad St., Suite 1200..... COLUMBUS, OH, US 43215.....
Main Administrative Office..... 20 E. Broad St., Suite 1200.....
COLUMBUS, OH, US 43215..... 833-427-2624.....
(Telephone)
Mail Address..... P.O. BOX 340380 #42184..... COLUMBUS, OH, US 43234-0380.....
Primary Location of Books and
Records..... 20 E. Broad St., Suite 1200..... 833-427-2624.....
COLUMBUS, OH, US 43215..... (Telephone)
Internet Website Address..... HTTPS://OURBRANCH.COM.....
Statutory Statement Contact..... JOHN KENNETH WILCOX..... 833-427-2624.....
(Telephone)
john.wilcox@ourbranch.com..... (E-Mail)..... (Fax)

OFFICERS

..... JOSEPH EMISON, PRESIDENT.....
..... JOSEPH EMISON, SECRETARY.....
..... STEPHEN LEKAS, CHIEF EXECUTIVE OFFICER.....
..... JOHN WILCOX#, CHIEF FINANCIAL OFFICER.....

DIRECTORS OR TRUSTEES

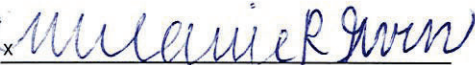
..... IAN SIGALOW.....
..... JOHN PEPPARD.....
..... STEPHEN LEKAS.....
..... JOSEPH ANDERSON JR.....
..... KYLE BEATTY#.....
..... VIKAS SINGHAL.....
..... JOSEPH EMISON.....
..... RUTH FOXE BLADER.....
..... DAVID SEIDER.....

State of Ohio.....
County of Franklin..... SS

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

x  x  x 
Joseph Emison Joseph Emison John Wilcox
President Secretary Chief Financial Officer

Subscribed and sworn to before me
this 27 day of
February, 2024

x 

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



ASSETS

		Current Year		
		1	2	Prior Year
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)
				Net Admitted Assets
1.	Bonds (Schedule D)	38,482,911		38,482,911
2.	Stocks (Schedule D):			43,649,781
	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 (less \$ encumbrances)			
	4.2 Properties held for the production of income (less \$ encumbrances)			
	4.3 Properties held for sale (less \$ encumbrances)			
5.	Cash (\$ 26,738,879, Schedule E - Part 1), cash equivalents (\$ 10,297,655, Schedule E - Part 2) and short-term investments (\$ 0, Schedule DA)	37,036,534		37,036,534
6.	Contract loans (including \$ premium notes)			9,561,218
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities	200,000		200,000
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)	75,719,445		75,719,445
13.	Title plants less \$ charged off (for Title insurers only)			53,210,999
14.	Investment income due and accrued	264,219		264,219
15.	Premiums and considerations:			241,538
	15.1 Uncollected premiums and agents' balances in the course of collection	3,056,410	80,891	2,975,519
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	6,079,910		743,440
	15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)			12,218,577
16.	Reinsurance:			
	16.1 Amounts recoverable from reinsurers	25,059,879		25,059,879
	16.2 Funds held by or deposited with reinsured companies			36,533,625
	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	21,711,138		21,711,138
24.	Health care (\$) and other amounts receivable			19,836,208
25.	Aggregate write-ins for other-than-invested assets	100,000	100,000	-
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	131,991,001	180,891	131,810,110
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			122,784,387
28.	Total (Lines 26 and 27)	131,991,001	180,891	131,810,110
Details of Write-Ins				
1101.				
1102.				
1103.				
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	Claims TPA Deposit	100,000	100,000	-
2502.				
2503.				
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	100,000	100,000	-

LIABILITIES, SURPLUS AND OTHER FUNDS

			1	2
			Current Year	Prior Year
1.	Losses (Part 2A, Line 35, Column 8)		41,710,345	7,152,024
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)			
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)		3,246,504	820,009
4.	Commissions payable, contingent commissions and other similar charges			
5.	Other expenses (excluding taxes, licenses and fees)		483,905	386,628
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)		702,975	1,775,036
7.1	Current federal and foreign income taxes (including \$ on realized capital gains (losses))			
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 \$ 38,297,805 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)		10,409,652	12,613,863
10.	Advance premium			
11.	Dividends declared and unpaid:			
11.1	Stockholders			
11.2	Policyholders			
12.	Ceded reinsurance premiums payable (net of ceding commissions)		27,156,487	51,432,601
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)			
14.	Amounts withheld or retained by company for account of others			
15.	Remittances and items not allocated			
16.	Provision for reinsurance (including \$ certified) (Schedule F, Part 3 Column 78)		61,648	
17.	Net adjustments in assets and liabilities due to foreign exchange rates			
18.	Drafts outstanding			
19.	Payable to parent, subsidiaries and affiliates		8,401,300	2,793,418
20.	Derivatives			
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		1,089,212	1,331,583
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)		93,262,028	78,305,162
27.	Protected cell liabilities			
28.	Total liabilities (Lines 26 and 27)		93,262,028	78,305,162
29.	Aggregate write-ins for special surplus funds			
30.	Common capital stock			
31.	Preferred capital stock			
32.	Aggregate write-ins for other-than-special surplus funds			
33.	Surplus notes		136,500,000	70,500,000
34.	Gross paid in and contributed surplus		12,753,563	2,911,805
35.	Unassigned funds (surplus)		(110,705,481)	(28,932,580)
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)		38,548,082	44,479,225
38.	Totals (Page 2, Line 28, Col. 3)		131,810,110	122,784,387
Details of Write-Ins				
2501.	Premium Deficiency Reserve		1,089,212	1,331,583
2502.	.....		
2503.	.....		
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		1,089,212	1,331,583
2901.	.....		
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			
3201.	.....		
3202.	.....		
3203.	.....		
3298.	Summary of remaining write-ins for Line 32 from overflow page			
3299.	Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)			

STATEMENT OF INCOME

			1	2
			Current Year	Prior Year
Underwriting Income				
1.	Premiums earned (Part 1, Line 35, Column 4)		34,541,015	9,546,049
Deductions:				
2	Losses incurred (Part 2, Line 35, Column 7)		92,655,857	13,683,292
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)		8,633,735	1,965,725
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)		19,089,646	10,697,197
5.	Aggregate write-ins for underwriting deductions		(242,371)	
6.	Total underwriting deductions (Lines 2 through 5)		120,136,867	26,346,214
7.	Net income of protected cells			
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)		(85,595,852)	(16,800,165)
Investment Income				
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		2,355,611	708,124
10.	Net realized capital gains (losses) less capital gains tax of \$ (Exhibit of Capital Gains (Losses))		(5,164)	(22,374)
11.	Net investment gain (loss) (Lines 9 + 10)		2,350,447	685,750
Other Income				
12.	Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ 1,125,078)		(1,125,078)	(845,696)
13.	Finance and service charges not included in premiums		1,147,795	1,068,609
14.	Aggregate write-ins for miscellaneous income		(62,691)	(1,323,504)
15.	Total other income (Lines 12 through 14)		(39,974)	(1,100,591)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)		(83,285,379)	(17,215,006)
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)		(83,285,379)	(17,215,006)
19.	Federal and foreign income taxes incurred			—
20.	Net income (Line 18 minus Line 19) (to Line 22)		(83,285,379)	(17,215,006)
Capital and Surplus Account				
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)		44,479,225	15,536,701
22.	Net income (from Line 20)		(83,285,379)	(17,215,006)
23.	Net transfers (to) from Protected Cell accounts			
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$			
25.	Change in net unrealized foreign exchange capital gain (loss)			
26.	Change in net deferred income tax			
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)		1,574,126	(843,156)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		(61,648)	
29.	Change in surplus notes		66,000,000	44,500,000
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		9,841,758	2,500,686
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)			
37.	Aggregate write-ins for gains and losses in surplus			
38.	Change in surplus as regards to policyholders (Lines 22 through 37)		(5,931,143)	28,942,524
39.	Surplus as regards to policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)		38,548,082	44,479,225
Details of Write-Ins				
0501.	Premium Deficiency Reserve		(242,371)	
0502.				
0503.				
0598.	Summary of remaining write-ins for Line 5 from overflow page			
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)		(242,371)	
1401.	Miscellaneous		(62,691)	(110,444)
1402.	Premium Deficiency Reserve			(1,213,060)
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)		(62,691)	(1,323,504)
3701.				
3702.				
3703.				
3798.	Summary of remaining write-ins for Line 37 from overflow page			
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	13,541,404	52,658,984
2.	Net investment income	2,232,208	669,988
3.	Miscellaneous income	(39,974)	(1,100,591)
4.	Total (Lines 1 to 3)	15,733,638	52,228,381
5.	Benefit and loss related payments	46,623,790	43,392,825
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	26,029,299	9,869,027
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		–
10.	Total (Lines 5 through 9)	72,653,089	53,261,852
11.	Net cash from operations (Line 4 minus Line 10)	(56,919,451)	(1,033,471)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	5,602,957	1,764,112
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		
12.7	Miscellaneous proceeds	–	–
12.8	Total investment proceeds (Lines 12.1 to 12.7)	5,602,957	1,764,112
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	340,529	31,514,968
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications	200,000	–
13.7	Total investments acquired (Lines 13.1 to 13.6)	540,529	31,514,968
14.	Net increase / (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	5,062,428	(29,750,856)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes	66,000,000	44,500,000
16.2	Capital and paid in surplus, less treasury stock	9,841,758	2,500,686
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)	3,490,580	(14,316,996)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	79,332,338	32,683,690
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)	27,475,315	1,899,363
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	9,561,218	7,661,855
19.2	End of year (Line 18 plus Line 19.1)	37,036,534	9,561,218

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS EARNED

Line of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire		-		-
2.1	Allied lines		-		-
2.2	Multiple peril crop		-		-
2.3	Federal flood		-		-
2.4	Private crop		-		-
2.5	Private flood		-		-
3.	Farmowners multiple peril		-		-
4.	Homeowners multiple peril	(431,186)	7,430,653	1,590,121	5,409,346
5.1	Commercial multiple peril (non-liability portion)		-		-
5.2	Commercial multiple peril (liability portion)		-		-
6.	Mortgage guaranty		-		-
8.	Ocean marine		-		-
9.	Inland marine	21,346	12,177	5,459	28,064
10.	Financial guaranty		-		-
11.1	Medical professional liability – occurrence		-		-
11.2	Medical professional liability – claims-made		-		-
12.	Earthquake		-		-
13.1	Comprehensive (hospital and medical) individual		-		-
13.2	Comprehensive (hospital and medical) group		-		-
14.	Credit accident and health (group and individual)		-		-
15.1	Vision only		-		-
15.2	Dental only		-		-
15.3	Disability income		-		-
15.4	Medicare supplement		-		-
15.5	Medicaid Title XIX		-		-
15.6	Medicare Title XVIII		-		-
15.7	Long-term care		-		-
15.8	Federal employees health benefits plan		-		-
15.9	Other health		-		-
16.	Workers' compensation		-		-
17.1	Other liability – occurrence	422,535	114,001	210,170	326,366
17.2	Other liability – claims-made		-		-
17.3	Excess workers' compensation		-		-
18.1	Products liability—occurrence		-		-
18.2	Products liability—claims-made		-		-
19.1	Private passenger auto no-fault (personal injury protection)	706,146	154,621	177,858	682,909
19.2	Other private passenger auto liability	15,406,261	2,456,959	4,003,735	13,859,485
19.3	Commercial auto no-fault (personal injury protection)		-		-
19.4	Other commercial auto liability		-		-
21.1	Private passenger auto physical damage	16,211,702	2,445,452	4,422,309	14,234,845
21.2	Commercial auto physical damage		-		-
22.	Aircraft (all perils)		-		-
23.	Fidelity		-		-
24.	Surety		-		-
26.	Burglary and theft		-		-
27.	Boiler and machinery		-		-
28.	Credit		-		-
29.	International		-		-
30.	Warranty		-		-
31.	Reinsurance - nonproportional assumed property		-		-
32.	Reinsurance - nonproportional assumed liability		-		-
33.	Reinsurance - nonproportional assumed financial lines		-		-
34.	Aggregate write-ins for other lines of business		-		-
35.	TOTALS	32,336,804	12,613,863	10,409,652	34,541,015
Details of Write-Ins					
3401.					
3402.					
3403.					
3498.	Summary of remaining write-ins for Line 34 from overflow page				
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)				

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					
2.1	Allied lines					
2.2	Multiple peril crop					
2.3	Federal flood					
2.4	Private crop					
2.5	Private flood					
3.	Farmowners multiple peril					
4.	Homeowners multiple peril	1,590,121				1,590,121
5.1	Commercial multiple peril (non-liability portion)					
5.2	Commercial multiple peril (liability portion)					
6.	Mortgage guaranty					
8.	Ocean marine					
9.	Inland marine	5,459				5,459
10.	Financial guaranty					
11.1	Medical professional liability – occurrence					
11.2	Medical professional liability – claims-made					
12.	Earthquake					
13.1	Comprehensive (hospital and medical) individual					
13.2	Comprehensive (hospital and medical) group					
14.	Credit accident and health (group and individual)					
15.1	Vision only					
15.2	Dental only					
15.3	Disability income					
15.4	Medicare supplement					
15.5	Medicaid Title XIX					
15.6	Medicare Title XVIII					
15.7	Long-term care					
15.8	Federal employees health benefits plan					
15.9	Other health					
16.	Workers' compensation					
17.1	Other liability – occurrence	210,170				210,170
17.2	Other liability – claims-made					
17.3	Excess workers' compensation					
18.1	Products liability – occurrence					
18.2	Products liability – claims-made					
19.1	Private passenger auto no-fault (personal injury protection)	177,858				177,858
19.2	Other private passenger auto liability	4,003,735				4,003,735
19.3	Commercial auto no-fault (personal injury protection)					
19.4	Other commercial auto liability					
21.1	Private passenger auto physical damage	4,422,309				4,422,309
21.2	Commercial auto physical damage					
22.	Aircraft (all perils)					
23.	Fidelity					
24.	Surety					
26.	Burglary and theft					
27.	Boiler and machinery					
28.	Credit					
29.	International					
30.	Warranty					
31.	Reinsurance - nonproportional assumed property					
32.	Reinsurance - nonproportional assumed liability					
33.	Reinsurance - nonproportional assumed financial lines					
34.	Aggregate write-ins for other lines of business					
35.	TOTALS	10,409,652				10,409,652
36.	Accrued retrospective premiums based on experience	XXX	XXX	XXX	XXX	
37.	Earned but unbilled premiums	XXX	XXX	XXX	XXX	
38.	Balance (Sum of Lines 35 through 37)	XXX	XXX	XXX	XXX	10,409,652
Details of Write-Ins						
3401.	.....				
3402.	.....				
3403.	.....				
3498.	Summary of remaining write-ins for Line 34 from overflow page					
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B – PREMIUMS WRITTEN

		1	Reinsurance Assumed		Reinsurance Ceded		6
			2	3	4	5	
Line of Business		Direct Business (a)	From Affiliates	From Non-Affiliates	To Affiliates	To Non-Affiliates	Net Premiums Written Cols. 1+2+3-4-5
1.	Fire						
2.1	Allied lines						
2.2	Multiple peril crop						
2.3	Federal flood						
2.4	Private crop						
2.5	Private flood						
3.	Farmowners multiple peril						
4.	Homeowners multiple peril	75,837,127				76,268,313	(431,186)
5.1	Commercial multiple peril (non-liability portion)						
5.2	Commercial multiple peril (liability portion)						
6.	Mortgage guaranty						
8.	Ocean marine						
9.	Inland marine	105,396				84,050	21,346
10.	Financial guaranty						
11.1	Medical professional liability – occurrence						
11.2	Medical professional liability – claims-made						
12.	Earthquake						
13.1	Comprehensive (hospital and medical) individual						
13.2	Comprehensive (hospital and medical) group						
14.	Credit accident and health (group and individual)						
15.1	Vision only						
15.2	Dental only						
15.3	Disability income						
15.4	Medicare supplement						
15.5	Medicaid Title XIX						
15.6	Medicare Title XVIII						
15.7	Long-term care						
15.8	Federal employees health benefits plan						
15.9	Other health						
16.	Workers' compensation						
17.1	Other liability – occurrence	1,057,926				635,391	422,535
17.2	Other liability – claims-made						
17.3	Excess workers' compensation						
18.1	Products liability—occurrence						
18.2	Products liability—claims-made						
19.1	Private passenger auto no-fault (personal injury protection)	1,894,975				1,188,829	706,146
19.2	Other private passenger auto liability	38,858,068				23,451,807	15,406,261
19.3	Commercial auto no-fault (personal injury protection)						
19.4	Other commercial auto liability						
21.1	Private passenger auto physical damage	40,399,756				24,188,054	16,211,702
21.2	Commercial auto physical damage						
22.	Aircraft (all perils)						
23.	Fidelity						
24.	Surety						
26.	Burglary and theft						
27.	Boiler and machinery						
28.	Credit						
29.	International						
30.	Warranty						
31.	Reinsurance - nonproportional assumed property	XXX					
32.	Reinsurance - nonproportional assumed liability	XXX					
33.	Reinsurance - nonproportional assumed financial lines	XXX					
34.	Aggregate write-ins for other lines of business						
35.	TOTALS	158,153,248				125,816,444	32,336,804
Details of Write-Ins							
3401.							
3402.							
3403.							
3498.	Summary of remaining write-ins for Line 34 from overflow page						
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? NO
If yes: 1. The amount of such installment premiums \$
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business		Losses Paid Less Salvage				5	6	7	8
		1	2	3	4				
		Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire								%
2.1	Allied lines								%
2.2	Multiple peril crop								%
2.3	Federal flood								%
2.4	Private crop								%
2.5	Private flood								%
3.	Farmowners multiple peril								%
4.	Homeowners multiple peril	104,865,179		71,871,784	32,993,395	21,723,965	2,726,017	51,991,343	961.139 %
5.1	Commercial multiple peril (non-liability portion)								%
5.2	Commercial multiple peril (liability portion)								%
6.	Mortgage guaranty								%
8.	Ocean marine								%
9.	Inland marine	47,483		30,647	16,836	2,824		19,660	70.054 %
10.	Financial guaranty								%
11.1	Medical professional liability – occurrence								%
11.2	Medical professional liability – claims-made								%
12.	Earthquake								%
13.1	Comprehensive (hospital and medical) individual								%
13.2	Comprehensive (hospital and medical) group								%
14.	Credit accident and health (group and individual)								%
15.1	Vision only								%
15.2	Dental only								%
15.3	Disability income								%
15.4	Medicare supplement								%
15.5	Medicaid Title XIX								%
15.6	Medicare Title XVIII								%
15.7	Long-term care								%
15.8	Federal employees health benefits plan								%
15.9	Other health								%
16.	Workers' compensation								%
17.1	Other liability – occurrence	540,000		486,000	54,000	1,474,669	95,306	1,433,363	439.189 %
17.2	Other liability – claims-made								%
17.3	Excess workers' compensation								%
18.1	Products liability—occurrence								%
18.2	Products liability—claims-made								%
19.1	Private passenger auto no-fault (personal injury protection)	2,407,520		1,806,748	600,772	402,710	98,436	905,046	132.528 %
19.2	Other private passenger auto liability	31,182,633		23,639,684	7,542,949	16,471,364	3,004,318	21,009,995	151.593 %
19.3	Commercial auto no-fault (personal injury protection)								%
19.4	Other commercial auto liability								%
21.1	Private passenger auto physical damage	51,620,082		34,730,498	16,889,584	1,634,813	1,227,947	17,296,450	121.508 %
21.2	Commercial auto physical damage								%
22.	Aircraft (all perils)								%
23.	Fidelity								%
24.	Surety								%
26.	Burglary and theft								%
27.	Boiler and machinery								%
28.	Credit								%
29.	International								%
30.	Warranty								%
31.	Reinsurance - nonproportional assumed property	XXX							%
32.	Reinsurance - nonproportional assumed liability	XXX							%
33.	Reinsurance - nonproportional assumed financial lines	XXX							%
34.	Aggregate write-ins for other lines of business								%
35.	TOTALS	190,662,897		132,565,361	58,097,536	41,710,345	7,152,024	92,655,857	268.249 %
Details of Write-Ins									
3401.	.....							
3402.	.....							
3403.	.....							
3498.	Summary of remaining write-ins for Line 34 from overflow page								
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)								

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7	Net Losses Unpaid (Cols. 4+5+6-7)	Net Unpaid Loss Adjustment Expenses
Line of Business		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excl. Incurred But Not Reported (Cols. 1+2-3)	Direct	Reinsurance Assumed	Reinsurance Ceded		
1.	Fire.....									
2.1	Allied lines.....									
2.2	Multiple peril crop.....									
2.3	Federal flood.....									
2.4	Private crop.....									
2.5	Private flood.....									
3.	Farmowners multiple peril.....									
4.	Homeowners multiple peril.....	18,760,975		9,004,757	9,756,218	24,080,872		12,113,125	21,723,965	2,011,711
5.1	Commercial multiple peril (non-liability portion).....									
5.2	Commercial multiple peril (liability portion).....									
6.	Mortgage guaranty.....									
8.	Ocean marine.....									
9.	Inland marine.....	5,001		2,177	2,824				2,824	
10.	Financial guaranty.....									
11.1	Medical professional liability – occurrence.....									
11.2	Medical professional liability – claims-made.....									
12.	Earthquake.....									
13.1	Comprehensive (hospital and medical) individual.....								(a)	
13.2	Comprehensive (hospital and medical) group.....								(a)	
14.	Credit accident and health (group and individual).....									
15.1	Vision only.....								(a)	
15.2	Dental only.....								(a)	
15.3	Disability income.....								(a)	
15.4	Medicare supplement.....								(a)	
15.5	Medicaid Title XIX.....								(a)	
15.6	Medicare Title XVIII.....								(a)	
15.7	Long-term care.....								(a)	
15.8	Federal employees health benefits plan.....								(a)	
15.9	Other health.....								(a)	
16.	Workers' compensation.....									
17.1	Other liability – occurrence.....	1,000,000		435,384	564,616	1,826,450		916,397	1,474,669	9,990
17.2	Other liability – claims-made.....									
17.3	Excess workers' compensation.....									
18.1	Products liability—occurrence.....									
18.2	Products liability—claims-made.....									
19.1	Private passenger auto no-fault (personal injury protection).....	576,216		264,807	311,409	125,091		33,790	402,710	113,042
19.2	Other private passenger liability.....	16,505,830		8,576,292	7,929,538	16,911,607		8,369,781	16,471,364	852,435
19.3	Commercial auto no-fault (personal injury protection).....									
19.4	Other commercial auto liability.....									
21.1	Private passenger auto physical damage.....	1,988,356		684,956	1,303,400	327,943		(3,470)	1,634,813	259,326
21.2	Commercial auto physical damage.....									
22.	Aircraft (all perils).....									
23.	Fidelity.....									
24.	Surety.....									
26.	Burglary and theft.....									
27.	Boiler and machinery.....									
28.	Credit.....									
29.	International.....									
30.	Warranty.....									
31.	Reinsurance - nonproportional assumed property.....	XXX				XXX				
32.	Reinsurance - nonproportional assumed liability.....	XXX				XXX				
33.	Reinsurance - nonproportional assumed financial lines.....	XXX				XXX				
34.	Aggregate write-ins for other lines of business.....									
35.	TOTALS.....	38,836,378		18,968,373	19,868,005	43,271,963		21,429,623	41,710,345	3,246,504
Details of Write-Ins										
3401.	.....								
3402.	.....								
3403.	.....								
3498.	Summary of remaining write-ins for Line 34 from overflow page.....									
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....									

(a) Including \$ for present value of life indemnity claims reported in Lines 13 and 15.

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	21,479,632			21,479,632
1.2. Reinsurance assumed				
1.3. Reinsurance ceded	12,845,897			12,845,897
1.4. Net claim adjustment services (1.1+1.2-1.3)	8,633,735			8,633,735
2. Commission and brokerage:				
2.1. Direct, excluding contingent		25,326,740		25,326,740
2.2. Reinsurance assumed, excluding contingent				
2.3. Reinsurance ceded, excluding contingent		20,147,714		20,147,714
2.4. Contingent—direct				
2.5. Contingent—reinsurance assumed				
2.6. Contingent—reinsurance ceded				
2.7. Policy and membership fees				
2.8. Net commission and brokerage (2.1+2.2-2.3+2.4+2.5-2.6+2.7)		5,179,026		5,179,026
3. Allowances to manager and agents				
4. Advertising		382,394		382,394
5. Boards, bureaus and associations		1,991		1,991
6. Surveys and underwriting reports		1,637,147		1,637,147
7. Audit of assureds' records				
8. Salary and related items:				
8.1. Salaries		3,309,481		3,309,481
8.2. Payroll taxes		255,456		255,456
9. Employee relations and welfare		589,801		589,801
10. Insurance		26,530		26,530
11. Directors' fees				
12. Travel and travel items		66,273		66,273
13. Rent and rent items		26,154		26,154
14. Equipment		4,623		4,623
15. Cost or depreciation of EDP equipment and software		636,570		636,570
16. Printing and stationery		7,939		7,939
17. Postage, telephone and telegraph, exchange and express		2,553,244		2,553,244
18. Legal and auditing		767,442	119,990	887,432
19. Totals (Lines 3 to 18)		10,265,045	119,990	10,385,035
20. Taxes, licenses and fees:				
20.1. State and local insurance taxes deducting guaranty association credits of \$		3,317,810		3,317,810
20.2. Insurance department licenses and fees		111,094		111,094
20.3. Gross guaranty association assessments		165,519		165,519
20.4. All other (excluding federal and foreign income and real estate)				
20.5. Total taxes, licenses and fees (20.1+20.2+20.3+20.4)		3,594,423		3,594,423
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses		51,152		51,152
25. Total expenses incurred	8,633,735	19,089,646	119,990	(a) 27,843,371
26. Less unpaid expenses—current year	3,246,504	1,186,880		4,433,384
27. Add unpaid expenses—prior year	820,009	2,161,664		2,981,673
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	6,207,240	20,064,430	119,990	26,391,660
Details of Write-Ins				
2401. Aggregate Write Ins		51,152		51,152
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)		51,152		51,152

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

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds.....	(a) 50,504	48,939
1.1.	Bonds exempt from U.S. tax.....	(a)	
1.2.	Other bonds (unaffiliated).....	(a) 1,308,635	1,301,601
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) 1,093,781	1,125,061
7.	Derivative instruments.....	(f)	
8.	Other invested assets.....		
9.	Aggregate write-ins for investment income.....		
10.	Total gross investment income.....	2,452,920	2,475,601
11.	Investment expenses.....		(g) 119,990
12.	Investment taxes, licenses and fees, excluding federal income taxes.....		(g)
13.	Interest expense.....		(h)
14.	Depreciation on real estate and other invested assets.....		(i)
15.	Aggregate write-ins for deductions from investment income.....		
16.	Total deductions (Lines 11 through 15).....		119,990
17.	Net investment income (Line 10 minus Line 16).....		2,355,611
Details of Write-Ins			
0901.	.....	
0902.	.....	
0903.	.....	
0998.	Summary of remaining write-ins for Line 09 from overflow page.....		
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 09 above).....		
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page.....		
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....		

(a) Includes \$245,424 accrual of discount less \$144,702 amortization of premium and less \$428 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 \$23,645 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.....					
1.1.	Bonds exempt from U.S. tax.....					
1.2.	Other bonds (unaffiliated).....	(5,164)		(5,164)		
1.3.	Bonds of affiliates.....					
2.1.	Preferred stocks (unaffiliated).....					
2.11.	Preferred stocks of affiliates.....					
2.2.	Common stocks (unaffiliated).....					
2.21.	Common stocks of affiliates.....					
3.	Mortgage loans.....					
4.	Real estate.....					
5.	Contract loans.....					
6.	Cash, cash equivalents and short-term investments.....					
7.	Derivative instruments.....					
8.	Other invested assets.....					
9.	Aggregate write-ins for capital gains (losses).....					
10.	Total capital gains (losses).....	(5,164)		(5,164)		
Details of Write-Ins						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 09 from overflow page.....					
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 09 above).....					

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
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	80,891	1,655,017	1,574,126
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	100,000	100,000	—
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	180,891	1,755,017	1,574,126
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	Total (Lines 26 and 27)	180,891	1,755,017	1,574,126
Details of Write-Ins				
1101.	.....		
1102.	.....		
1103.	.....		
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	CLAIMS TPA DEPOSIT	100,000	100,000	—
2502.	.....		
2503.	.....		
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	100,000	100,000	—

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

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

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

A reconciliation of the company's net income and capital surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio are as follows below:

	SSAP #	F/S Page	F/S Line #	2023	2022
Net Income					
(1) State basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ (83,285,379)	\$ (17,215,006)
(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	<u>\$ (83,285,379)</u>	<u>\$ (17,215,006)</u>
Surplus					
(5) State basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 38,548,082	\$ 44,479,225
(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	<u>\$ 38,548,082</u>	<u>\$ 44,479,225</u>

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

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

C. Accounting Policy

Direct and ceded premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods.

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

Net investment income earned consists of interest less investment related expenses. Interest is recognized on an accrual basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed, or otherwise disposed. Realized capital losses include write-downs for impairments considered to be other than temporary.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Investment grade bonds not backed by other loans are stated at amortized cost using the interest method. Non-investment grade bonds with NAIC designation of 3 through 6 would be stated at lower of amortized cost or fair values. The company does not currently have any of these non-investment grade bonds. The Company's bond portfolio is reviewed quarterly and as a result the carrying value of a bond may be reduced to reflect changes in valuation resulting from asset impairment. The Company does not hold any mandatory convertible securities or SVO-identified investments identified in SSAP No. 26R.
- (3) Common stocks - Not Applicable
- (4) Preferred stocks - Not Applicable
- (5) Mortgage loans - Not Applicable
- (6) Investment grade loan-backed securities are stated at amortized cost. The retrospective adjustment method is used to determine amortized value for all loan-backed securities. Non-investment grade loan-backed securities with NAIC designations of 3 through 6 would be stated at the lower of cost or fair value. The Company does not currently have any non-investment grade loan-backed securities.

The carrying value and final NAIC designation for non-agency residential mortgage-backed securities are determined using a special two-step NAIC process. Those assigned a NAIC designation in first step of 1 or 2 are stated at amortized cost and those assigned a 3 through 6 are stated at the lower of amortized cost or fair value. The NAIC designation assigned under the second step of the process is reported for these securities in Schedule D and is used in the risk-based capital calculation. The Company does not currently have any non-agency residential mortgage-backed securities.
- (7) Investments in subsidiaries, controlled and affiliated entities - Not Applicable
- (8) Investments in joint ventures, partnerships and limited liability companies - Not Applicable
- (9) Derivatives - Not Applicable
- (10) Investment income as a factor in the premium deficiency calculation - Not Applicable

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern (Continued)

(11) 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 liabilities are continually reviewed and any adjustments are reflected in the period determine.

(12) Changes in capitalization policy - Not Applicable

(13) Pharmaceutical rebate receivables - Not Applicable

D. Going Concern

Management is confident of the Company's ability to continue as a going concern

2. Accounting Changes and Corrections of Errors - Not Applicable

3. Business Combinations and Goodwill - Not Applicable

4. Discontinued Operations - Not Applicable

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 mortgage-backed/asset-backed securities were obtained from broker dealer survey values and are based on the current interest rate and economic environment.

(2) Loan-backed and structured securities with a recognized other-than-temporary impairment (OTTI) - Not Applicable

(3) Securities held that were other-than-temporarily impaired due to the present value of cash flows expected to be collected was less than the amortized cost of securities - Not Applicable

(4) All impaired securities for which an OTTI has not been recognized in earnings as a realized loss

a. The aggregate amount of unrealized losses:

1. Less than 12 months.....	\$.....	2,439
2. 12 months or longer.....		439,826

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

1. Less than 12 months.....	\$.....	1,131,094
2. 12 months or longer.....		11,200,016

(5) The Company determines a decline to be other than temporary by reviewing and evaluating relevant objective and subjective factors for each security, including the extent of the depressed value, the length of time the value has been depressed, the Company's intent and ability to hold the security, a security's current performance, the financial condition of the issuer, the industry in which the issuer operates, and the status of the market as a whole. Assessments include judgments about an obligor's or guarantor's current and projected financial position, projected ability to service and repay its debt obligations, the existence of and realizable value for, any collateral backing the obligations, and the macro-economic and micro-economic outlooks for specific industries and issuers. Estimating the future cash flows of loan-backed securities also involves assumptions regarding the underlying collateral such as prepayment rates, default and recovery rates, existence of subordinated classes capable of absorbing losses, and third-party servicing abilities. There have been no security declines determined to be other than temporary in the current or prior year.

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

Notes to the Financial Statements

5. Investments (Continued)

L. Restricted Assets

(1) Restricted assets (including pledged)

Gross (Admitted & Nonadmitted) Restricted											
Restricted Asset Category	Current Year					(6)	(7)	Current Year			
	(1)	(2)	(3)	(4)	(5)			(8)	(9)	(10)	(11)
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity	Total (1 + 3)	Total From Prior Year	Increase / (Decrease) (5 - 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5-8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets, %	Admitted to Total Admitted Assets, %
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	4,495,016				4,495,016	4,461,187	33,829		4,495,016	3.406	3.410
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 (Sum of a through n)	\$ 4,495,016	\$	\$	\$	\$ 4,495,016	\$ 4,461,187	\$ 33,829	\$	\$ 4,495,016	3.406 %	3.410 %

- (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 - Not Applicable

R. Reporting Entity's Share of Cash Pool by Asset type - Not Applicable

6. Joint Ventures, Partnerships and Limited Liability Companies - Not Applicable

7. Investment Income

A. Due and Accrued Income Excluded from Surplus

All investment income due and accrued was less than 90 days past due. Accordingly, no such due and accrued investment income has been non-admitted.

B. Total Amount Excluded - Not Applicable

C. The gross, nonadmitted and admitted amounts for interest income due and accrued

Interest Income Due and Accrued		Amount
1. Gross		\$ 264,219
2. Nonadmitted		\$
3. Admitted		\$ 264,219

Notes to the Financial Statements

7. Investment Income (Continued)

D. The aggregate deferred interest

	Amount
Aggregate Deferred Interest.....	\$.....

E. The cumulative amounts of paid-in-kind (PIK) interest included in the current principal balance

	Amount
Cumulative amounts of PIK interest included in the current principal balance.....	\$.....

8. Derivative Instruments - Not Applicable

9. Income Taxes

A. Components of the Net Deferred Tax Asset/(Liability)

(1) Change between years by tax character

	2023			2022			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Gross deferred tax assets.....	\$ 20,577,902	\$ 6,609	\$ 20,584,511	\$ 5,082,667	\$ 3,532	\$ 5,086,199	\$ 15,495,235	\$ 3,077	\$ 15,498,312
(b) Statutory valuation allowance adjustments.....	20,563,462	6,609	20,570,071	5,081,925	3,532	5,085,457	15,481,537	3,077	15,484,614
(c) Adjusted gross deferred tax assets (1a - 1b).....	14,440	—	14,440	742	—	742	13,698	—	13,698
(d) Deferred tax assets nonadmitted.....									
(e) Subtotal net admitted deferred tax asset (1c - 1d).....	\$ 14,440	\$ —	\$ 14,440	\$ 742	\$ —	\$ 742	\$ 13,698	\$ —	\$ 13,698
(f) Deferred tax liabilities.....	14,440		14,440	742		742	13,698		13,698
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f).....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

(2) Admission calculation components SSAP No. 101

	2023			2022			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(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 (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	5,782,212	XXX	XXX	6,671,884	XXX	XXX	(889,672)
(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.....	14,440		14,440	742		742	13,698		13,698
(d) Deferred tax assets admitted as the result of application of SSAP No. 101.									
Total (2(a) + 2(b) + 2(c)).....	\$ 14,440	\$	\$ 14,440	\$ 742	\$	\$ 742	\$ 13,698	\$	\$ 13,698

(3) Ratio used as basis of admissibility

	2023	2022
(a) Ratio percentage used to determine recovery period and threshold limitation amount.....	408.000 %	859.000 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above.....	\$ 38,548,082	\$ 44,479,225

Notes to the Financial Statements

9. Income Taxes (Continued)

(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

	2023		2022		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	Ordinary (Col. 1-3)	Capital (Col. 2-4)
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 14,440	\$ —	\$ 742	\$ —	\$ 13,698	\$ —
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)	\$ 14,440	\$ —	\$ 742	\$ —	\$ 13,698	\$ —
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

(b) Use of reinsurance-related tax-planning strategies

Does the company's tax-planning strategies include the use of reinsurance? NO

B. Regarding Deferred Tax Liabilities That Are Not Recognized - Not Applicable

C. Major Components of Current Income Taxes Incurred

Current income taxes incurred consist of the following major components:			
	(1) 2023	(2) 2022	(3) Change (1-2)
1. Current Income Tax			
(a) Federal	\$ 1,084	\$ 2,623	\$ (1,539)
(b) Foreign			
(c) Subtotal (1a+1b)	\$ 1,084	\$ 2,623	\$ (1,539)
(d) Federal income tax on net capital gains	(1,084)	(2,623)	1,539
(e) Utilization of capital loss carry-forwards			
(f) Other			
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	\$ —	\$ —	\$ —
	(1) 2023	(2) 2022	(3) Change (1-2)
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 345,737	\$ 57,947	\$ 287,790
(2) Unearned premium reserve	437,205	529,782	(92,577)
(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	19,562,385	4,211,473	15,350,912
(12) Tax credit carry-forward			
(13) Other	232,575	283,465	(50,890)
(99) Subtotal (Sum of 2a1 through 2a13)	\$ 20,577,902	\$ 5,082,667	\$ 15,495,235
(b) Statutory valuation allowance adjustment	20,563,462	5,081,925	15,481,537
(c) Nonadmitted			
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 14,440	\$ 742	\$ 13,698
(e) Capital			
(1) Investments	\$	\$	\$
(2) Net capital loss carry-forward	6,609	3,532	3,077
(3) Real estate			
(4) Other			
(99) Subtotal (2e1+2e2+2e3+2e4)	\$ 6,609	\$ 3,532	\$ 3,077
(f) Statutory valuation allowance adjustment	6,609	3,532	3,077
(g) Nonadmitted			
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	—	—	—
(i) Admitted deferred tax assets (2d + 2h)	\$ 14,440	\$ 742	\$ 13,698

Notes to the Financial Statements

9. Income Taxes (Continued)

	(1) 2023	(2) 2022	(3) Change (1-2)
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	\$ 14,440	\$ 742	\$ 13,698
(2) Fixed assets			
(3) Deferred and uncollected premium			
(4) Policyholder reserves			
(5) Other			
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	\$ 14,440	\$ 742	\$ 13,698
(b) Capital			
(1) Investments	\$	\$	\$
(2) Real estate			
(3) Other			
(99) Subtotal (3b1+3b2+3b3)	\$	\$	\$
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 14,440	\$ 742	\$ 13,698
4. Net deferred tax assets/liabilities (2i - 3c)	\$ -	\$ -	\$ -

D. Among the More Significant Book to Tax Adjustments

	2023	Effective Tax Rate
Provision computed at statutory rate	\$ (17,489,930)	21.000 %
Taxable surplus contributions	2,066,769	-2.482
Disallowed meals and entertainment	3,151	-0.004
Disallowed fines and penalties	3,284	-0.004
Perm adjustments - prior year	(67,888)	0.082
Change in statutory valuation allowance	15,484,614	-18.592
Total	\$ -	- %

	2023	Effective Tax Rate
Federal and foreign income taxes incurred	\$ 1,084	-0.001 %
Realized capital gains (losses) tax	(1,084)	0.001
Total statutory income taxes	\$ -	- %

E. Operating Loss and Tax Credit Carryforwards

- (1) At December 31, 2023 the company has net operating loss carryforwards of \$93,154,212, which originated in various tax years, and begin to expire in tax years 2040.
- (2) Income tax expense available for recoupment - Not Applicable
- (3) Deposits admitted under IRS Code Section 6603 - Not Applicable

F. Consolidated Federal Income Tax Return - Not Applicable

G. Federal or Foreign Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonable possible that the total liability will significantly increase within twelve months of the reporting date.

The Inflation Reduction Act (the "IRA") was enacted during the reporting period on August 16, 2022, and included a provision for a new Corporate Alternative Minimum Tax (CAMT), effective in 2023, that is based on the adjusted financial statement income set forth on the applicable financial statement of an "applicable corporation." Branch Insurance Exchange has determined that it is not an "applicable corporation" for purposes of CAMT during the reporting period.

H. Repatriation Transition Tax (RTT) - Not Applicable

I. Alternative Minimum Tax (AMT) Credit - Not Applicable

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

A. Nature of Relationships

Branch Financial, Inc. (BFI) is a Delaware-based corporation that acts as the attorney-in-fact for the Company. All of the Company's cash receipts and disbursements are administered by BFI, and BFI allocates certain shared expenses to the Company.

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

On February 21, 2024 the Company issued a surplus note for \$18,000,000 at an interest rate of 9% to BFI in exchange for cash. The maturity date of the surplus note is May 1, 2034. This was recorded as a Type I subsequent event.

On November 29, 2023, the Company issued a surplus note for \$10,000,000 at an interest rate of 9% to BFI in exchange for cash. The maturity date of the surplus note is February 1, 2034.

On August 29, 2023, the Company issued a surplus note for \$18,000,000 at an interest rate of 4% to BFI in exchange for cash. The maturity date of the surplus note is November 1, 2033.

Notes to the Financial Statements

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

On June 27, 2023, the Company issued a surplus note for \$20,000,000 at an interest rate of 4% to BFI in exchange for cash. The maturity date of the surplus note is November 1, 2033.

On February 16, 2023, the Company issued a surplus note for \$10,000,000 at an interest rate of 4% to BFI in exchange for cash. The maturity date of the surplus note is November 1, 2032.

On January 10, 2023, the Company issued a surplus note for \$7,000,000 at an interest rate of 4% to BFI in exchange for cash. The maturity date of the surplus note is November 1, 2032.

On March 31, 2022, the Company issued a surplus note for \$27,500,000 at an interest rate of 9% to BFI in exchange for cash. The maturity date of the surplus note is November 1, 2032.

All transactions with regard to the surplus notes, both principal and any interest, are subject to regulatory approval.

C. Transactions With Related Party Who Are Not Reported on Schedule Y - Not Applicable

D. Amounts Due to or from Related Parties

At December 31, 2023, the Company reported \$21,711,138 receivable from BFI consisting of cash receipts of the Attorney-in-Fact for BIX customers and surplus notes less the AIF fee owed to the Attorney-in-Fact and operating expenses and a \$8,401,300 payable to Branch Claims LLC for claim handling services.

E. Management, Service Contracts, Cost Sharing Arrangements

All Company policy subscribers designate BFI as the Attorney-in-Fact for the Company through an executed subscriber agreement. Each subscriber agreement requires the Company to reimburse BFI for all expenses incurred at BFI during the course of business that are attributed to operating the Company. The Company is also required to pay a commission to BFI in exchange for the services performed by BFI in their attorney-in-fact relationship with the Company at 5% of written premium. All payments of premium, fees, and surplus contributions are collected by BFI and remitted to the Company in a timely fashion. All payables and receivables between the Company and BFI are also settled in a timely fashion.

F. Guarantees or Contingencies - Not Applicable

G. Nature of Relationships that Could Affect Operations - Not Applicable

H. Amount Deducted for Investment in Upstream Company - Not Applicable

I. Detail of Investments in Affiliates Greater Than 10% of Admitted Assets - Not Applicable

J. Write-Down for Impairments of Investments in Subsidiary Controlled or Affiliated Companies - Not Applicable

K. Foreign Subsidiary Value Using CARVM - Not Applicable

L. Downstream Holding Company Value Using Look-Through Method - Not Applicable

M. All SCA Investments - Not Applicable

N. Investment in Insurance SCAs - Not Applicable

O. SCA and SSAP No. 48 Entity Loss Tracking - Not Applicable

11. Debt - Not Applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans - Not Applicable

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

A. Outstanding Shares - Not Applicable

B. Dividend Rate of Preferred Stock - Not Applicable

C. Dividend Restrictions - Not Applicable

D. Ordinary Dividends - Not Applicable

E. Company Profits Paid as Ordinary Dividends - Not Applicable

F. Surplus Restrictions - Not Applicable

G. Surplus Advances - Not Applicable

H. Stock Held for Special Purposes - Not Applicable

I. Changes in Special Surplus Funds - Not Applicable

J. Unassigned Funds (Surplus)

The portion of unassigned funds (surplus) represented by cumulative net unrealized gain is \$0 at December 31, 2023.

K. Company-Issued Surplus Debentures or Similar Obligations

Along with their policy premium, subscribers agree to make a surplus contribution to the Company equal to a percentage of all premiums. The surplus contribution is payable to the Company on or prior to the initial effective date of coverage and on or prior to the effective date of all endorsements generating additional premium. The amounts paid as surplus contributions are credited to policyholder surplus for the benefit and protection of subscribers. Upon the issuance of a policy, or any other confirmation of coverage by the Company, the return of surplus contributions can occur only after withdrawal of the subscriber from the Company, and only with the approval of BFI and regulating authorities, where so required. The Company will return any surplus contributions (without interest) made during the policy term on a pro-rata basis to those subscribers who terminate coverage for any reason proportional to their unearned premiums returned. All other surplus contributions, including those made on previous policy terms, are retained by the Company for the benefit of all remaining subscribers unless otherwise distributed into subscriber savings accounts.

Notes to the Financial Statements

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations (Continued)

The below table summarizes the surplus notes issued and outstanding as of the end of the reporting period.

1	2	3	4	5	6	7	8
Item Number	Date Issued	Interest Rate	Original Issue Amount of Note	Is Surplus Note Holder a Related Party (YES/NO)	Carrying Value of Note Prior Year	Carrying Value of Note Current Year	Unapproved Interest And/Or Principal
0001	07/10/2020	6.000 %	\$ 8,000,000	YES	\$ 8,000,000	\$ 8,000,000	\$ 1,664,000
0002	11/12/2020	6.000	3,000,000	YES	3,000,000	3,000,000	562,500
0003	06/24/2021	6.000	10,000,000	YES	10,000,000	10,000,000	1,511,667
0004	09/30/2021	4.000	5,000,000	YES	5,000,000	5,000,000	500,833
0005	03/31/2022	9.000	27,500,000	YES	27,500,000	27,500,000	4,301,597
0006	01/10/2023	4.000	7,000,000	YES	7,000,000	7,000,000	273,778
0007	02/16/2023	4.000	10,000,000	YES	10,000,000	10,000,000	347,778
0008	06/27/2023	4.000	20,000,000	YES		20,000,000	408,889
0009	08/29/2023	4.000	18,000,000	YES		18,000,000	246,000
0010	11/29/2023	9.000	10,000,000	YES		10,000,000	80,000
0011	02/21/2024	9.000	18,000,000	YES		18,000,000	
Total	XXX	XXX	\$ 136,500,000	XXX	\$ 70,500,000	\$ 136,500,000	\$ 9,897,042

1	9	10	11	12	13	14
Item Number	Current Year Interest Expense Recognized	Life-To-Date Interest Expense Recognized	Current Year Interest Offset Percentage (not including amounts paid to a 3rd party liquidity provider)	Current Year Principal Paid	Life-To-Date Principal Paid	Date of Maturity
0001	\$	\$	%	\$	\$	05/01/2030
0002						11/01/2030
0003						05/01/2031
0004						11/01/2030
0005						11/01/2032
0006						11/01/2032
0007						11/01/2032
0008						11/01/2033
0009						11/01/2033
0010						02/01/2034
0011						05/01/2034
Total	\$	\$	XXX	\$	\$	XXX

1	15	16	17	18	19
Item Number	Are Surplus Note payments contractually linked? (YES/NO)	Surplus Note payments subject to administrative offsetting provisions? (YES/NO)	Were Surplus Note proceeds used to purchase an asset directly from the holder of the surplus note? (YES/NO)	Is Asset Issuer a Related Party (YES/NO)	Type of Assets Received Upon Issuance
0001	NO	NO	NO	YES	Cash
0002	NO	NO	NO	YES	Cash
0003	NO	NO	NO	YES	Cash
0004	NO	NO	NO	YES	Cash
0005	NO	NO	NO	YES	Cash
0006	NO	NO	NO	YES	Cash
0007	NO	NO	NO	YES	Cash
0008	NO	NO	NO	YES	Cash
0009	NO	NO	NO	YES	Cash
0010	NO	NO	NO	YES	Cash
0011	NO	NO	NO	YES	Cash
Total	XXX	XXX	XXX	XXX	XXX

Notes to the Financial Statements

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations (Continued)

1	20	21	22
Item Number	Principal Amount of Assets Received Upon Issuance	Book/Adjusted Carry Value of Assets	Is Liquidity Source a Related Party to the Surplus Note Issuer? (YES/NO)
..... 0001	\$	\$
..... 0002
..... 0003
..... 0004
..... 0005
..... 0006
..... 0007
..... 0008
..... 0009
..... 0010
..... 0011
Total .....	<u>\$ .....</u>	<u>\$ .....</u>	..... XXX

- L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - Not Applicable
- M. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - Not Applicable

14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments - Not Applicable
- B. Assessments - Not Applicable
- C. Gain Contingencies - Not Applicable
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - Not Applicable
- E. Product Warranties - Not Applicable
- F. Joint and Several Liabilities - Not Applicable
- G. All Other Contingencies

Various lawsuits against the Company may arise in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

15. Leases - Not Applicable
16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk - Not Applicable
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - Not Applicable
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans - Not Applicable
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Name and Address of Managing General Agent or Third Party Administration	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premium Written / Produced By
BRANCH FINANCIAL INC.....	82-0628587	YES	PROPERTY CASUALTY	P	\$..... 158,153,248 .
Total .....	.....	.....	.....	.....	<u>\$ 158,153,248</u>

20. Fair Value Measurements

- A. Fair Value Measurement

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

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Notes to the Financial Statements

20. Fair Value Measurements (Continued)

(1) Fair value measurements at reporting date

Description for each class of asset or liability		Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
a.	Assets at fair value					
	Exempt MM Mutual Fund	\$ 10,297,655	\$	\$	\$	\$ 10,297,655
	Total assets at fair value/NAV	<u>\$ 10,297,655</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 10,297,655</u>
b.	Liabilities at fair value					
	Total liabilities at fair value	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(2) Fair value measurements in Level 3 of the fair value hierarchy - Not Applicable

(3) Policy on transfers into and out of Level 3 - Not Applicable

(4) Inputs and techniques used for Level 2 and Level 3 fair values - Not Applicable

(5) Derivatives - Not Applicable

B. Other Fair Value Disclosures - Not Applicable

C. Fair Values for All Financial Instruments by Level 1, 2 and 3

The table below reflects the fair values and admitted values of all unaffiliated admitted assets that are financial instruments excluding those accounted for under the equity method (subsidiaries, joint ventures and partnerships).

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 37,281,718	\$ 38,482,911	\$ 2,615,245	\$ 34,666,473	\$	\$	\$
Cash, Cash Equivalents and Short-Term Investments	37,036,534	37,036,534	37,036,534				

D. Not Practicable to Estimate Fair Value - Not Applicable

E. Nature and Risk of Investments Reported at NAV - Not Applicable

21. Other Items

A. Unusual or Infrequent Items - Not Applicable

B. Troubled Debt Restructuring - 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

22. Events Subsequent

Subsequent events have been considered through February 27, 2024, for the statutory statement issued on February 27, 2024.

Type I – Recognized Subsequent Events -

On February 21, 2024 the Company issued a surplus note for \$18,000,000 to Branch Financial, Inc. (BFI) in exchange for cash. The note was recorded in the 2023 financial statements as a surplus note with a corresponding receivable from BFI. The Ohio Department of Insurance approved the surplus note on February 27, 2024 and principal was received in cash on February 27, 2024.

Type II – Nonrecognized Subsequent Events - None

23. Reinsurance

A. Unsecured Reinsurance Recoverables

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

Individual Reinsurers Who Are Not Members of a Group

FEIN	Reinsurer Name	Unsecured Amount
.....47-0574325	Berkley Insurance Company	\$ 3,059,000
.....95-2769232	Insurance Company of the West	7,630,000
.....98-0123855	Hannover Ruck SE	8,598,000
.....13-3029255	General Reinsurance Corp	22,740,000
.....13-2673100	SCOR Reinsurance Corp	50,416,000

Individual Reinsurers Who Are Members of a Group

NAIC Group Code	FEIN	Reinsurer Name	Unsecured Amount
-----------------	------	----------------	------------------

B. Reinsurance Recoverable in Dispute - Not Applicable

Notes to the Financial Statements

23. Reinsurance (Continued)

C. Reinsurance Assumed and Ceded

- (1) Maximum amount of return commission that would have been due reinsurers if all of the company's reinsurance was canceled or if the company's insurance assumed was canceled

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$	\$	\$	\$	\$	\$
b. All other			38,297,805	8,390,151	(38,297,805)	(8,390,151)
c. Total (a+b)	<u>\$</u>	<u>\$</u>	<u>\$ 38,297,805</u>	<u>\$ 8,390,151</u>	<u>\$ (38,297,805)</u>	<u>\$ (8,390,151)</u>
d. Direct unearned premium reserve			\$ 48,707,457			

- (2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this statement as a result of existing contractual arrangements is accrued as follows: - Not Applicable

- (3) Risks attributed to each of the company's protected cells - Not Applicable

- D. Uncollectible Reinsurance - Not Applicable
- E. Commutation of Ceded Reinsurance - 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

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination - Not Applicable

25. Changes in Incurred Losses and Loss Adjustment Expenses

A. Reasons for Changes in the Provision for Incurred Loss and Loss Adjustment Expenses Attributable to Insured Events of Prior Years

Reserves as of December 31, 2022 were \$7.972 million. As of December 31, 2023 \$6.812 million has been paid on a net basis for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$3.119 million on a net basis as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$1.959 million unfavorable (favorable) prior-year development from December 31, 2022 to December 31, 2023. The increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims included in this increase (decrease).

The company does not write any retrospectively rated policies.

- B. Significant Changes in Methodologies and Assumptions Used in Calculating the Liability for Unpaid Losses and Loss Adjustment Expenses - Not Applicable

26. Intercompany Pooling Arrangements - Not Applicable

27. Structured Settlements - Not Applicable

28. Health Care Receivables - Not Applicable

29. Participating Policies - Not Applicable

30. Premium Deficiency Reserves

- | | |
|---|-------------|
| 1. Liability carried for premium deficiency reserves: | \$1,089,212 |
| 2. Date of the most recent evaluation of this liability: | 12/31/2023 |
| 3. Was anticipated investment income utilized in the calculation? | NO |

31. High Deductibles - Not Applicable

32. Discounting of Liabilities For Unpaid Losses or Unpaid Loss Adjustment Expenses - Not Applicable

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?

Yes () No (X)

- (1) Direct basis - Not Applicable
- (2) Assumed reinsurance basis - Not Applicable
- (3) Net of ceded reinsurance basis - Not Applicable

- B. Amount of the Ending Reserves for Bulk + IBNR Included in A (Loss & LAE) - Not Applicable

- C. Amount of the Ending Reserves for Loss Adjustment Expenses Included in A (Case, Bulk + IBNR) - Not Applicable

Notes to the Financial Statements

33. Asbestos/Environmental Reserves (Continued)

- 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?
- Yes () No (X)
- (1) Direct basis - Not Applicable
- (2) Assumed reinsurance basis - Not Applicable
- (3) Net of ceded reinsurance basis - Not Applicable
- E. Amount of the Ending Reserves for Bulk + IBNR Included in D (Loss & LAE) - Not Applicable
- F. Amount of the Ending Reserves for Loss Adjustment Expenses Included in D (Case, Bulk + IBNR) - Not Applicable

34. Subscriber Savings Accounts

At December 31, 2023 the Company has \$12,753,563 identified as policyholder surplus contributions, which is reported in gross paid in and contributed surplus (Page 3, Line 34). The balance of surplus contributions was contributed directly by policyholders. Surplus contribution balances may be paid to policyholders after approval from BFI and regulatory authorities.

The Company will maintain a separate individual Subscriber Savings Account ("SSA") for each subscriber, and may, in its discretion, set aside a credit for each subscriber. Subscribers may become vested in a certain percentage of SSA funds according to a schedule that rewards Company loyalty as a form of vested cash distribution.

35. Multiple Peril Crop Insurance - Not Applicable

36. Financial Guaranty Insurance - Not Applicable

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1. Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?.....YES
If yes, complete Schedule Y, Parts 1, 1A, 2, and 3.
- 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
- 1.3. State Regulating?.....OHIO
- 1.4. Is the reporting entity publicly traded or a member of a publicly traded group?.....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?.....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.....12/31/2023
- 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.....
- 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).....
- 3.4. By what department or departments?
OHIO
- 3.5. Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?.....N/A
- 3.6. Have all of the recommendations within the latest financial examination report been complied with?.....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:.....NO
- 4.11. sales of new business?.....NO
- 4.12. renewals?.....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?.....NO
- 4.22. renewals?.....NO
- 5.1. Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?.....NO
If yes, complete and file the merger history data file with the NAIC.
- 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	2	3
Name of Entity	NAIC Company Code	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?.....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?.....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, government, manager or attorney-in-fact).

1	2
Nationality	Type of Entity

- 8.1. Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board?.....NO
- 8.2. If response to 8.1 is yes, please identify the name of the DIHC.....
- 8.3. Is the company affiliated with one or more banks, thrifts or securities firms?.....NO
- 8.4. If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

- 8.5. Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company?.....NO
- 8.6. If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule?.....NO
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
ERNST & YOUNG LLP, 800 YARD ST. STE. 200, GRANDVIEW HEIGHTS, OH 43212
- 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?.....NO
- 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?.....NO
- 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
- 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?
JIM LEONARD, FCAS, MAAA ERNST & YOUNG LLPONE MANHATTAN WEST, NEW YORK, NY 10001
- 12.1. Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?.....NO
- 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?.....
- 13.3. Have there been any changes made to any of the trust indentures during the year?.....
- 13.4. If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?.....
- 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
- 14.11. If the response to 14.1 is no, please explain:
- 14.2. Has the code of ethics for senior managers been amended?.....NO
- 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?.....NO
- 14.31. If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1. Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?.....NO
- 15.2. If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?.....YES
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?.....YES
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?.....YES

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

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.
- 24.1. Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days?
- 24.2. If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

1	2
Name of Third-Party	Is the Third-Party Agent a Related Party (Yes/No)

INVESTMENT

- 25.01. 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 25.03)
- 25.02. If no, give full and complete information, relating thereto
- 25.03. 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)
- 25.04. For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions.
- 25.05. For the reporting entity's securities lending program, report amount of collateral for other programs.
- 25.06. Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- 25.07. Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- 25.08. Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?
- 25.09. For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:

25.091. Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

25.092. Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

25.093. Total payable for securities lending reported on the liability page
- 26.1. 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 25.03).
- 26.2. If yes, state the amount thereof at December 31 of the current year:

26.21. Subject to repurchase agreements

26.22. Subject to reverse repurchase agreements

26.23. Subject to dollar repurchase agreements

26.24. Subject to reverse dollar repurchase agreements

26.25. Placed under option agreements

26.26. Letter stock or securities restricted as to sale - excluding FHLB Capital Stock

26.27. FHLB Capital Stock

26.28. On deposit with states

26.29. On deposit with other regulatory bodies

26.30. Pledged as collateral - excluding collateral pledged to an FHLB

26.31. Pledged as collateral to FHLB - including assets backing funding agreements

26.32. Other
- 26.3. For category (26.26) provide the following:

1	2	3
Nature of Restriction	Description	Amount
		\$

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

27.1. Does the reporting entity have any hedging transactions reported on Schedule DB?.....NO.....
27.2. If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.....N/A.....

LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

27.3. Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity?.....NO.....
27.4. If the response to 27.3 is YES, does the reporting entity utilize:
27.41 Special accounting provision of SSAP No. 108.....
27.42 Permitted accounting practice.....
27.43 Other accounting guidance.....
27.5. By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:.....
• 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.
28.1. 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?.....NO.....
28.2. If yes, state the amount thereof at December 31 of the current year.....\$.....
29. 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.....
29.01. For agreements that comply with the requirements of the *NAIC Financial Condition Examiners Handbook*, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
FIFTH THIRD BANK	21 EAST STATE STREET, COLUMBUS, OH 43215

29.02. 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	2	3
Name(s)	Location(s)	Complete Explanation(s)

29.03. Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?.....NO.....

29.04. If yes, give full and complete information relating thereto:

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

29.05. 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	2
Name of Firm or Individual	Affiliation
ASSET ALLOCATION AND MANAGEMENT COMPANY	U

29.0597. For those firms/individuals listed in the table for Question 29.05, 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.....

29.0598. For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?.....YES.....

29.06. For those firms or individuals listed in the table for 29.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
109875	ASSET ALLOCATION AND MANAGEMENT COMPANY	5493000SCHEIV5N3U963	SEC	NO

30.1. 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)])?.....NO.....

30.2. If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
30.2999 TOTAL		\$

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

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

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

31. 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 (+)
31.1. Bonds.....	\$ 38,482,911	\$ 37,281,718	\$ (1,201,193)
31.2. Preferred Stocks.....			
31.3. Totals.....	\$ 38,482,911	\$ 37,281,718	\$ (1,201,193)

31.4. Describe the sources or methods utilized in determining the fair values:
MARKET VALUES ARE PROVIDED BY THE INVESTMENT CUSTODIAN, AND ARE QUOTED PRICES FROM AN ACTIVE MARKET FOR IDENTICAL ASSETS.

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

32.2. If the answer to 32.1 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

32.3. If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

33.1. Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?.....YES

33.2. If no, list exceptions:

34. 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?.....NO

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

a. The security was purchased prior to January 1, 2018.

b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.

c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.

d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?.....NO

36. 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?.....NO

37. 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 37.a - 37.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria?.....N/A

38.1. Does the reporting entity directly hold cryptocurrencies?.....NO

38.2. If the response to 38.1 is yes, on what schedule are they reported?.....

39.1. Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies?.....NO

39.2. If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?

39.21 Held directly.....

39.22 Immediately converted to U.S. dollars.....

39.3. If the response to 38.1 or 39.1 is yes, list all cryptocurrencies accepted for payments of premiums or that are held directly.

1	2	3
Name of Cryptocurrency	Immediately Converted to USD, Directly Held, or Both	Accepted for Payment of Premiums

OTHER

40.1. Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?.....\$ 1,674,023

40.2. 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	2
Name	Amount Paid
Insurance Services Office/Verisk.....	\$ 1,664,772

41.1. Amount of payments for legal expenses, if any?.....\$ 48,815

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

41.2. 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	2
Name	Amount Paid
Lowenstein Sandler LLP	\$..... 24,122

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

42.2. 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	2
Name	Amount Paid
.....	\$.....

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1.

Does the reporting entity have any direct Medicare Supplement Insurance in force?

NO

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.

\$

1.6.

Individual policies:

Most current three years:

1.61.

Total premium earned

\$

1.62.

Total incurred claims

\$

1.63.

Number of covered lives

All years prior to most current three years:

1.64.

Total premium earned

\$

1.65.

Total incurred claims

\$

1.66.

Number of covered lives

1.7.

Group policies:

Most current three years:

1.71.

Total premium earned

\$

1.72.

Total incurred claims

\$

1.73.

Number of covered lives

All years prior to most current three years:

1.74.

Total premium earned

\$

1.75.

Total incurred claims

\$

1.76.

Number of covered lives

2.

Health Test:

2.1.

Premium Numerator

\$

\$

2.2.

Premium Denominator

\$

34,541,015

\$

9,546,049

2.3.

Premium Ratio (2.1/2.2)

%

%

2.4.

Reserve Numerator

\$

\$

2.5.

Reserve Denominator

\$

55,366,501

\$

20,585,896

2.6.

Reserve Ratio (2.4/2.5)

%

%

3.1.

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

NO

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?

NO

4.2.

Does the reporting entity issue non-assessable policies?

YES

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

5.2.

If yes, is the commission paid:

5.21.

Out of Attorney's-in-fact compensation

NO

5.22.

As a direct expense of the exchange

YES

5.3.

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

ALL

5.4.

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

NO

5.5.

If yes, give full information

6.1.

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:

N/A

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 MONITORS ITS PML REGULARLY USING VERISK TOUCHSTONE (CAT SIMULATION MODEL) OUTPUT FOR THE PERILS OF EARTHQUAKE, HAIL, HURRICANE, WINTER WEATHER AND WILDFIRE. THE MODEL DATA IS PROVIDED BY THE COMPANY'S REINSURANCE BROKER GALLAGHER RE. THE MAIN CAT EXPOSURES COME FROM TX AND OH.

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 BUYS QUOTA SHARE AND EXCESS OF LOSS REINSURANCE THAT PROVIDE PROTECTION FROM CATASTROPHIC EVENTS.

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

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

NA

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

7.1.

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?

YES

7.2.

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

6

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

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?

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.

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.

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?

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,
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

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?

N/A

11.1.

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

NO

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 that 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?

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?

No

12.6.

If yes, state the amount thereof at December 31 of current year:
12.61 Letters of Credit
12.62 Collateral and other funds

\$
\$

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 13.1. Largest net aggregate amount insured in any one risk (excluding workers' compensation):.....\$ 1,768,000
- 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?.....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. -
- 14.1. Is the reporting entity a cedant in a multiple cedant reinsurance contract?.....NO
- 14.2. If yes, please describe the method of allocating and recording reinsurance among the cedants:

- 14.3. If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?.....
- 14.4. If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?.....
- 14.5. If the answer to 14.4 is no, please explain:

- 15.1. Has the reporting entity guaranteed any financed premium accounts?.....NO
- 15.2. If yes, give full information

- 16.1. Does the reporting entity write any warranty business?.....NO
- If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:

- 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?.....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?.....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?.....NO
- 18.4. If yes, please provide the balance of the funds administered as of the reporting date.....\$
19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?YES
- 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?.....

FIVE–YEAR HISTORICAL DATA

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

	1	2	3	4	5
	2023	2022	2021	2020	2019
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11, 16, 17, 18 & 19)	41,810,969	35,892,560	4,816,547	125,658	
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	40,505,152	30,312,063	3,486,531	96,273	
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	75,837,127	58,831,029	11,817,234	211,897	
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)	158,153,248	125,035,652	20,120,312	433,828	
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11, 16, 17, 18 & 19)	16,534,942	5,792,817	539,114	25,132	
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	16,233,048	5,109,596	389,910	19,255	
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	(431,186)	9,802,919	1,234,022	42,379	
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)	32,336,804	20,705,332	2,163,046	86,766	
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(85,595,852)	(16,800,165)	(9,138,929)	(1,075,779)	
14. Net investment gain (loss) (Line 11)	2,350,447	685,750	55,527	10,322	
15. Total other income (Line 15)	(39,974)	(1,100,591)	179,993	6,270	
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)		–		(40)	
18. Net income (Line 20)	(83,285,379)	(17,215,006)	(8,903,409)	(1,059,147)	
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	131,810,110	122,784,387	29,051,514	10,788,795	
20. Premiums and considerations (Page 2, Col. 3)					
20.1. In course of collection (Line 15.1)	2,975,519	743,440	1,921,350	197,652	
20.2. Deferred and not yet due (Line 15.2)	6,079,910	12,218,577	3,830,874		
20.3. Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	93,262,028	78,305,162	13,514,813	939,265	
22. Losses (Page 3, Line 1)	41,710,345	7,152,024	327,932	7,223	
23. Loss adjustment expenses (Page 3, Line 3)	3,246,504	820,009	187,778	1,395	
24. Unearned premiums (Page 3, Line 9)	10,409,652	12,613,863	1,454,580	64,643	
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	38,548,082	44,479,225	15,536,701	9,849,530	
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(56,919,451)	(1,033,471)	(2,103,283)	(1,045,552)	
Risk-Based Capital Analysis					
28. Total adjusted capital	38,548,082	44,479,225	15,536,701	9,849,530	
29. Authorized control level risk-based capital	9,442,742	5,175,642	3,873,241	162,095	
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)	50.8	82.0	64.7	76.9	
31. Stocks (Lines 2.1 & 2.2)					
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	48.9	18.0	35.3	23.1	
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)	0.3				
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)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47					
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)					

FIVE–YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2023	2022	2021	2020	2019
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)					
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	(5,931,143)	28,942,524	5,687,172	9,849,530	
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11, 16, 17, 18 & 19)	34,130,153	9,058,482	460,086		
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	51,667,565	25,714,532	1,454,150	22,125	
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	104,865,179	18,386,212	274,135		
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	190,662,897	53,159,226	2,188,371	22,125	
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11, 16, 17, 18 & 19)	8,197,721	1,138,972	71,596		
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	16,906,420	3,668,130	218,018	4,425	
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	32,993,395	2,052,098	45,933		
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	58,097,536	6,859,200	335,547	4,425	
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)	268.2	143.3	84.9	52.7	
68. Loss expenses incurred (Line 3)	25.0	20.6	53.3	177.5	
69. Other underwriting expenses incurred (Line 4)	55.3	112.1	1,143.9	4,732.7	
70. Net underwriting gain (loss) (Line 8)	(247.8)	(176.0)	(1,182.1)	(4,862.9)	
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)	58.4	57.0	400.5	1,199.4	
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2+3 divided by Page 4, Line 1 x 100.0)	293.2	163.9	138.2	230.2	
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)	83.9	46.6	13.9	0.9	
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)	2,012	301	(2)		
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)	4.5	1.9	–		
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)	296	(4)			
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)	1.9	–			

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*?

If no, please explain:

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY
(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4-5+6-7+8-9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior	XXX	XXX	XXX	-	-	-	-	-	-	-	-	XXX	
2. 2014				-	-	-	-	-	-	-	-	XXX	
3. 2015				-	-	-	-	-	-	-	-	XXX	
4. 2016				-	-	-	-	-	-	-	-	XXX	
5. 2017				-	-	-	-	-	-	-	-	XXX	
6. 2018				-	-	-	-	1	-	-	-	XXX	
7. 2019				-	-	-	-	-	-	-	-	XXX	
8. 2020	111	90	21	17	13	-	-	20	16	4	7	XXX	
9. 2021	6,053	5,280	773	7,320	6,389	-	-	800	690	59	1,040	XXX	
10. 2022	81,237	71,692	9,545	82,162	69,385	-	-	10,560	9,009	864	14,329	XXX	
11. 2023	167,634	133,093	34,541	156,592	104,949	566	462	17,110	11,314	2,103	57,543	XXX	
12. Totals	XXX	XXX	XXX	246,091	180,736	566	462	28,491	21,030	3,029	72,919	XXX	
Years in Which Premiums Were Earned and Losses Were Incurred	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior	-	-	-	-	-	-	-	-	-	-	-	-	XXX
2. 2014	-	-	-	-	-	-	-	-	-	-	-	-	XXX
3. 2015	-	-	-	-	-	-	-	-	-	-	-	-	XXX
4. 2016	-	-	-	-	-	-	-	-	-	-	-	-	XXX
5. 2017	-	-	-	-	-	-	-	-	-	-	-	-	XXX
6. 2018	-	-	-	-	-	-	-	-	-	-	-	-	XXX
7. 2019	-	-	-	-	-	-	-	-	-	-	-	-	XXX
8. 2020	15	12	3	2	-	-	-	12	10	-	6	-	XXX
9. 2021	163	144	221	192	-	-	51	44	17	14	-	57	XXX
10. 2022	5,605	3,847	4,625	3,501	-	-	450	339	193	129	-	3,057	XXX
11. 2023	33,053	14,965	38,424	17,734	282	162	1,408	646	3,286	1,109	-	41,838	XXX
12. Totals	38,836	18,968	43,272	21,430	282	162	1,910	1,030	3,508	1,261	-	44,957	XXX
Years in Which Premiums Were Earned and Losses Were Incurred	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount			
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid		
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	-	-		
2. 2014	-	-	-	-	-	-				-	-		
3. 2015	-	-	-	-	-	-				-	-		
4. 2016	-	-	-	-	-	-				-	-		
5. 2017	-	-	-	-	-	-				-	-		
6. 2018	1	-	-	-	-	-				-	-		
7. 2019	-	-	-	-	-	-				-	-		
8. 2020	67	53	13	60.145	59.343	63.582				4	2		
9. 2021	8,571	7,475	1,096	141.597	141.566	141.810				47	9		
10. 2022	103,595	86,209	17,386	127.522	120.250	182.147				2,882	175		
11. 2023	250,722	151,342	99,380	149.565	113.711	287.716				38,778	3,060		
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	41,710	3,247		

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR-END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	One Year	Two Year
1. Prior										—	—	—
2. 2014										—	—	—
3. 2015	XXX									—	—	—
4. 2016	XXX	XXX								—	—	—
5. 2017	XXX	XXX	XXX							—	—	—
6. 2018	XXX	XXX	XXX	XXX						—	—	—
7. 2019	XXX	XXX	XXX	XXX	XXX					—	—	—
8. 2020	XXX	XXX	XXX	XXX	XXX	XXX	12	10	8	7	(1)	(3)
9. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	685	988	984	(4)	299
10. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,754	15,771	2,017	XXX
11. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	91,406	XXX	XXX
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,012	296

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR-END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
1. Prior	XXX									—	XXX	XXX
2. 2014										—	XXX	XXX
3. 2015	XXX									—	XXX	XXX
4. 2016	XXX	XXX								—	XXX	XXX
5. 2017	XXX	XXX	XXX							—	XXX	XXX
6. 2018	XXX	XXX	XXX	XXX						—	XXX	XXX
7. 2019	XXX	XXX	XXX	XXX	XXX					—	XXX	XXX
8. 2020	XXX	XXX	XXX	XXX	XXX	XXX	4	6	4	3	XXX	XXX
9. 2021	XXX	XXX	XXX	XXX	XXX	XXX	XXX	339	728	930	XXX	XXX
10. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,466	12,778	XXX	XXX
11. 2023	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	51,747	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred		BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR-END (\$000 OMITTED)									
		1	2	3	4	5	6	7	8	9	10
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1. Prior											—
2. 2014											—
3. 2015		XXX									—
4. 2016		XXX	XXX								—
5. 2017		XXX	XXX	XXX							—
6. 2018		XXX	XXX	XXX	XXX						—
7. 2019		XXX	XXX	XXX	XXX	XXX					—
8. 2020		XXX	XXX	XXX	XXX	XXX	XXX	6	1	—	1
9. 2021		XXX	XXX	XXX	XXX	XXX	XXX	XXX	98	100	35
10. 2022		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,747	1,235
11. 2023		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	21,452

SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

			1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
			Active Status (a)	2	3	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
States, Etc.				Direct Premiums Written	Direct Premiums Earned						
1.	Alabama	AL	N								
2.	Alaska	AK	L								
3.	Arizona	AZ	L	7,216,571	8,988,121		10,145,347	10,443,133	4,132,651	70,121	
4.	Arkansas	AR	L	936,622	793,971		750,850	1,081,447	470,773	8,499	
5.	California	CA	N								
6.	Colorado	CO	N								
7.	Connecticut	CT	N								
8.	Delaware	DE	N								
9.	District of Columbia	DC	L	27,109	22,152			2,253	2,253	162	
10.	Florida	FL	L								
11.	Georgia	GA	L	3,062,997	2,518,330		1,637,554	2,933,569	1,298,285	23,898	
12.	Hawaii	HI	N								
13.	Idaho	ID	N								
14.	Illinois	IL	L	6,007,218	4,985,138		4,514,812	6,479,133	2,068,087	45,444	
15.	Indiana	IN	L	4,947,999	4,869,034		4,756,516	6,395,428	2,705,024	58,401	
16.	Iowa	IA	L	1,161,455	1,058,413		820,501	1,094,193	340,119	12,904	
17.	Kansas	KS	N								
18.	Kentucky	KY	L	1,107,155	1,021,419		580,443	1,003,135	551,584	96,311	
19.	Louisiana	LA	L	2,563	1,688			167	167		
20.	Maine	ME	N								
21.	Maryland	MD	L	7,323,552	8,873,358		10,768,260	11,089,800	4,251,377	79,050	
22.	Massachusetts	MA	N								
23.	Michigan	MI	L	1,108,070	1,085,922		785,514	1,074,643	457,598	42,799	
24.	Minnesota	MN	N								
25.	Mississippi	MS	L	131,585	95,935		26,890	66,491	39,620	1,548	
26.	Missouri	MO	L	8,289,381	7,933,093		6,534,559	10,850,350	5,209,855	67,027	
27.	Montana	MT	L	1,282,363	960,390		358,836	633,864	295,723	9,393	
28.	Nebraska	NE	L	1,283,133	1,299,968		850,826	880,003	364,064	8,561	
29.	Nevada	NV	N								
30.	New Hampshire	NH	N								
31.	New Jersey	NJ	N								
32.	New Mexico	NM	L	268,180	228,470		180,086	268,869	96,151	1,892	
33.	New York	NY	N								
34.	North Carolina	NC	L								
35.	North Dakota	ND	L	93,988	89,879		90,558	114,484	28,472	864	
36.	Ohio	OH	L	7,480,294	8,381,831		9,607,015	10,144,098	3,993,787	96,808	
37.	Oklahoma	OK	L	9,821,581	9,853,436		9,607,093	11,535,681	2,809,165	56,659	
38.	Oregon	OR	L	1,406,751	1,252,700		802,463	1,323,684	623,636	12,152	
39.	Pennsylvania	PA	L	4,493,753	4,331,179		4,138,683	7,413,677	4,087,023	48,607	
40.	Rhode Island	RI	N								
41.	South Carolina	SC	N								
42.	South Dakota	SD	N								
43.	Tennessee	TN	N								
44.	Texas	TX	L	87,305,413	95,461,930		120,123,984	145,178,970	46,760,814	370,254	
45.	Utah	UT	L	1,727,270	1,824,551		1,405,511	1,668,243	696,182	17,256	
46.	Vermont	VT	N								
47.	Virginia	VA	N								
48.	Washington	WA	N								
49.	West Virginia	WV	L	312,748	285,157		1,063,434	1,373,243	331,065	3,165	
50.	Wisconsin	WI	L	1,355,497	1,418,252		1,113,162	1,257,133	494,866	16,020	
51.	Wyoming	WY	N								
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								
59.	Totals		XXX	158,153,248	167,634,317		190,662,897	234,305,691	82,108,341	1,147,795	
Details of Write-Ins											
58001.			XXX								
58002.			XXX								
58003.			XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page		XXX								
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)		XXX								

(a) Active Status Counts

1. L – Licensed or Chartered - Licensed insurance carrier or domiciled RRG

2. R – Registered – Non-domiciled RRGs

3. E – Eligible - Reporting entities eligible or approved to write surplus lines in the state

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

Premiums are allocated to states based on the domiciliary location of the insured risks.

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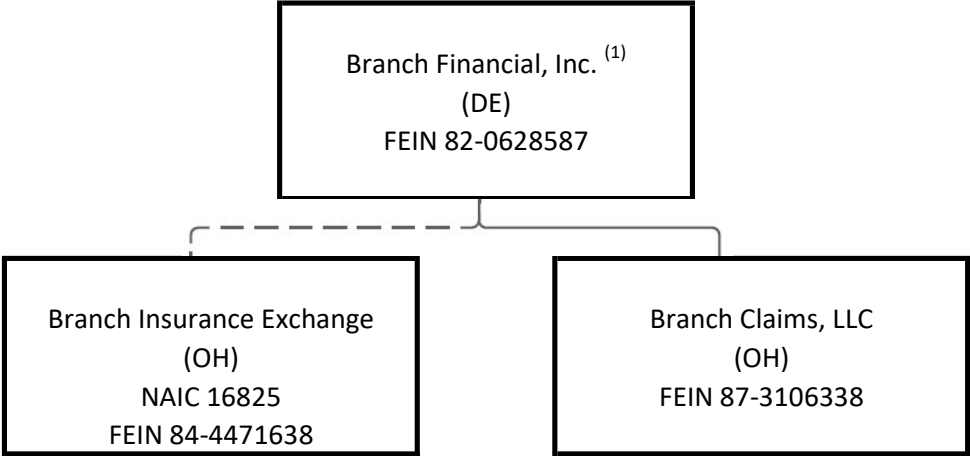
4. Q – Qualified - Qualified or accredited reinsurer

5. D – Domestic Surplus Lines Insurer (DSL) – Reporting entities authorized to write surplus lines in the state of domicile

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

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SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



⁽¹⁾ Branch Financial Inc. serves as Attorney in Fact for Branch Insurance Exchange