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ANNUAL STATEMENT

For the Year Ended December 31, 2018

of the Condition and Affairs of the

AFFILIATED FM INSURANCE COMPANY

NAIC Group Code..... 0065, 0065 (Current Period) (Prior Period)   NAIC Company Code..... 10014   Employer's ID Number..... 05-0254496

Organized under the Laws of RI   State of Domicile or Port of Entry RI   Country of Domicile US

Incorporated/Organized..... May 6, 1949   Commenced Business..... June 1, 1950

Statutory Home Office	270 Central Avenue .. Johnston .. RI .. US .. 02919-4949 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	270 Central Avenue .. Johnston .. RI .. US .. 02919-4949 *(Street and Number) (City or Town, State, Country and Zip Code)*	401-275-3000 *(Area Code) (Telephone Number)*
Mail Address	P.O. Box 7500 .. Johnston .. RI .. US .. 02919-0750 *(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	270 Central Avenue .. Johnston .. RI .. US .. 02919-4949 *(Street and Number) (City or Town, State, Country and Zip Code)*	401-275-3000 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.fmglobal.com	
Statutory Statement Contact	Jeffrey Black *(Name)*	401-415-1559 *(Area Code) (Telephone Number) (Extension)*
	jeffrey.black@fmglobal.com *(E-Mail Address)*	401-946-8306 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Thomas Alan Lawson #	Chairman & Chief Executive Officer	2. Jonathan Irving Mishara	Senior Vice President & Secretary
3. Theresa Ann Molloy	Vice President & Controller	4. Denise Anastasia Hebert #	Vice President & Treasurer

OTHER

Bret Nils Ahnell	Executive Vice President	Kevin Scott Ingram #	Executive Vice President
Malcolm Craig Roberts #	Executive Vice President	Christopher Johnson	Executive Vice President
Sanjay Chawla #	Senior Vice President	Jonathan Irving Mishara	Senior Vice President
Enzo Rebula	Senior Vice President	Michael Robert Turner	Executive Vice President
Deanna Ruth Fidler #	Senior Vice President		

DIRECTORS OR TRUSTEES

Frank Thomas Connor	Colin Richard Day	Daniel Lee Knotts	Thomas Alan Lawson
John Anderson Luke Jr	Gracia Catherine Martore	Christine Mary McCarthy	Stuart Blain Parker
Israel Ruiz	Michel Giannuzzi	Glenn Rodney Landau	David Thomas Walton #

State of........ Rhode Island
County of..... Providence

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

(Signature)	(Signature)	(Signature)
Thomas Alan Lawson #	Jonathan Irving Mishara	Theresa Ann Molloy
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
Chairman & Chief Executive Officer	Senior Vice President & Secretary	Vice President & Controller
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 22nd day of February 2019
John A. Soares III Notary Public
Expires July 5, 2021

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

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	1,629,263,887		1,629,263,887	1,368,166,033
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	
2.2 Common stocks	1,067,658,842		1,067,658,842	1,357,295,441
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $..........0 encumbrances)			0	
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....190,041,883, Schedule E-Part 1), cash equivalents ($.....132,604,445, Schedule E-Part 2) and short-term investments ($..........0, Schedule DA)	322,646,328		322,646,328	194,672,989
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)			0	
9. Receivables for securities	16,999		16,999	
10. Securities lending reinvested collateral assets (Schedule DL)	38,740,220		38,740,220	42,880,694
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	3,058,326,276	0	3,058,326,276	2,963,015,157
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	12,169,496		12,169,496	12,364,108
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	152,874,946	5,526,985	147,347,961	143,778,093
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums ($..........0) and contracts subject to redetermination ($..........0)			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	239,804,397		239,804,397	11,363,640
16.2 Funds held by or deposited with reinsured companies	913,398		913,398	13,398
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon			0	20,444,583
18.2 Net deferred tax asset			0	
19. Guaranty funds receivable or on deposit	52,896		52,896	42,864
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($..........0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates			0	19,455
24. Health care ($..........0) and other amounts receivable			0	
25. Aggregate write-ins for other-than-invested assets	62,126,521	0	62,126,521	11,982,750
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,526,267,930	5,526,985	3,520,740,945	3,163,024,048
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTAL (Lines 26 and 27)	3,526,267,930	5,526,985	3,520,740,945	3,163,024,048

DETAILS OF WRITE-INS

	1	2	3	4
1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Equities and deposits in pools and associations	1,000,000		1,000,000	350,000
2502. Accounts receivable state tax refunds	60,086,534		60,086,534	532,337
2503. Cash clearing accounts	1,039,987		1,039,987	11,100,413
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	62,126,521	0	62,126,521	11,982,750

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	819,740,310	569,005,714
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	460,426	41,350,363
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	79,125,883	64,197,922
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	360,712	438,445
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	7,550,596	6,606,128
7.1	Current federal and foreign income taxes (including $.....29,821,582 on realized capital gains (losses))	19,831,091	
7.2	Net deferred tax liability	35,345,854	92,708,000
8.	Borrowed money $..........0 and interest thereon $..........0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $.....53,263,000 and including warranty reserves of $..........0 and accrued accident and health experience rating refunds including $..........0 for medical loss ratio rebate per the Public Health Service Act)	398,557,612	383,839,642
10.	Advance premium		524,622
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders	251,038	240,451
12.	Ceded reinsurance premiums payable (net of ceding commissions)	109,615,679	107,309,496
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	508,930	501,075
15.	Remittances and items not allocated	1,782,856	4,179,184
16.	Provision for reinsurance (including $...........0 certified) (Schedule F, Part 3, Column 78)	3,573,800	3,640,341
17.	Net adjustments in assets and liabilities due to foreign exchange rates	123,633,321	47,352,088
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	164,470,929	
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending	38,740,220	42,880,694
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $...........0 and interest thereon $..........0		
25.	Aggregate write-ins for liabilities	50,458,817	18,377,417
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	1,854,008,074	1,383,151,582
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	1,854,008,074	1,383,151,582
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock	4,000,000	4,000,000
31.	Preferred capital stock	7,250,000	7,250,000
32.	Aggregate write-ins for other-than-special surplus funds	0	0
33.	Surplus notes		
34.	Gross paid in and contributed surplus	270,210,661	270,210,661
35.	Unassigned funds (surplus)	1,385,272,210	1,498,411,805
36.	Less treasury stock, at cost:		
	36.1 ....0.000 shares common (value included in Line 30 $..........0)		
	36.2 ....0.000 shares preferred (value included in Line 31 $..........0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	1,666,732,871	1,779,872,466
38.	TOTAL (Page 2, Line 28, Col. 3)	3,520,740,945	3,163,024,048

DETAILS OF WRITE-INS

2501.	Miscellaneous accounts payable	42,066,123	18,377,417
2502.	Deferred ceding commissions	8,392,694	
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	50,458,817	18,377,417
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	432,634,124	442,216,791
	DEDUCTIONS:		
2.	Losses incurred (Part 2, Line 35, Column 7)	416,999,114	437,906,500
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	17,170,273	18,816,559
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	125,039,880	122,940,362
5.	Aggregate write-ins for underwriting deductions	0	0
6.	Total underwriting deductions (Lines 2 through 5)	559,209,267	579,663,421
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(126,575,143)	(137,446,630)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	61,753,130	58,414,137
10.	Net realized capital gains (losses) less capital gains tax of $.....38,580,000 (Exhibit of Capital Gains (Losses))	145,134,531	31,948,635
11.	Net investment gain (loss) (Lines 9 + 10)	206,887,661	90,362,772
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $.....(4,061) amount charged off $..........0)	(4,061)	(43,279)
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income	744,682	(564,595)
15.	Total other income (Lines 12 through 14)	740,621	(607,874)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	81,053,139	(47,691,732)
17.	Dividends to policyholders	499,363	483,059
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)	80,553,776	(48,174,791)
19.	Federal and foreign income taxes incurred	(10,361,197)	(31,224,155)
20.	Net income (Line 18 minus Line 19) (to Line 22)	90,914,973	(16,950,636)
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,779,872,466	1,618,651,765
22.	Net income (from Line 20)	90,914,973	(16,950,636)
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $.....(53,000,000)	(199,379,277)	182,952,606
25.	Change in net unrealized foreign exchange capital gain (loss)	(7,502,537)	10,545,467
26.	Change in net deferred income tax	4,362,146	(14,627,000)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	(1,093,941)	(1,088,884)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	66,541	896,648
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from Protected Cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		
	33.2 Transferred to capital (Stock Dividend)		
	33.3. Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders	(507,500)	(507,500)
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	0	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	(113,139,595)	161,220,701
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	1,666,732,871	1,779,872,466

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401.	Miscellaneous income	138	63
1402.	Balances recovered (charged off)	8,745	(32,824)
1403.	Gain (loss) on foreign exchange	735,799	(531,834)
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	744,682	(564,595)
3701.			
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page	0	0
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	444,469,846	448,182,743
2. Net investment income	135,909,189	66,347,351
3. Miscellaneous income	740,621	(607,874)
4. Total (Lines 1 through 3)	581,119,656	513,922,220
5. Benefit and loss related payments	465,956,928	329,062,173
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	126,425,489	143,040,388
8. Dividends paid to policyholders	488,776	471,679
9. Federal and foreign income taxes paid (recovered) net of $.....17,083,336 tax on capital gains (losses)	(12,056,871)	37,549,273
10. Total (Lines 5 through 9)	580,814,322	510,123,513
11. Net cash from operations (Line 4 minus Line 10)	305,334	3,798,707
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	337,251,059	508,796,758
12.2 Stocks	579,064,667	271,173,581
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	(7,784)	(52,583)
12.7 Miscellaneous proceeds		80,531
12.8 Total investment proceeds (Lines 12.1 to 12.7)	916,307,942	779,998,287
13. Cost of investments acquired (long-term only):		
13.1 Bonds	605,939,486	485,990,916
13.2 Stocks	355,677,210	354,152,018
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	16,999	7,967,347
13.7 Total investments acquired (Lines 13.1 to 13.6)	961,633,695	848,110,281
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	(45,325,753)	(68,111,994)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	507,500	507,500
16.6 Other cash provided (applied)	173,501,258	69,392,062
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	172,993,758	68,884,562
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)	127,973,339	4,571,275
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	194,672,989	190,101,714
19.2 End of year (Line 18 plus Line 19.1)	322,646,328	194,672,989

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

20.0001		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	266,050,079	135,941,517	145,228,310	256,763,286
2.	Allied lines	190,612,885	92,587,067	97,034,239	186,165,713
3.	Farmowners multiple peril	0		0	0
4.	Homeowners multiple peril	2,084,687	1,078,711	1,076,109	2,087,289
5.	Commercial multiple peril	70,845,449	33,047,617	36,325,270	67,567,796
6.	Mortgage guaranty	0		0	0
8.	Ocean marine	21,449,758	8,498,194	10,144,749	19,803,203
9.	Inland marine	153,620,956	82,997,621	78,247,968	158,370,609
10.	Financial guaranty	0		0	0
11.1	Medical professional liability - occurrence	0		0	0
11.2	Medical professional liability - claims-made	0		0	0
12.	Earthquake	0		0	0
13.	Group accident and health	0		0	0
14.	Credit accident and health (group and individual)	0		0	0
15.	Other accident and health	0		0	0
16.	Workers' compensation	111	(27)	57	27
17.1	Other liability - occurrence	0		0	0
17.2	Other liability - claims-made	0		0	0
17.3	Excess workers' compensation	0		0	0
18.1	Products liability - occurrence	0		0	0
18.2	Products liability - claims-made	0		0	0
19.1, 19.2	Private passenger auto liability	0		0	0
19.3, 19.4	Commercial auto liability	0		0	0
21.	Auto physical damage	0		0	0
22.	Aircraft (all perils)	0		0	0
23.	Fidelity	0		0	0
24.	Surety	0		0	0
26.	Burglary and theft	0		0	0
27.	Boiler and machinery	67,709,341	29,688,942	30,500,910	66,897,373
28.	Credit	0		0	0
29.	International	0		0	0
30.	Warranty	0		0	0
31.	Reinsurance - nonproportional assumed property	(325,021,177)		0	(325,021,177)
32.	Reinsurance - nonproportional assumed liability	5		0	5
33.	Reinsurance - nonproportional assumed financial lines	0		0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	447,352,094	383,839,642	398,557,612	432,634,124

DETAILS OF WRITE-INS

		1	2	3	4
3401.		0		0	0
3402.		0		0	0
3403.		0		0	0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire	145,228,310				145,228,310
2.	Allied lines	97,034,239				97,034,239
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril	1,076,109				1,076,109
5.	Commercial multiple peril	36,325,270				36,325,270
6.	Mortgage guaranty					0
8.	Ocean marine	10,144,749				10,144,749
9.	Inland marine	78,247,968				78,247,968
10.	Financial guaranty					0
11.1	Medical professional liability - occurrence					0
11.2	Medical professional liability - claims-made					0
12.	Earthquake					0
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation	57				57
17.1	Other liability - occurrence					0
17.2	Other liability - claims-made					0
17.3	Excess workers' compensation					0
18.1	Products liability - occurrence					0
18.2	Products liability - claims-made					0
19.1, 19.2	Private passenger auto liability					0
19.3, 19.4	Commercial auto liability					0
21.	Auto physical damage					0
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft					0
27.	Boiler and machinery	30,500,910				30,500,910
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance - nonproportional assumed property					0
32.	Reinsurance - nonproportional assumed liability					0
33.	Reinsurance - nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	398,557,612	0	0	0	398,557,612
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					0
38.	Balance (sum of Lines 35 through 37)					398,557,612

DETAILS OF WRITE-INS

		1	2	3	4	5
3401.						0
3402.						0
3403.						0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case: Daily pro rata

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

	Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	 5 To Non-Affiliates	6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1.	Fire	309,836,350	7,557,742	235,015	5,149,251	46,429,777	266,050,079
2.	Allied lines	214,754,438	12,233,569		3,634,755	32,740,367	190,612,885
3.	Farmowners multiple peril						0
4.	Homeowners multiple peril	2,100,287				15,600	2,084,687
5.	Commercial multiple peril	83,224,270	171,381			12,550,202	70,845,449
6.	Mortgage guaranty						0
8.	Ocean marine	23,027,417	1,613,871	(11,297)		3,180,233	21,449,758
9.	Inland marine	195,124,302	9,337,137		6,082,259	44,758,224	153,620,956
10.	Financial guaranty						0
11.1	Medical professional liability - occurrence						0
11.2	Medical professional liability - claims-made						0
12.	Earthquake						0
13.	Group accident and health						0
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation	111					111
17.1	Other liability - occurrence						0
17.2	Other liability - claims-made						0
17.3	Excess workers' compensation						0
18.1	Products liability - occurrence						0
18.2	Products liability - claims-made						0
19.1, 19.2	Private passenger auto liability						0
19.3, 19.4	Commercial auto liability						0
21.	Auto physical damage						0
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety						0
26.	Burglary and theft						0
27.	Boiler and machinery	60,279,317	8,026,018			595,994	67,709,341
28.	Credit						0
29.	International						0
30.	Warranty						0
31.	Reinsurance - nonproportional assumed property	XXX			325,021,177		(325,021,177)
32.	Reinsurance - nonproportional assumed liability	XXX		5			5
33.	Reinsurance - nonproportional assumed financial lines	XXX					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
35.	TOTALS	888,346,492	38,939,718	223,723	339,887,442	140,270,397	447,352,094

DETAILS OF WRITE-INS

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

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	210,014,184	1,108,255	36,248,159	174,874,280	222,915,002	53,482,069	344,307,213	134.1
2.	Allied lines	253,350,170		11,927,002	241,423,168	225,683,309	207,254,058	259,852,419	139.6
3.	Farmowners multiple peril				0	0		0	0.0
4.	Homeowners multiple peril	1,309,177			1,309,177	142,546	285,500	1,166,223	55.9
5.	Commercial multiple peril	65,221,993	1,500,000	1,856,807	64,865,186	117,485,287	73,665,424	108,685,049	160.9
6.	Mortgage guaranty				0	0		0	0.0
8.	Ocean marine	24,947,078	807,806	3,458,594	22,296,290	31,839,748	25,349,659	28,786,379	145.4
9.	Inland marine	86,734,611	196,309	1,010,941	85,919,979	69,623,607	54,441,889	101,101,697	63.8
10.	Financial guaranty				0	0		0	0.0
11.1	Medical professional liability - occurrence				0	0		0	0.0
11.2	Medical professional liability - claims-made				0	0		0	0.0
12.	Earthquake				0	0		0	0.0
13.	Group accident and health				0	0		0	0.0
14.	Credit accident and health (group and individual)				0	0		0	0.0
15.	Other accident and health				0	0		0	0.0
16.	Workers' compensation	454,440	19,698	387,830	86,308	2,424,110	2,768,020	(257,603)	(954,083.9)
17.1	Other liability - occurrence	222,063	14,831	168,768	68,126	73,180,799	73,198,915	50,009	0.0
17.2	Other liability - claims-made				0	0		0	0.0
17.3	Excess workers' compensation				0	0		0	0.0
18.1	Products liability - occurrence	4,252,911	976	1,049,856	3,204,031	34,643,458	37,860,966	(13,478)	0.0
18.2	Products liability - claims-made				0	0		0	0.0
19.1, 19.2	Private passenger auto liability				0	0		0	0.0
19.3, 19.4	Commercial auto liability				0	0		0	0.0
21.	Auto physical damage				0	0		0	0.0
22.	Aircraft (all perils)				0	0		0	0.0
23.	Fidelity	(10,490)			(10,490)	0		(10,490)	0.0
24.	Surety				0	0		0	0.0
26.	Burglary and theft				0	0		0	0.0
27.	Boiler and machinery	44,663,713		277,435	44,386,278	39,901,657	39,011,971	45,275,964	67.7
28.	Credit				0	0		0	0.0
29.	International				0	0		0	0.0
30.	Warranty				0	0		0	0.0
31.	Reinsurance - nonproportional assumed property	XXX		472,163,650	(472,163,650)	0		(472,163,650)	145.3
32.	Reinsurance - nonproportional assumed liability	XXX	5,837		5,837	1,900,788	1,687,243	219,382	4,387,630.0
33.	Reinsurance - nonproportional assumed financial lines	XXX			0	0		0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	691,159,849	3,653,712	528,549,042	166,264,519	819,740,310	569,005,714	416,999,114	96.4

DETAILS OF WRITE-INS

3401.					0	0		0	0.0
3402.					0	0		0	0.0
3403.					0	0		0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	Reported Losses				Incurred But Not Reported			8	9
	1	2	3	4	5	6	7		
Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire	261,682,001	51,049	67,996,722	193,736,327	36,684,636	16,039	7,522,000	222,915,002	20,671,154
2. Allied lines	223,363,397		19,992,088	203,371,309	24,106,000		1,794,000	225,683,309	13,977,000
3. Farmowners multiple peril				0				0	
4. Homeowners multiple peril	142,546			142,546				142,546	
5. Commercial multiple peril	95,108,126	11,350,000	2,511,839	103,946,287	13,737,000		198,000	117,485,287	10,015,000
6. Mortgage guaranty				0				0	
8. Ocean marine	29,348,509	170,376	1,622,137	27,896,748	3,973,000		30,000	31,839,748	2,916,000
9. Inland marine	64,300,175	50,000	16,852,068	47,498,107	22,263,500		138,000	69,623,607	4,956,000
10. Financial guaranty				0				0	
11.1 Medical professional liability - occurrence				0				0	
11.2 Medical professional liability - claims-made				0				0	
12. Earthquake				0				0	
13. Group accident and health				0				(a) 0	
14. Credit accident and health (group and individual)				0				0	
15. Other accident and health				0				(a) 0	
16. Workers' compensation	1,147,003	146,883	615,860	678,026	829,174	1,833,941	917,032	2,424,110	67,838
17.1 Other liability - occurrence	4,230,040	52,225	2,761,036	1,521,229	88,240,604	749,471	17,330,505	73,180,799	9,450,546
17.2 Other liability - claims-made				0				0	
17.3 Excess workers' compensation				0				0	
18.1 Products liability - occurrence	34,384,358		18,353,947	16,030,411	116,420,758		97,807,712	34,643,458	13,801,344
18.2 Products liability - claims-made				0				0	
19.1, 19.2 Private passenger auto liability				0				0	
19.3, 19.4 Commercial auto liability				0				0	
21. Auto physical damage				0				0	
22. Aircraft (all perils)				0				0	
23. Fidelity				0				0	
24. Surety				0				0	
26. Burglary and theft				0				0	
27. Boiler and machinery	35,775,554		297,897	35,477,657	4,424,000			39,901,657	3,271,000
28. Credit				0				0	
29. International				0				0	
30. Warranty				0				0	
31. Reinsurance - nonproportional assumed property	XXX			0	XXX			0	
32. Reinsurance - nonproportional assumed liability	XXX	147,790	1	147,789	XXX	1,749,022	(3,977)	1,900,788	
33. Reinsurance - nonproportional assumed financial lines	XXX			0	XXX			0	
34. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35. TOTALS	749,481,710	11,968,323	131,003,596	630,446,436	310,678,673	4,348,473	125,733,273	819,740,310	79,125,883

DETAILS OF WRITE-INS

	1	2	3	4	5	6	7	8	9
3401.				0				0	
3402.				0				0	
3403.				0				0	
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	49,318,026			49,318,026
1.2 Reinsurance assumed	(335,665)			(335,665)
1.3 Reinsurance ceded	38,524,798			38,524,798
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	10,457,563	0	0	10,457,563
2. Commission and brokerage:				
2.1 Direct, excluding contingent		100,178,194		100,178,194
2.2 Reinsurance assumed, excluding contingent		430,717		430,717
2.3 Reinsurance ceded, excluding contingent		88,465,730		88,465,730
2.4 Contingent - direct				0
2.5 Contingent - reinsurance assumed				0
2.6 Contingent - reinsurance ceded				0
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	12,143,181	0	12,143,181
3. Allowances to manager and agents				0
4. Advertising		1,599,852		1,599,852
5. Boards, bureaus and associations		72,936		72,936
6. Surveys and underwriting reports		197,239		197,239
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	4,115,002	44,787,459	687,206	49,589,667
8.2 Payroll taxes	240,503	3,073,806	29,709	3,344,018
9. Employee relations and welfare	1,142,302	14,156,712	285,855	15,584,869
10. Insurance	6,526	710,081	357	716,964
11. Directors' fees		29,740		29,740
12. Travel and travel items	480,117	6,106,017	28,946	6,615,080
13. Rent and rent items	517,757	6,380,039	80,095	6,977,891
14. Equipment	162,542	3,767,080	9,838	3,939,460
15. Cost or depreciation of EDP equipment and software				0
16. Printing and stationery	32,201	488,425	7,547	528,173
17. Postage, telephone and telegraph, exchange and express	15,760	2,367,888	215,464	2,599,112
18. Legal and auditing		311,103		311,103
19. Totals (Lines 3 to 18)	6,712,710	84,048,377	1,345,017	92,106,104
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $.....10,621		23,251,349	30,328	23,281,677
20.2 Insurance department licenses and fees		310,247	2,110	312,357
20.3 Gross guaranty association assessments		45,450		45,450
20.4 All other (excluding federal and foreign income and real estate)				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	23,607,046	32,438	23,639,484
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	0	5,241,276	855,671	6,096,947
25. Total expenses incurred	17,170,273	125,039,880	2,233,126	(a)............144,443,279
26. Less unpaid expenses - current year	79,125,883	7,911,308		87,037,191
27. Add unpaid expenses - prior year	64,197,922	7,044,573		71,242,495
28. Amounts receivable relating to uninsured plans, prior year				0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	2,242,312	124,173,145	2,233,126	128,648,583

DETAILS OF WRITE-INS

	1	2	3	4
2401. Bank Activity Fee		10,525	51,820	62,345
2402. Consultants		1,740,175		1,740,175
2403. Intercompany Service Charge		3,490,519		3,490,519
2498. Summary of remaining write-ins for Line 24 from overflow page	0	57	803,851	803,908
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	0	5,241,276	855,671	6,096,947

(a) Includes management fees of $.....132,037,891 to affiliates and $..........0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 4,261,291	4,350,962
1.1	Bonds exempt from U.S. tax	(a) 6,186,614	5,866,275
1.2	Other bonds (unaffiliated)	(a) 29,265,018	29,669,178
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	21,735,178	21,729,869
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) 4,094,302	4,089,030
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	272,837	272,837
10.	Total gross investment income	65,815,240	65,978,151
11.	Investment expenses		(g) 2,200,688
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 32,438
13.	Interest expense		(h) 1,991,896
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		4,225,022
17.	Net investment income (Line 10 minus Line 16)		61,753,129

DETAILS OF WRITE-INS

		1	2
0901.	Security Lending Income	76,095	76,095
0902.	Miscellaneous Income	57,073	57,073
0903.	Fair Plan Income	139,669	139,669
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	272,837	272,837
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes $.....1,457,599 accrual of discount less $.....6,767,864 amortization of premium and less $.....2,242,059 paid for accrued interest on purchases.
(b) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued dividends on purchases.
(c) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued interest on purchases.
(d) Includes $..........0 for company's occupancy of its own buildings; and excludes $..........0 interest on encumbrances.
(e) Includes $.....20,428 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued interest on purchases.
(f) Includes $..........0 accrual of discount less $..........0 amortization of premium.
(g) Includes $..........0 investment expenses and $..........0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $..........0 interest on surplus notes and $..........0 interest on capital notes.
(i) Includes $..........0 depreciation on real estate and $..........0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds	(36,854)		(36,854)		
1.1	Bonds exempt from U.S. tax	(472,669)		(472,669)		
1.2	Other bonds (unaffiliated)	(2,023,233)		(2,023,233)	124,935	
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)			0		
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	213,205,289	(26,931,742)	186,273,547	(252,522,688)	
2.21	Common stocks of affiliates			0		
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	(26,260)		(26,260)	18,476	
7.	Derivative instruments			0		
8.	Other invested assets			0		
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	210,646,273	(26,931,742)	183,714,531	(252,379,277)	0

DETAILS OF WRITE-INS

		1	2	3	4	5
0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	5,526,985	4,433,044	(1,093,941)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable			0
25. Aggregate write-ins for other-than-invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	5,526,985	4,433,044	(1,093,941)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	5,526,985	4,433,044	(1,093,941)

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501.			0
2502.			0
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of Affiliated FM Insurance Company ("Company") have been prepared on the basis of accounting practices prescribed or permitted by the Rhode Island Division of Insurance.

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

The Company applies paragraph 5(a) of SSAP 23, rather than paragraph 5(b) of SSAP 23, with respect to the methodology applied in translating the Company’s Canadian branch to USD. This is consistent with the methodology used in prior years, and a permitted practice has been approved by the State of Rhode Island. The total adjustment to convert the balance sheet to USD is $123,633,321, which appears on line 17 – “Net adjustment in assets and liabilities due to foreign exchange rates", on page 3 - "Liabilities" of the 2018 annual statement. There is no net impact on surplus, and the effect on 2018 net income would be an increase to net income in the amount of $22,975,012 (which would be offset by a corresponding decrease to surplus).

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) AFFILIATED FM INSURANCE COMPANY Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	$ 90,914,973	$ (16,950,636)
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
				$ -	$ -
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
Application of SSAP 23 regarding translating the Canadian branch to USD	23	3	17	$ (22,975,012)	$ 3,197,070
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	$ 113,889,985	$ (20,147,706)
SURPLUS					
(5) AFFILIATED FM INSURANCE COMPANY Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	$ 1,666,732,871	$ 1,779,872,466
(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	$ 1,666,732,871	$ 1,779,872,466

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates.

C. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned Premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct, assumed and ceded business.

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

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

In addition, the Company utilizes the following accounting policies:

(1) Basis for Short-Term Investments

The Company has no Short Term Investments.

(2) Basis for Bonds and Amortization Schedule

Non loan-backed bonds with NAIC designations 1 or 2 are stated at amortized cost using the interest method. Non loan-backed bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value. See paragraph 6 for loan-backed and structured securities.

(3) Basis for Common Stocks

Common stocks are stated at fair value.

(4) Basis for Preferred Stocks

The Company has no preferred stocks.

(5) Basis for Mortgage Loans

The Company has no mortgage loans.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern (continued from preceding page)

(6) Basis for Loan-Backed Securities and Adjustment Methodology

U.S. government agency loan-backed and structured securities are valued at amortized value. Other loan-backed and structured securities are valued at either amortized value or fair value, depending on many factors including: type of underlying collateral, whether modeled by NAIC vendor, whether rated (by either NAIC approved rating organization or NAIC Securities Valuation Office), and relationship of amortized value to par value and amortized value to fair value.

(7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities

The Company has no interest in subsidiaries.

(8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities

The Company has no investments in joint ventures, partnerships and limited liability corporations.

(9) Accounting Policies for Derivatives

The Company has no derivatives.

(10) Anticipated Investment Income Used in Premium Deficiency Calculation

The Company anticipates investment income when evaluating the need for premium deficiency reserves.

(11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses for A&H Contracts

Unpaid losses and loss adjustment expenses (including Asbestos and Environmental reserves) include amounts determined from individual case estimates and an amount for IBNR (incurred-but-not-reported) loss estimates. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

(12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period

The Company has not changed its capitalization policy from the prior period.

(13) Method Used to Estimate Pharmaceutical Rebate Receivables

The Company has no "pharmaceutical rebate receivables".

D. Going Concern

Based upon its evaluation of relevant conditions and events, management has concluded that the Company will continue as a going concern.

Note 2 – Accounting Changes and Correction of Errors

Not Applicable

Note 3 – Business Combinations and Goodwill

Not Applicable

Note 4 – Discontinued Operations

Not Applicable

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not Applicable

B. Debt Restructuring

Not Applicable

C. Reverse Mortgages

Not Applicable

D. Loan-Backed Securities

(1) Description of Sources Used to Determined Prepayment Assumptions

Loan-backed bonds and structured securities are valued at amortized cost using the constant interest rate method, and using an effective yield based on current prepayment assumptions obtained from Bloomberg, rather than anticipated prepayments at the date of purchase. Prepayment assumptions are reviewed periodically and updated in response to changes in market interest rates.

(2) Other-Than-Temporary Impairment (OTTI) Loss Recognized in the Aggregate

Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 5 – Investments (continued from preceding page)

(3) Recognized OTTI securities

Not Applicable

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

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	$	1,006,287
	2. 12 Months or Longer	$	2,185,492
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	$	97,762,204
	2. 12 Months or Longer	$	121,111,475

(5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary

All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether other-than-temporary impairments should be recognized. The Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are supported by a detailed analysis of the underlying credit and cash flows of each security. Unrealized losses are primarily attributable to credit spread widening and increased liquidity discounts. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities, if future events, information and the passage of time causes it to conclude that declines in value are other-than temporary.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

(1) Policy for Requiring Collateral or Other Security

Under a securities lending program with an agent, the Company has temporarily loaned certain debt securities. Borrowers of these securities must deposit an amount of cash and/or securities equal to 102% of the fair value of domestic securities or 105% of the fair value of foreign securities loaned as of the transaction date. The collateral level is monitored daily and additional cash calls are made by the agent if needed to retain the 102% or 105% collateral amount. The agent holds any securities pledged as collateral in trust for the borrower, and invests any cash collateral pledged as collateral in high quality short term securities. The cash collateral received under the securities lending agreement and invested in short term securities is included in the "Securities lending reinvested collateral assets" on Page 2 Line 10 and the offsetting liability in the "Payable for securities lending" on Page 3 Line 22.

(2) Disclose the Carrying Amount and Classification of Both Assets and Liabilities

Not Applicable

(3) Collateral Received

a. Aggregate Amount Collateral Received	Fair Value
1. Securities Lending	
(a) Open	$ -
(b) 30 Days or Less	28,740,220
(c) 31 to 60 Days	3,500,000
(d) 61 to 90 Days	5,500,000
(e) Greater Than 90 Days	1,000,000
(f) Sub-Total	38,740,220
(g) Securities Received	
(h) Total Collateral Received	$ 38,740,220
2. Dollar Repurchase Agreement	
(a) Open	$ -
(b) 30 Days or Less	
(c) 31 to 60 Days	
(d) 61 to 90 Days	
(e) Greater Than 90 Days	
(f) Sub-Total	
(g) Securities Received	
(h) Total Collateral Received	$ -

b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged	$ 38,740,220

c. Information about Sources and Uses of Collateral

The securities acquired from the use of the cash collateral are managed by the agent using conservative guidelines regarding the type, duration and quality of investments permitted.

(4) Aggregate Value of the Reinvested Collateral

The Company has no collateral administered by an affiliated agent.

NOTES TO FINANCIAL STATEMENTS

Note 5 – Investments (continued from preceding page)

(5) Collateral Reinvestment

a. Aggregate Amount Collateral Reinvested	Amortized Cost	Fair Value
1. Securities Lending		
(a) Open	$ -	$ -
(b) 30 Days or Less	28,740,220	28,740,220
(c) 31 to 60 Days	3,500,000	3,500,000
(d) 61 to 90 Days	5,500,000	5,500,000
(e) 91 to 120 Days	1,000,000	1,000,000
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 Years		
(i) 2 to 3 Years		
(j) Greater Than 3 Years		
(k) Sub-Total	$ 38,740,220	$ 38,740,220
(l) Securities Received		
(m) Total Collateral Reinvested	$ 38,740,220	$ 38,740,220
2. Dollar Repurchase Agreement		
(a) Open	$ -	$ -
(b) 30 Days or Less		
(c) 31 to 60 Days		
(d) 61 to 90 Days		
(e) 91 to 120 Days		
(f) 121 to 180 Days		
(g) 181 to 365 Days		
(h) 1 to 2 Years		
(i) 2 to 3 Years		
(j) Greater Than 3 Years		
(k) Sub-Total	$ -	$ -
(l) Securities Received		
(m) Total Collateral Reinvested	$ -	$ -

b. Explanation of Additional Sources of Liquidity for Maturity Date Mismatches

The agent matches the maturity dates of the cash collateral with the expected return dates of that collateral.

(6) Detail on Collateral Transactions Not Permitted by Contract or Custom to Sell or Repledge

In addition to the cash collateral, the Company also received collateral in the form of government securities. These securities are held by the agent and are not traded or repledged. The current fair value of the securities collateral is $3,208,283.

(7) Collateral for Securities Lending Transactions that Extend Beyond One Year from the Reporting Date

The Company has no collateral with transactions that extend beyond one year.

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 FINANCIAL STATEMENTS

Note 5 – Investments (continued from preceding page)

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
Restricted Asset Category	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	- %	- %
b. Collateral held under security lending arrangements	38,740,220				38,740,220	42,880,694	(4,140,474)		38,740,220	1.1%	1.1%
c. Subject to repurchase agreements										- %	- %
d. Subject to reverse repurchase agreements										- %	- %
e. Subject to dollar repurchase agreements										- %	- %
f. Subject to dollar reverse repurchase agreements										- %	- %
g. Placed under option contracts										- %	- %
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock										- %	- %
i. FHLB capital stock										- %	- %
j. On deposit with states	5,151,723				5,151,723	5,155,716	(3,993)		5,151,723	0.1%	0.1%
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	$ 43,891,943	$	$	$	$ 43,891,943	$ 48,036,410	$ (4,144,467)	$	$ 43,891,943	1.2%	1.2%

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

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contacts 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

	1	2	3	4
Collateral Assets	Book/Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted)*	% of BACV to Total Admitted Assets**
a. Cash, Cash Equivalents and Short-Term Investments	$ -	$ -	- %	- %
b. Schedule D, Part 1			- %	- %
c. Schedule D, Part 2, Sec. 1			- %	- %
d. Schedule D, Part 2, Sec. 2			- %	- %
e. Schedule B			- %	- %
f. Schedule A			- %	- %
g. Schedule BA, Part 1			- %	- %
h. Schedule DL, Part 1	38,740,220	38,740,220	1.1%	1.1%
i. Other			- %	- %
j. Total Collateral Assets (a+b+c+d+e+f+g+i)	$ 38,740,220	$ 38,740,220	1.1%	1.1%

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

	1	2
	Amount	% of Liability to Total Liabilities
k. Recognized Obligation to Return Collateral Asset	$ 38,740,220	2.1%

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

NOTES TO FINANCIAL STATEMENTS

Note 5 – Investments (continued from preceding page)

M. Working Capital Finance Investments

Not Applicable

N. Offsetting and Netting of Assets and Liabilities

Not Applicable

O. Structured Notes

Not Applicable

P. 5GI Securities

Not Applicable

Q. Short Sales

Not Applicable

R. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
(1) Number of CUSIPs	5	-
(2) Aggregate Amount of Investment Income	$ 127,514	$ -

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable

Note 7 – Investment Income

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

The Company non-admits investment income due and accrued if the amounts are over 90 days past due.

B. The total amount excluded:

There were no accrued investment income amounts over 90 days past due as of December 31, 2018, or as of December 31, 2017.

Note 8 – Derivative Instruments

Not Applicable

Note 9 – Income Taxes

A. Deferred Tax Assets/(Liabilities)

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

	2018			2017			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	$ 68,290,146	$ 5,628,000	$ 73,918,146	$ 24,453,000	$ 3,032,000	$ 27,485,000	$ 43,837,146	$ 2,596,000	$ 46,433,146
b. Statutory valuation allowance adjustment	26,241,000		26,241,000				26,241,000		26,241,000
c. Adjusted gross deferred tax assets (1a-1b)	$ 42,049,146	$ 5,628,000	$ 47,677,146	$ 24,453,000	$ 3,032,000	$ 27,485,000	$ 17,596,146	$ 2,596,000	$ 20,192,146
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	$ 42,049,146	$ 5,628,000	$ 47,677,146	$ 24,453,000	$ 3,032,000	$ 27,485,000	$ 17,596,146	$ 2,596,000	20,192,146
f. Deferred tax liabilities	11,522,000	71,501,000	83,023,000	1,391,000	118,802,000	120,193,000	10,131,000	(47,301,000)	(37,170,000)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	$ 30,527,146	$(65,873,000)	$(35,345,854)	$ 23,062,000	$(115,770,000)	$(92,708,000)	$ 7,465,146	$ 49,897,000	$ 57,362,146

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes (continued from preceding page)

2. Admission Calculation Components SSAP No. 101

	2018			2017			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	$ 13,908,000	$ -	$ 13,908,000	$ 24,453,000	$ -	$ 24,453,000	$ (10,545,000)	$ -	$ (10,545,000)
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	17,096,000		17,096,000				17,096,000		17,096,000
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	17,096,000		17,096,000				17,096,000		17,096,000
2. Adjusted gross deferred tax assets allowed per limitation threshold			250,009,931			255,630,349			(5,620,418)
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	11,045,146	5,628,000	16,673,146		3,032,000	3,032,000	11,045,146	2,596,000	13,641,146
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	$ 42,049,146	$ 5,628,000	$ 47,677,146	$ 24,453,000	$ 3,032,000	$ 27,485,000	$ 17,596,146	$ 2,596,000	$ 20,192,146

3. Other Admissibility Criteria

	2018	2017
a. Ratio percentage used to determine recovery period and threshold limitation amount	890.6%	937.0%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	$ 1,666,732,871	$ 1,779,872,466

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.

	2018		2017		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	$ 42,049,146	$ 5,628,000	$ 24,453,000	$ 3,032,000	$ 17,596,146	$ 2,596,000
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)	$ 42,049,146	$ 5,628,000	$ 24,453,000	$ 3,032,000	$ 17,596,146	$ 2,596,000
4 Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	- %	- %	- %	- %	- %	- %

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes (continued from preceding page)

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

B. Deferred Tax Liabilities Not Recognized

Not Applicable

C. Current and Deferred Income Taxes

The Tax Cuts and Jobs Act was enacted on December 22, 2017. The Act reduced the U.S. federal corporate tax rate from 35% to 21%, requiring companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously not recognized by the Company, and created new taxes on certain foreign source earnings. A net benefit of $130,000 and $61,970,000 has been recognized as a separate component of gains and losses in unassigned funds (surplus), for the years December 31, 2018 and 2017, respectively.

1. Current Income Tax

	1 2018	2 2017	3 (Col 1-2) Change
a. Federal	$ (2,584,672)	$ (38,939,412)	$ 36,354,740
b. Foreign	$ (7,776,525)	$ 7,715,257	$ (15,491,782)
c. Subtotal	$ (10,361,197)	$ (31,224,155)	$ 20,862,958
d. Federal income tax on net capital gains	$ 38,580,000	$ 17,204,000	$ 21,376,000
e. Utilization of capital loss carry-forwards	$ -	$ -	$ -
f. Other	$ -	$ -	$ -
g. Federal and Foreign income taxes incurred	$ 28,218,803	$ (14,020,155)	$ 42,238,958

2. Deferred Tax Assets

	1 2018	2 2017	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	$ 4,431,000	$ 2,883,000	$ 1,548,000
2. Unearned premium reserve	16,157,000	15,638,000	519,000
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	1,090,000	875,000	215,000
11. Net operating loss carry-forward			
12. Tax credit carry-forward	1,143,000		1,143,000
13. Other (items <=5% and >5% of total ordinary tax assets)	45,469,146	5,057,000	40,412,146
Other (items listed individually >5%of total ordinary tax assets)			
Deferred Foreign Activity	38,275,000		38,275,000
99. Subtotal	68,290,146	24,453,000	43,837,146
b. Statutory valuation allowance adjustment	26,241,000		26,241,000
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	42,049,146	24,453,000	17,596,146
e. Capital:			
1. Investments	$ 5,628,000	$ 3,032,000	$ 2,596,000
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <=5% and >5% of total capital tax assets)			
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	$ 5,628,000	$ 3,032,000	$ 2,596,000
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	5,628,000	3,032,000	2,596,000
i. Admitted deferred tax assets (2d+2h)	$ 47,677,146	$ 27,485,000	$ 20,192,146

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes (continued from preceding page)

3. Deferred Tax Liabilities

	1 2018	2 2017	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	$ -	$ -	$ -
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)	11,522,000	1,391,000	10,131,000
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	11,522,000	1,391,000	10,131,000
b. Capital:			
1. Investments	71,501,000	118,802,000	(47,301,000)
2. Real estate			
3. Other (Items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	71,501,000	118,802,000	(47,301,000)
c. Deferred tax liabilities (3a99+3b99)	$ 83,023,000	$ 120,193,000	$ (37,170,000)
4. Net Deferred Tax Assets (2i – 3c)	$ (35,345,854)	$ (92,708,000)	$ 57,362,146

The Company remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21% due to the Tax Cuts and Jobs Act. For the years December 31, 2018 and 2017, the amounts recorded relating to the remeasurement of the deferred tax balance were $0 and $(75,103,000) included in the change in unrealized gains as well as $(130,000) and 13,133,000 included in change in net deferred income tax, respectively.

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

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	$ 25,018,094	21.0%
Proration of tax exempt investment income	826,000	0.7%
Tax exempt income deduction	(1,299,000)	(1.1)%
Dividends received deduction	(2,007,000)	(1.7)%
Disallowed travel and entertainment	2,000	- %
Other permanent differences		- %
Temporary Differences:		
Total ordinary DTAs	(1,102,000)	(0.9)%
Total ordinary DTLs		- %
Total capital DTAs		- %
Total capital DTLs		- %
Other:		
Statutory valuation allowance adjustment		- %
Accrual adjustment – prior year	(264,000)	(0.2)%
Other	2,682,563	2.2%
Totals	23,856,657	20.0%
Federal and foreign income taxes incurred	(10,361,197)	(8.7)%
Realized capital gains (losses) tax	38,580,000	32.4%
Change in net deferred income taxes	(4,362,146)	(3.7)%
Total statutory income taxes	$ 23,856,657	20.0%

E. Operating Loss Carryfowards and Income Taxes Available for Recoupment

At December 31, 2018, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

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

   Not Applicable

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

Year	Amounts
2018	$59,666,000
2017	$0

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code is $0.

NOTES TO FINANCIAL STATEMENTS

Note 9 – Income Taxes (continued from preceding page)

F. Consolidated Federal Income Tax Return

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

Factory Mutual Insurance Company (Parent)	FMIC Holdings, Inc.
Affiliated FM Insurance Company	TSB Loss Control Consultants, Inc.
Appalachian Insurance Company	Corporate Insurance Services, Inc.
Risk Engineering Insurance Company Limited	Watch Hill Insurance Company

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

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

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

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

Not Applicable

I. Alternative Minimum Tax (AMT Credit)

Not Applicable

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

A. Nature of the Relationship Involved

All of the common stock outstanding of the Company is owned by FMIC Holdings, Inc. (Johnston, RI), which is a wholly-owned subsidiary of Factory Mutual Insurance Company, (NAIC #21482) Johnston, RI.

In addition to owning 100% of the common stock, FMIC Holdings, Inc. also owns 47,500 shares of the 7% cumulative preferred stock ($100 par value) outstanding of the Company. Appalachian Insurance Company, a wholly-owned subsidiary of FMIC Holdings, Inc. owns 25,000 shares of the 7% cumulative preferred stock ($100 par value) outstanding of the Company.

B. Transactions

The Company lists its transactions with affiliates on Schedule Y Part 2. There were no non-insurance transactions between the Company and any affiliates, which exceeded one-half of 1% of admitted assets.

C. Dollar Amounts of Transactions and Changes in Terms of Intercompany Agreements

Not Applicable

D. Amounts Due From or To Related Parties

The amounts reported due (to) from affiliates are as follows:

Affiliate	2018	2017
Factory Mutual Insurance Company (Parent)	($163,473,640)	$3,030,352
FM Insurance Company Ltd	329,525	(2,748,667)
FM Insurance EuropeS.A.	(1,826,023)	-
FM Global de Mexico S.A. de C.V.	499,209	(262,230)
Total	($164,470,929)	$19,455

Settlement terms/procedures are 60 or 90 days from the end of each quarter.

E. Guarantees or Undertakings

Not Applicable

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

The Company receives certain accounting, management and other services from its parent Factory Mutual Insurance Company (NAIC#21482). Management fees are charged as part of a cost sharing agreement approved by the state of domicile.

G. Nature of the Control Relationship That Could Affect Operations

The Company is owned by FMIC Holdings Inc., a wholly owned subsidiary of Factory Mutual Insurance Company (NAIC #21482).

H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned

Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (continued from preceding page)

I. Investments in SCA that Exceed 10% of Admitted Assets

Not Applicable

J. Investments in Impaired SCAs

Not Applicable

K. Investment in Foreign Insurance Subsidiary

Not Applicable

L. Investment in Downstream Noninsurance Holding Company

Not Applicable

M. All SCA Investments

Not Applicable

N. Investment in Insurance SCAs

Not Applicable

O. SCA Loss Tracking

Not Applicable

Note 11 – Debt

Not Applicable

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

The Company has no employees. All services necessary for functioning of the Company are provided by its parent, Factory Mutual Insurance Company (NAIC #21482), pursuant to a management and services agreement, which provides for compensatory expense allocations. Included in the expense allocations were amounts related to non-contributory retirement income plans and postretirement benefit plans sponsored by Factory Mutual Insurance Company. Refer to Note 12G for the amounts and allocation methodology.

B. Investment Policies and Strategies

Not Applicable

C. Fair Value of Plan Assets

Not Applicable

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

Not Applicable

E. Defined Contribution Plans

The Company has no employees. All services necessary for functioning of the Company are provided by its parent, Factory Mutual Insurance Company (NAIC #21482), pursuant to a management and services agreement, which provides for compensatory expense allocations. Included in the expense allocations were amounts related to savings plans sponsored by Factory Mutual Insurance Company. Refer to Note 12G for the amount and allocation methodology.

F. Multiemployer Plans

Not Applicable

G. Consolidated/Holding Company Plans

As stated above in Note 12A and Note 12E, the Company has no employees. All services necessary for functioning of the Company are provided by its parent, Factory Mutual Insurance Company (NAIC #21482), pursuant to a management and services agreement, which provides for compensatory expense allocations. Included in the expense allocations were amounts for defined benefit plans and defined contribution plans sponsored by Factory Mutual Insurance Company, as follows:

The net expense allocated to the Company related to defined benefit plans was $5,370,498 in 2018 and $6,525,240 in 2017.

The net expense allocated to the Company related to defined contribution plans was $2,652,000 in 2018 and $2,556,000 in 2017.

The net expense incurred by the Company for these plans is based on the percentage allocations per the intercompany pooling agreement discussed below in Note 26. The Company has no legal obligation for benefits under the plans.

H. Postemployment Benefits and Compensated Absences

Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans (continued from preceding page)

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

Not Applicable

Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

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

All of the common stock, 80,000 shares ($50 par value), is owned by FMIC Holdings, Inc. (Johnston, RI), which is a wholly-owned subsidiary of Factory Mutual Insurance Company, (NAIC #21482) Johnston, RI.

The Company has outstanding 72,500 shares of 7% cumulative preferred stock.

Detailed support is shown on Schedule Y Part 1.

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

7% Cumulative

C. Dividend Restrictions

The maximum amount of dividends, which can be paid by State of Rhode Island insurance companies to shareholders without prior approval of the Insurance Commissioner, is subject to restrictions relating to statutory surplus and net income. The maximum dividend payout which may be made without prior approval is the lesser of:

a. 10% of surplus as regards policyholders as of the 31st day of December next preceding, or

b. Net income, not including realized gains, for the twelve month period ending the 31st day of December next preceding, but shall not include pro rata distributions of any class of the insurer's own securities.

For 2018, the maximum dividend payout that could have been made without prior approval was $0. For 2019, the maximum dividend payout that may be made without prior approval is $0.

D. Dates and Amounts of Dividends Paid

There were ordinary dividends of $175,000 and $332,500 to Appalachian Insurance Company and FMIC Holdings, Inc., respectively, during 2018.

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

Not Applicable

F. Restrictions on Unassigned Funds (Surplus)

Not Applicable

G. Amount of Advances to Surplus not Repaid

Not Applicable

H. Amount of Stock Held for Special Purposes

Not Applicable

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

Not Applicable

J. The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: $284,075,000.

K. The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations

Not Applicable

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

Not Applicable

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

Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

Not Applicable

B. Assessments

(1) Nature of Any Assets That Could Have a Material Financial Effect

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Insurance company insolvencies in states where the Company writes business may result in guaranty fund assessments on future premiums.

The Company has accrued a liability for guaranty fund and other assessments of $163,808 and a related premium tax benefit asset of $53,000.

The amount recorded represents management's best estimates based on information received from the states in which the company writes business. The liability is included in the taxes, licenses and fees liability and will be paid in the next year. The asset is included in the guaranty funds receivable asset and is expected to be realized over the five to ten years following payment.

At times, the Company has the ability to recover a portion of the accrued liability through policyholder surcharges. As of December 31, 2018, the asset related to policyholder surcharges, which appears within Page 2 line 25, is $76,000.

(2) Assets Recognized From Paid and Accrued Premium Tax Offsets and Policy Surcharges

a.	Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end		$	43,000
b.	Decreases current year:		$	11,000
c.	Increases current year:		$	21,000
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end		$	53,000

(3) Undiscounted and Discounted Guaranty Fund 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

At December 31, 2018 and 2017 the Company had admitted premiums receivable assets of $147,347,961 and $143,778,092, respectively, in premiums receivable due from policyholders, agents and ceding insurers. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectible premium receivables as of December 31, 2018 are not expected to exceed the nonadmitted amount totaling $5,526,985, and therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has no asset that is considered impaired.

Note 15 – Leases

Not Applicable

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

Not Applicable

NOTES TO FINANCIAL STATEMENTS

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

A. Transfers of Receivables Reported as Sales

Not Applicable

B. Transfer and Servicing of Financial Assets

(1) Description of any Loaned Securities

Under a securities lending program with an agent, the Company has temporarily loaned certain debt securities with a fair value of $41,099,112 and $60,340,843 at December 31, 2018 and December 31, 2017, respectively. Borrowers of these securities must deposit an amount of cash and/or securities equal to 102% of the fair value of domestic securities or 105% of foreign securities. The Company continues to receive the interest on the loaned debt securities as a beneficial owner, and the loaned debt securities are included in the investment portfolio of the Company. The agent holds any securities pledged as collateral in trust for the borrower, and invests any cash collateral pledged in high quality short term securities. There are no collateral transactions that extend beyond one year.

(2) Servicing Assets and Servicing Liabilities

Not Applicable

(3) When Servicing Assets and Liabilities are Measured at Fair Value

Not Applicable

(4) Securitizations, Asset-Based Financing Arrangements and Similar Transfers Accounted for as Sales

Not Applicable

(5) Disclosure Requirements for Transfers of Assets Accounted for as Secured Borrowing

Not Applicable

(6) Transfer of Receivables with Recourse

Not Applicable

(7) Securities Underlying Repurchase and Reverse Repurchase Agreements, Dollar Repurchase and Dollar Reverse Repurchase Agreements

Not Applicable

C. Wash Sales

Not Applicable

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

Not Applicable

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

Not Applicable

Note 20 – Fair Value Measurements

A. Fair Value Measurements

(1) Fair Value Measurements at Reporting Date

The Company categorizes its invested assets that are measured at fair value into the three-level fair value hierarchy or designates certain invested assets as carried at net asset value (NAV). Item 4 provides a discussion of each of these categories.

Description for Each Type of Asset or Liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at Fair Value					
Bonds	$ -	$ 2,293,894	$ -	$ -	$ 2,293,894
Common Stocks - Industrial & Miscellaneous	$ 980,301,242	$ -	$ -	$ -	$ 980,301,242
Mutual Funds	$ 87,357,600	$ -	$ -	$ -	$ 87,357,600
Money Market Mutual Funds	$ -	$ -	$ -	$ 132,604,445	$ 132,604,445
Total	$ 1,067,658,842	$ 2,293,894	$ -	$ 132,604,445	$ 1,202,557,181
Liabilities at Fair Value					
	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -

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

The Company has no assets measured at fair value in the Level 3 category.

NOTES TO FINANCIAL STATEMENTS

Note 20 – Fair Value Measurements (continued from preceding page)

(3) Policies when Transfers Between Levels are Recognized

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. The Company has no assets measured at fair value in the Level 3 category.

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

The valuation techniques required by the Fair Value Measurements guidance (SSAP 100) are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions.

These two types of inputs create the following fair value hierarchy:

Level 1 Quoted prices for identical instruments in active markets

Level 2 Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable

Level 3 Significant inputs to the valuation model are unobservable

The Company elects to use NAV for all money market mutual funds in lieu of fair value as NAV is more readily available. These funds are backed by high quality, very liquid short-term instruments and the probability is remote that the funds would be sold for a value other than NAV.

The Company retains independent pricing vendors to assist in valuing invested assets when the prices are not available from the SVO.

When available, the Company uses quoted market prices to determine the fair value of investment securities, and they are included in Level 1.

When quoted market prices are unavailable, the Company uses quotes from independent pricing vendors based on recent trading activity and other relevant information, including market interest rate curves, referenced credit spreads and estimated prepayment rates, where applicable. These investments are included in Level 2 and are primarily comprised of fixed income securities which are NAIC rated 3 or below.

In infrequent circumstances, the pricing is not available from the pricing vendor and is based on significant unobservable inputs. In those circumstances, the investment security is classified in Level 3. There are no Level 3 investments at reporting date.

(5) Derivative Fair Value Disclosures

Not Applicable

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

Not Applicable

C. Fair Value Level

The table below reflects the fair value and admitted values of all admitted assets and liabilities that are financial instruments. The fair values are also categorized into the three-level fair value hierarchy as described in Note 20A.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	$1,622,239,793	$1,629,263,887	$ -	$1,629,263,887	$ -	$ -	$ -
Common Stocks	$1,067,658,842	$1,067,658,842	$1,067,658,842	$ -	$ -	$ -	$ -
Cash and Cash Equivalents	$ 322,646,328	$ 322,646,328	$ 190,041,883	$ -	$ -	$ 132,604,445	$ -
Securities Lending Reinvested Collateral Assets	$ 38,740,220	$ 38,740,220	$ 38,740,220	$ -	$ -	$ -	$ -
Total	$3,051,285,183	$3,058,309,277	$1,296,440,945	$1,629,263,887	$ -	$ 132,604,445	$ -

D. Not Practicable to Estimate Fair Value

Not Applicable

E. NAV Practical Expedient Investments

The Company elects to use NAV for all money market mutual funds in lieu of fair value as NAV is more readily available. These funds are backed by high quality, very liquid short-term instruments and the probability is remote that the funds would be sold for a value other than NAV.

Note 21 – Other Items

A. Unusual or Infrequent Items

Not Applicable

B. Troubled Debt Restructuring Debtors

Not Applicable

C. Other Disclosures

The Company records Canadian activity in Canadian dollars in the Annual Statement. The net balance of Canadian assets and liabilities which represent a portion of the Company's surplus, is adjusted to U.S. dollars through the "change in net unrealized foreign exchange" adjustment line on page 4, line 25. This has the effect of converting total surplus to U.S. Dollars.

NOTES TO FINANCIAL STATEMENTS

Note 21 – Other Items (continued from preceding page)

D. Business Interruption Insurance Recoveries

Not Applicable

E. State Transferable and Non-Transferable Tax Credits

Not Applicable

F. Subprime Mortgage Related Risk Exposure

(1) Description of the Subprime-Mortgage-Related Exposure and Related Risk Management Policies

The Company defines its exposure to sub prime mortgage related risk by considering securities with a weighted average FICO/Credit score of less than 660 to be sub prime. The company monitors the underlying collateral performance of these securities via monthly trustee reports, Bloomberg performance data and Rating Agency performance reports. The company has minimal exposure to sub prime securities and has no plans to increase its holding in sub prime securities at this time. This exposure will not materially affect the Company's unrealized losses or anticipated cash flows.

(2) Direct Exposure Through Investments in Subprime Mortgage Loans

Not Applicable

(3) Direct Exposure Through Other Investments

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	$ 565,114	$ 683,844	$ 1,078,863	$ -
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*				
f. Other assets				
g. Total	$ 565,114	$ 683,844	$ 1,078,863	$ -

* These investments comprise 0 % of the company's invested assets.

(4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage

Not Applicable

G. Insurance-Linked Securities (ILS) Contracts

Not Applicable

Note 22 – Events Subsequent

Subsequent events have been considered through February 22, 2019 for these statutory financial statements which are to be issued February 22, 2019. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

A. - H. The Company does not write health insurance policies, and therefore is not subject to Section 9010 of the Affordable Care Act.

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

Not Applicable

B. Reinsurance Recoverable in Dispute

Not Applicable

C. Reinsurance Assumed and Ceded

(1) Maximum Amount of Return Commission

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	$ 2,994,534	$ 154,212	$ 5,429,000	$ 1,085,800	$ (2,434,466)	$ (931,588)
b. All Other	180,155	23,138	47,834,000	14,239,385	(47,653,845)	(14,216,247)
c. Total	$ 3,174,689	$ 177,350	$ 53,263,000	$ 15,325,185	$ (50,088,311)	$ (15,147,835)

d. Direct Unearned Premium Reserves	$ 448,645,440

NOTES TO FINANCIAL STATEMENTS

Note 23 – Reinsurance (continued from preceding page)

(2) Additional or Return Commission

Not Applicable

(3) Types of Risks Attributed to Protected Cell

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

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not Applicable

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

A. Change in Incurred Losses and Loss Adjustment Expenses

As a result of changes in estimates of insured events related to prior years, the provision for losses and loss adjustment expenses increased by $54,611,000. The increase in the prior years was primarily due to the strengthening of incurred-but-not-reported (IBNR) reserves based on incurred loss experience and increases on a small number of individual losses.

No additional premiums or return of premiums have been accrued as a result of prior year effects.

B. Information about Significant Changes in Methodologies and Assumptions

Not Applicable

Note 26 – Intercompany Pooling Arrangements

A. Identification of the Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

Lead Entity and all Affiliated Entities	NAIC Company Code	Pooling Percentage
Factory Mutual Insurance Company (lead insurer)	21482	86.0%
Affiliated FM Insurance Company	10014	12.0%
Appalachian Insurance Company	10316	2.0%

The percentages represent the policyholder's surplus of each company compared to the combined policyholder's surplus for the three companies.

B. Description of Lines and Types of Business Subject to the Pooling Agreement

The parties agreed to pool net premiums earned, net losses and loss adjustment expenses incurred, and other underwriting expenses incurred. Each company agreed to cede and/or assume from the others that amount of net premium earned, reported in the NAIC Annual Statement, Page 4, Line 1, less that amount of dividends to policyholders reported on Page 4, Line 17, net losses and loss adjustment expenses incurred included in the NAIC Annual Statement, Page 4 Lines 2 and 3 and other underwriting expenses incurred reported in the NAIC Annual Statement, Page 4, Line 4, required to bring its share to the agreed upon percentage of the total. Also, premiums and losses that are assumed and ceded pursuant to stop loss reinsurance treaties between Factory Mutual Insurance Company (Asia Pacific branches) and Affiliated FM Insurance Company, and pursuant to an intercompany reinsurance agreement between the Canadian branches of Factory Mutual Insurance Company and Affiliated FM Insurance Company, are excluded from the intercompany pooling agreement.

The pooling activity is recorded and settled as current accident and occurrence year transactions for Schedule P reporting purposes. The pooling results are considered as written and earned in the current accident year. The pooling results of losses and loss adjustment expenses paid and incurred are reflected in the current occurrence year.

C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement

Reinsurance may be externally ceded on a facultative and/or treaty basis by any pool participant prior to pooling.

NOTES TO FINANCIAL STATEMENTS

Note 26 – Intercompany Pooling Arrangements (continued from preceding page)

D. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers

Each pool participant has a contractual right of direct recovery from its own external reinsurers.

E. Explanation of Discrepancies Between Entries of Pooled Business

There are no discrepancies between the assumed and ceded reinsurance schedules of the pool participants.

F. Description of Intercompany Sharing of the Provision for Reinsurance

Each pool participant establishes its respective provision for reinsurance in Schedule F and the write-off of uncollectible reinsurance for its own facultative and treaty cessions.

G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

Name of Insurer	Amounts Receivable	Amounts Payable
Factory Mutual Insurance Company (lead insurer)	$113,149,447	$262,405,274
Affiliated FM Insurance Company	$244,251,425	$76,510,138
Appalachian Insurance Company	$18,153,849	$36,639,309

Note 27 – Structured Settlements

Not Applicable

Note 28 – Health Care Receivables

Not Applicable

Note 29 – Participating Policies

Not Applicable

Note 30 – Premium Deficiency Reserves

The Company evaluated whether a premium deficiency reserve is required as of December 31, 2018 and determined that a premium deficiency reserve is not applicable.

1. Liability carried for premium deficiency reserve: $0

2. Date of most recent evaluation of this liability: January 31, 2019

3. Was anticipated investment income utilized in the calculation? Yes [X] No [ ]

Note 31 – High Deductibles

Not Applicable

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

Not Applicable

Note 33 – Asbestos/Environmental Reserves

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?

The Company has potential exposure involving asbestos, environmental impairment liability, and other types of tort-related claims, which applies only to the casualty and assumed reinsurance business now in runoff. Management has indicated that liabilities are recognized for known claims (including the cost of related litigation) when sufficient information has been developed to indicate the involvement of a specific insurance policy, and the Company's liabilities can be reasonably estimated. Additional reserves for such claims are established to cover further exposures on both known and unasserted claims based on facts currently known and the present state of the law and coverage litigation. The reserves for these types of claims are included in the foregoing loss and loss adjustment expense reserves and are subject to considerable uncertainty, due to the potential severity of the claims and the uncertain legal climate.

(1) Direct - Asbestos

		2014	2015	2016	2017	2018
a.	Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	$ 165,794,000	$ 153,322,000	$ 249,498,000	$ 239,716,000	$ 235,611,000
b.	Incurred losses and loss adjustment expense	2,000	105,000,000	-	430,000	-
c.	Calendar year payments for losses and loss adjustment expenses	12,474,000	8,824,000	9,782,000	4,535,000	5,639,000
d.	Ending reserves (including Case, Bulk + IBNR Loss & LAE)	$ 153,322,000	$ 249,498,000	$ 239,716,000	$ 235,611,000	$ 229,972,000

NOTES TO FINANCIAL STATEMENTS

Note 33 – Asbestos/Environmental Reserves (continued from preceding page)

(2) Assumed Reinsurance - Asbestos

		2014	2015	2016	2017	2018
a.	Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	$ -	$ -	$ -	$ -	$ -
b.	Incurred losses and loss adjustment expense					
c.	Calendar year payments for losses and loss adjustment expenses					
d.	Ending reserves (including Case, Bulk + IBNR Loss & LAE)	$ -	$ -	$ -	$ -	$ -

(3) Net of Ceded Reinsurance - Asbestos

		2014	2015	2016	2017	2018
a.	Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	$ 69,330,000	$ 65,598,000	$ 115,194,000	$ 116,101,000	$ 121,482,000
b.	Incurred losses and loss adjustment expense	2,722,000	55,792,000	4,205,000	8,067,000	-
c.	Calendar year payments for losses and loss adjustment expenses	6,454,000	6,196,000	3,298,000	2,686,000	4,507,000
d.	Ending reserves (including Case, Bulk + IBNR Loss & LAE)	$ 65,598,000	$ 115,194,000	$ 116,101,000	$ 121,482,000	$ 116,975,000

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

(1)	Direct basis	$ 195,534,000
(2)	Assumed reinsurance basis	
(3)	Net of ceded reinsurance basis	$ 101,282,000

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

(1)	Direct basis	$ 30,835,000
(2)	Assumed reinsurance basis	
(3)	Net of ceded reinsurance basis	$ 21,012,000

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?

The Company has potential exposure involving asbestos, environmental impairment liability, and other types of tort-related claims, which applies only to the casualty and assumed reinsurance business now in runoff. Management has indicated that liabilities are recognized for known claims (including the cost of related litigation) when sufficient information has been developed to indicate the involvement of a specific insurance policy, and the Company's liabilities can be reasonably estimated. Additional reserves for such claims are established to cover further exposures on both known and unasserted claims based on facts currently known and the present state of the law and coverage litigation. The reserves for these types of claims are included in the foregoing loss and loss adjustment expense reserves and are subject to considerable uncertainty, due to the potential severity of the claims and the uncertain legal climate

(1) Direct - Environmental

		2014	2015	2016	2017	2018
a.	Beginning reserves	$ 37,609,000	$ 35,992,000	$ 31,404,000	$ 30,736,000	$ 42,761,000
b.	Incurred losses and loss adjustment expense	-	(4,000,000)	-	12,564,000	-
c.	Calendar year payments for losses and loss adjustment expenses	1,617,000	588,000	668,000	539,000	1,115,000
d.	Ending reserves	$ 35,992,000	$ 31,404,000	$ 30,736,000	$ 42,761,000	$ 41,646,000

(2) Assumed Reinsurance - Environmental

		2014	2015	2016	2017	2018
a.	Beginning reserves	$ -	$ -	$ -	$ -	$ -
b.	Incurred losses and loss adjustment expense					
c.	Calendar year payments for losses and loss adjustment expenses					
d.	Ending reserves	$ -	$ -	$ -	$ -	$ -

(3) Net of Ceded Reinsurance - Environmental

		2014	2015	2016	2017	2018
a.	Beginning reserves	$ 24,028,000	$ 19,178,000	$ 15,383,000	$ 12,960,000	$ 12,397,000
b.	Incurred losses and loss adjustment expense	(3,282,000)	(3,308,000)	(1,990,000)	(24,000)	-
d.	Calendar year payments for losses and loss adjustment expenses	1,568,000	487,000	433,000	539,000	1,082,000
d.	Ending reserves	$ 19,178,000	$ 15,383,000	$ 12,960,000	$ 12,397,000	$ 11,315,000

NOTES TO FINANCIAL STATEMENTS

Note 33 – Asbestos/Environmental Reserves (continued from preceding page)

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

(1)	Direct basis	$	37,640,000
(2)	Assumed reinsurance basis		
(3)	Net of ceded reinsurance basis	$	9,336,000

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

(1)	Direct basis	$	10,919,000
(2)	Assumed reinsurance basis		
(3)	Net of ceded reinsurance basis	$	1,127,000

Note 34 – Subscriber Savings Accounts

Not Applicable

Note 35 – Multiple Peril Crop Insurance

Not Applicable

Note 36 – Financial Guaranty Insurance

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State regulating? Rhode Island

1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes [ ] No [X]

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

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2017

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). 12/08/2018

3.4 By what department or departments?
Rhode Island Division of Insurance

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

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

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

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

4.12 renewals? Yes [ ] No [X]

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

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

4.22 renewals? Yes [ ] No [X]

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

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

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

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

6.2 If yes, give full information:

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

7.2 If yes,

7.21 State the percentage of foreign control %

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

1 Nationality	2 Type of Entity

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

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

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

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

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

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 200 Clarendon Street, Boston, MA 02116

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Kathleen Odomirok, FCAS, MAAA - Principal, Ernst & Young LLP 200 Clarendon Street, Boston, MA 02116

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

12.11	Name of real estate holding company	
12.12	Number of parcels involved	0
12.13	Total book/adjusted carrying value	$ 0

12.2 If yes, provide explanation

13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

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

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

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

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

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

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11	To directors or other officers	$ 0
20.12	To stockholders not officers	$ 0
20.13	Trustees, supreme or grand (Fraternal only)	$ 0

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

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

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

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

21.21	Rented from others	$ 0
21.22	Borrowed from others	$ 0
21.23	Leased from others	$ 0
21.24	Other	$ 0

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21	Amount paid as losses or risk adjustment	$ 0
22.22	Amount paid as expenses	$ 0
22.23	Other amounts paid	$ 0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [ ] No [X]

24.02 If no, give full and complete information, relating thereto:
JP Morgan Worldwide Securities Services and RBC (Toronto) hold custody of the securities.

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).
The market value and collateral value of securities loaned as of year-end 2018 is $41,099,112 and $41,948,503 respectively. The amount of cash collateral on the balance sheet is $38,740,220. See Note 17 for a description of the securities lending program.

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes [X] No [ ] N/A [ ]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 41,948,503

24.06 If answer to 24.04 is no, report amount of collateral for other programs $ 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [ ] N/A [ ]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.09. Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [ ] N/A [ ]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 38,740,220

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 38,740,220

24.103 Total payable for securities lending reported on the liability page: $ 38,740,220

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

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

25.21	Subject to repurchase agreements	$ 0
25.22	Subject to reverse repurchase agreements	$ 0
25.23	Subject to dollar repurchase agreements	$ 0
25.24	Subject to reverse dollar repurchase agreements	$ 0
25.25	Placed under option agreements	$ 0
25.26	Letter stock or securities restricted as sale – excluding FHLB Capital Stock	$ 0
25.27	FHLB Capital Stock	$ 0
25.28	On deposit with states	$ 5,151,723
25.29	On deposit with other regulatory bodies	$ 0
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	$ 0
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	$ 0
25.32	Other	$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		$

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

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

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

27.2 If yes, state the amount thereof at December 31 of the current year: $ 0

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

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Worldwide Securities Services	383 Madison Avenue, New York, NY
RBC Investor Services	200 Bay Street, Toronto, Ontario, Canada

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

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

1 Name of Firm or Individual	2 Affiliation
Sanjay Chawla, SVP, Chief Investment Officer	I
Daniel Richards VP, Portfolio Mgr Fixed Income	I
Scott Anthony, VP, Sector Portfolio Mgr Fixed Income	I
Standish Mellon Asset Management	U
Blackrock Financial Management Inc	U

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
113972	Standish Mellon Asset Management	ME7YUCK4NF1W8VM8SP25	SEC	DS
107105	Blackrock Financial Management Inc	549300LVXY1VJKE13M84	SEC	DS

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

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
464287 50 7	ISHARES CORE S&P MIDCAP ETF	$ 4,981,800
464287 80 4	ISHARES CORE S&P SMALL-CAP ETF	$ 5,545,600
78464A 78 9	SPDR S&P INSURANCE ETF	$ 32,625,500
922042 71 8	VANGUARD FTSE ALL WO X-US SC	$ 8,994,600
922042 77 5	VANGUARD FTSE ALL WORLD EX-U	$ 9,116,000
922042 86 6	VANGUARD PACIFIC ETF	$ 6,063,000
92204A 87 6	VANGUARD UTILITIES ETF	$ 20,031,100
29.2999 TOTAL		$ 87,357,600

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
ISHARES CORE S&P MIDCAP ETF	Teleflex Inc.	$ 38,260	12/31/2018
ISHARES CORE S&P MIDCAP ETF	Atmos Energy Corp	$ 34,225	12/31/2018
ISHARES CORE S&P MIDCAP ETF	IDEX Corp	$ 33,179	12/31/2018
ISHARES CORE S&P MIDCAP ETF	Dominos Pizza Inc.	$ 32,432	12/31/2018
ISHARES CORE S&P MIDCAP ETF	UGI Corp	$ 30,339	12/31/2018
ISHARES CORE S&P SMALL-CAP ETF	First Financial BankShare	$ 31,776	12/31/2018
ISHARES CORE S&P SMALL-CAP ETF	Trex Co Inc	$ 31,277	12/31/2018
ISHARES CORE S&P SMALL-CAP ETF	Green Dot Corp	$ 30,279	12/31/2018
ISHARES CORE S&P SMALL-CAP ETF	Spire Inc	$ 29,614	12/31/2018
ISHARES CORE S&P SMALL-CAP ETF	Ingevity Corp	$ 29,003	12/31/2018
SPDR S&P INSURANCE ETF	MetLife Inc	$ 80,813	12/31/2018
SPDR S&P INSURANCE ETF	American International Group	$ 80,618	12/31/2018
SPDR S&P INSURANCE ETF	Unum Group	$ 78,432	12/31/2018
SPDR S&P INSURANCE ETF	Principal Financial Group	$ 77,518	12/31/2018
SPDR S&P INSURANCE ETF	Prudential Financial Inc	$ 76,964	12/31/2018
VANGUARD FTSE ALL WO X-US SC	Open Text Corp	$ 33,370	12/31/2018
VANGUARD FTSE ALL WO X-US SC	Gildan Activewear Inc	$ 24,735	12/31/2018
VANGUARD FTSE ALL WO X-US SC	First Quantum Minerals	$ 21,947	12/31/2018
VANGUARD FTSE ALL WO X-US SC	CCL Industries Inc	$ 21,227	12/31/2018
VANGUARD FTSE ALL WO X-US SC	B 0 02/21/19	$ 21,047	12/31/2018
VANGUARD FTSE ALL WORLD EX-U	Nestle SA	$ 113,221	12/31/2018
VANGUARD FTSE ALL WORLD EX-U	Tencent Holding Ltd	$ 105,016	12/31/2018
VANGUARD FTSE ALL WORLD EX-U	Novartis AG	$ 86,511	12/31/2018
VANGUARD FTSE ALL WORLD EX-U	Roche Holding AG	$ 79,856	12/31/2018
VANGUARD FTSE ALL WORLD EX-U	HSBC Holdings PLC	$ 76,119	12/31/2018
VANGUARD PACIFIC ETF	Samsung Electrnics Corp	$ 152,666	12/31/2018

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

VANGUARD PACIFIC ETF	Toyota Motor Corp	$	136,478	12/31/2018
VANGUARD PACIFIC ETF	AIA Group Ltd	$	93,673	12/31/2018
VANGUARD PACIFIC ETF	Commonwealth Bank	$	83,851	12/31/2018
VANGUARD PACIFIC ETF	BHP Group Ltd	$	72,513	12/31/2018
VANGUARD UTILITIES ETF	NextEra Energy Inc	$	1,973,865	12/31/2018
VANGUARD UTILITIES ETF	Duke Energy Corp	$	1,480,298	12/31/2018
VANGUARD UTILITIES ETF	Dominion Energy Inc	$	1,124,947	12/31/2018
VANGUARD UTILITIES ETF	Southern Co	$	1,072,465	12/31/2018
VANGUARD UTILITIES ETF	Exelon Corp	$	1,048,828	12/31/2018

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	$ 1,629,263,887	$ 1,622,239,793	$ (7,024,094)
30.2	Preferred Stocks	$ 0	$ 0	$ 0
30.3	Totals	$ 1,629,263,887	$ 1,622,239,793	$ (7,024,094)

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

Bonds and preferred stocks are priced by the SVO when available. When SVO pricing is not available, the securities are priced by our external pricing source, Interactive Data Pricing and Reference Data LLC.

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

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

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

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

32.2 If no, list exceptions:

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

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

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

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

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 124,022

35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
AAIS SERVICES CORPORATION	$ 55,371
WASHINGTON SURVEYING AND RATING BUREAU	$ 37,661

36.1 Amount of payments for legal expenses, if any? $ 7,831

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

1 Name	2 Amount Paid
	$

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

37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	$

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only. $ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $ 0

1.62 Total incurred claims $ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $ 0

1.65 Total incurred claims $ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ 0

1.72 Total incurred claims $ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $ 0

1.75 Total incurred claims $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 0	$ 0
2.2	Premium Denominator	$ 432,634,124	$ 442,216,791
2.3	Premium Ratio (2.1/2.2)	0.0%	0.0%
2.4	Reserve Numerator	$ 0	$ 0
2.5	Reserve Denominator	$ 1,297,884,231	$ 1,058,393,641
2.6	Reserve Ratio (2.4/2.5)	0.0%	0.0%

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [X] No [ ]

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

3.21 Participating policies $ 2,100,287

3.22 Non-participating policies $ 886,246,205

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

4.1 Does the reporting entity issue assessable policies? Yes [ ] No [ ]

4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [ ]

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

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. $ 0

5. FOR RECIPROCAL EXCHANGES ONLY:

5.1 Does the exchange appoint local agents? Yes [ ] No [ ]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [X]

5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [X]

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

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [ ] No [ ]

5.5 If yes, give full information:

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

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 uses the AIR Touchstone 5.1 software to model our catastrophe exposure in hurricane and earthquake prone areas where we have concentrations of business.

6.3 What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
In addition to controlling the Company's exposure by loss prevention engineering, deductibles, and limits of liability, we purchase risk and catastrophe reinsurance.

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [ ] No [X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:
There are certain parts of the Company's catastrophe program in high excess layers for which a reinstatement clause is not applicable. These parts of the program cover events that management considered and evaluated as less likely to occur and given the Company's strong surplus position and its ability to purchase additional reinsurance if an event occurs, it was determined that a reinstatement clause was not required for those parts of the program.

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 [ ] No [X]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [ ]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]

8.2 If yes, give full information

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;

(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;

(c) Aggregate stop loss reinsurance coverage;

(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;

(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or

(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or

(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;

(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and

(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 31 of *SSAP No. 62R, Property and Casualty Reinsurance*, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

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

(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or, Yes [ ] No [X]

(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]

(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [ ] No [X]

11.2 If yes, give full information

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

12.11 Unpaid losses $ 0

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 0

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? $ 0

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [ ] N/A [X]

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

12.41 From %

12.42 To %

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]

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

12.61 Letters of Credit $ 0

12.62 Collateral and other funds $ 0

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 166,600,000

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

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 1

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

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
The method of allocating and recording reinsurance with outside reinsurers is based proportionally on each company's share of occurence and specific contract terms with respect to intercompany reinsurance agreements.

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [X]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [X] No [ ]

14.5 If the answer to 14.4 is no, please explain:

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

15.2 If yes, give full information

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

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

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

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that is exempt from the statutory provision for unauthorized reinsurance? Yes [X] 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 $ 24,354,000

17.12 Unfunded portion of Interrogatory 17.11 $ 24,354,000

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 $ 0

17.14 Case reserves portion of Interrogatory 17.11 $ 0

17.15 Incurred but not reported portion of Interrogatory 17.11 $ 24,354,000

17.16 Unearned premium portion of Interrogatory 17.11 $ 0

17.17 Contingent commission portion of Interrogatory 17.11 $ 0

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

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

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

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

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

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

FIVE-YEAR HISTORICAL DATA

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

	1 2018	2 2017	3 2016	4 2015	5 2014
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	111	(16)	83	88	110
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	749,078,553	705,208,264	677,562,620	667,240,281	661,377,019
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	178,431,264	167,647,161	165,880,759	161,172,680	155,654,812
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)	5	33	(1,110)	9	(2,542)
6. Total (Line 35)	927,509,933	872,855,442	843,442,352	828,413,058	817,029,399
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	111	(16)	83	88	110
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	610,283,920	591,072,294	556,766,751	557,039,931	539,292,377
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	162,089,235	153,539,191	149,822,047	146,966,317	139,255,083
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)	(325,021,172)	(286,724,801)	(282,942,215)	(283,462,569)	(291,915,847)
12. Total (Line 35)	447,352,094	457,886,668	423,646,666	420,543,767	386,631,723
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(126,575,143)	(137,446,630)	68,234,213	57,148,270	81,955,220
14. Net investment gain (loss) (Line 11)	206,887,661	90,362,772	53,786,912	94,188,092	81,315,893
15. Total other income (Line 15)	740,621	(607,874)	(135,190)	(1,429,714)	402,251
16. Dividends to policyholders (Line 17)	499,363	483,059	457,523	434,520	409,823
17. Federal and foreign income taxes incurred (Line 19)	(10,361,197)	(31,224,155)	38,011,671	27,919,103	44,124,633
18. Net income (Line 20)	90,914,973	(16,950,636)	83,416,741	121,553,025	119,138,908
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	3,520,740,945	3,163,024,048	2,992,883,000	2,589,256,590	2,528,717,670
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1)	147,347,961	143,778,093	130,762,771	119,695,711	112,453,751
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	1,854,008,074	1,383,151,582	1,374,231,235	1,109,667,309	1,131,067,901
22. Losses (Page 3, Line 1)	819,740,310	569,005,714	577,612,530	353,285,708	397,070,652
23. Loss adjustment expenses (Page 3, Line 3)	79,125,883	64,197,922	66,308,751	54,904,891	50,319,026
24. Unearned premiums (Page 3, Line 9)	398,557,612	383,839,642	368,169,765	365,981,101	355,485,174
25. Capital paid up (Page 3, Lines 30 & 31)	11,250,000	11,250,000	11,250,000	11,250,000	11,250,000
26. Surplus as regards policyholders (Page 3, Line 37)	1,666,732,871	1,779,872,466	1,618,651,765	1,479,589,281	1,397,649,769
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	305,334	3,798,707	237,728,089	61,901,690	146,118,595
Risk-Based Capital Analysis					
28. Total adjusted capital	1,666,732,871	1,779,872,466	1,618,651,765	1,479,589,281	1,397,649,769
29. Authorized control level risk-based capital	187,148,510	189,945,001	144,700,692	115,163,256	111,555,638
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)	53.3	46.2	52.2	54.6	57.5
31. Stocks (Lines 2.1 & 2.2)	34.9	45.8	39.7	38.0	37.9
32. Mortgage loans on real estate (Lines 3.1 & 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	10.5	6.6	7.1	5.5	3.4
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38 Receivables for securities (Line 9)	0.0		0.0	0.0	0.2
39. Securities lending reinvested collateral assets (Line 10)	1.3	1.4	1.0	1.9	0.9
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, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above lines 42 to 47	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0				

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2018	2 2017	3 2016	4 2015	5 2014
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(199,379,277)	182,952,606	59,995,530	(13,525,739)	23,548,039
52. Dividends to stockholders (Line 35)	(507,500)	(507,500)	(507,500)	(507,500)	(507,500)
53. Change in surplus as regards policyholders for the year (Line 38)	(113,139,595)	161,220,701	139,062,484	81,939,512	135,578,576
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	4,964,918	3,303,593	9,255,298	13,540,754	12,904,379
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	551,403,528	422,121,843	392,880,778	387,147,118	390,384,005
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	138,449,767	102,327,645	61,309,686	84,943,421	81,400,359
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(10,490)	(12,313)	(24,003)	(13,931)	6,670
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)	5,837	19,876	17,130	1,563	50,342
59. Total (Line 35)	694,813,561	527,760,644	463,438,889	485,618,925	484,745,755
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	3,358,464	1,777,363	4,280,105	7,230,099	6,543,504
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	502,217,426	390,844,918	364,027,183	306,144,291	265,899,607
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	132,856,931	99,576,944	59,419,136	76,657,273	70,627,173
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	(10,490)	(12,313)	(24,003)	(13,931)	6,670
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)	(472,157,813)	(45,673,597)	(426,000,738)	(119,349,605)	(183,889,465)
65. Total (Line 35)	166,264,519	446,513,315	1,701,684	270,668,127	159,187,489
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)	96.4	99.0	53.6	55.3	48.9
68. Loss expenses incurred (Line 3)	4.0	4.3	3.3	3.5	3.6
69. Other underwriting expenses incurred (Line 4)	28.9	27.8	26.9	27.3	26.3
70. Net underwriting gain (loss) (Line 8)	(29.3)	(31.1)	16.2	13.9	21.2
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)	27.8	27.0	26.8	26.9	26.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	100.4	103.3	56.9	58.8	52.5
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0)	26.8	25.7	26.2	28.4	27.7
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)	54,611	(33,505)	(14,985)	21,238	(50,307)
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)	3.1	(2.1)	(1.0)	1.5	(4.0)
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)	(20,921)	(21,863)	15,526	(22,467)	(48,855)
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)	(1.3)	(1.5)	1.1	(1.8)	(4.7)

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

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

($000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported-Direct and Assumed
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	XXX	XXX	XXX	5,034	1,681	2,043	(10)	416		(38)	5,821	XXX
2. 2009	645,041	281,638	363,402	190,076	42,688	4,396	16,818	23,817	39,431	9,763	119,352	XXX
3. 2010	677,450	341,965	335,485	338,948	207,074	3,946	101	26,610	3,470	8,260	158,859	XXX
4. 2011	733,010	380,014	352,996	483,917	99,810	5,965	3,870	27,673	11,573	13,129	402,301	XXX
5. 2012	813,744	416,645	397,099	921,818	777,525	7,194	5,777	38,120	15,073	15,747	168,756	XXX
6. 2013	843,040	455,537	387,503	368,919	195,670	2,477	4,328	27,992	25,505	8,506	173,885	XXX
7. 2014	826,728	440,810	385,918	479,816	257,985	1,604	3,903	27,145	17,579	13,178	229,099	XXX
8. 2015	824,994	414,945	410,049	346,972	144,395	2,975	3,615	22,489	17,504	7,313	206,921	XXX
9. 2016	840,801	419,343	421,458	640,182	449,794	2,241	5,692	22,295	20,876	5,603	188,355	XXX
10. 2017	861,525	419,307	442,218	464,483	65,004	114	2,086	24,576	8,089	3,355	413,995	XXX
11. 2018	905,969	473,334	432,635	338,796	512,115	50	7,974	15,981	25,902	397	(191,164)	XXX
12. Totals	XXX	XXX	XXX	4,578,960	2,753,740	33,005	54,154	257,113	185,002	85,213	1,876,181	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total	
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Net Losses and Expenses Unpaid	Number of Claims Outstanding-Direct and Assumed
1. Prior	40,527	21,740	209,823	116,051	9,728	5,430	36,216	17,194				135,879	XXX
2. 2009	169	34			1							136	XXX
3. 2010	46		0		2							49	XXX
4. 2011	397	65	48	6	15						5	390	XXX
5. 2012	2,087	16,839	15,474	6	2						5	718	XXX
6. 2013	(13)	(5)	372	45	5						38	324	XXX
7. 2014	1,156	1	1		10							1,166	XXX
8. 2015	4,372	187	284	34	83	7			184	21	29	4,674	XXX
9. 2016	40,414	874	2,886	343	1,116	128			3,233	365	294	45,938	XXX
10. 2017	119,150	9,207	12,465	1,490	2,416	285	686		9,351	811	1,277	132,275	XXX
11. 2018	553,145	82,063	73,674	7,759	11,329	1,359			34,218	3,868	6,652	577,318	XXX
12. Totals	761,450	131,004	315,027	125,733	24,706	7,209	36,902	17,194	46,986	5,065	8,300	898,866	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	112,559	23,320
2. 2009	218,458	98,971	119,487	33.9	35.1	32.9			12.00	135	1
3. 2010	369,554	210,646	158,908	54.6	61.6	47.4			12.00	46	2
4. 2011	518,014	115,323	402,691	70.7	30.3	114.1			12.00	375	15
5. 2012	984,694	815,220	169,474	121.0	195.7	42.7			12.00	715	2
6. 2013	399,752	225,542	174,209	47.4	49.5	45.0			12.00	319	5
7. 2014	509,732	279,467	230,265	61.7	63.4	59.7			12.00	1,156	10
8. 2015	377,358	165,763	211,596	45.7	39.9	51.6			12.00	4,436	239
9. 2016	712,366	478,073	234,293	84.7	114.0	55.6			12.00	42,083	3,855
10. 2017	633,241	86,971	546,270	73.5	20.7	123.5			12.00	120,918	11,357
11. 2018	1,027,194	641,040	386,154	113.4	135.4	89.3			12.00	536,997	40,320
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	819,740	79,126

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted) 1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018	DEVELOPMENT 11 One Year	12 Two Year
1. Prior	211,806	192,962	183,565	199,265	209,695	209,034	248,504	246,697	263,254	262,667	(587)	15,970
2. 2009	182,455	140,558	133,976	138,796	135,739	135,457	135,310	135,169	134,931	135,101	171	(68)
3. 2010	XXX	196,910	142,583	141,670	138,235	136,945	136,169	136,162	135,612	135,768	156	(394)
4. 2011	XXX	XXX	392,253	392,005	409,582	390,345	386,321	384,605	384,886	386,591	1,705	1,986
5. 2012	XXX	XXX	XXX	205,347	172,890	156,445	157,308	160,582	146,428	146,427	(0)	(14,154)
6. 2013	XXX	XXX	XXX	XXX	199,831	187,437	179,894	174,779	172,357	171,722	(635)	(3,057)
7. 2014	XXX	XXX	XXX	XXX	XXX	240,544	233,939	233,739	225,229	220,698	(4,530)	(13,040)
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	211,158	201,885	204,042	206,448	2,406	4,563
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	242,734	216,106	230,006	13,900	(12,728)
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	479,215	521,243	42,027	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	365,725	XXX	XXX
										12. Totals	54,611	(20,921)

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) 1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018	11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
1. Prior	000	46,921	57,529	87,735	96,198	103,474	113,499	118,269	121,383	126,788	XXX	XXX
2. 2009	41,554	112,501	122,251	134,513	135,291	135,112	134,956	134,839	134,620	134,966	XXX	XXX
3. 2010	XXX	(18,742)	101,873	132,735	135,050	136,854	136,094	136,065	135,562	135,719	XXX	XXX
4. 2011	XXX	XXX	175,195	323,419	383,493	386,440	385,648	384,341	384,779	386,201	XXX	XXX
5. 2012	XXX	XXX	XXX	(183,704)	111,192	147,546	141,323	141,073	145,656	145,710	XXX	XXX
6. 2013	XXX	XXX	XXX	XXX	14,207	140,053	167,576	170,553	172,305	171,398	XXX	XXX
7. 2014	XXX	XXX	XXX	XXX	XXX	(13,064)	178,418	219,133	221,870	219,533	XXX	XXX
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	50,539	163,929	195,502	201,937	XXX	XXX
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(158,800)	89,402	186,936	XXX	XXX
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	158,224	397,508	XXX	XXX
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(181,243)	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 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016	9 2017	10 2018
1. Prior	114,652	90,739	87,986	79,624	89,003	83,441	113,513	106,975	120,235	112,794
2. 2009	48,002	8,283	2,299	1,680		0		19		
3. 2010	XXX	65,909	12,608	5,565	2,575	1		31		0
4. 2011	XXX	XXX	36,427	14,536	22,694	2,465	1	34		42
5. 2012	XXX	XXX	XXX	66,492	35,142	27,651	19,168	15,596	15,426	15,468
6. 2013	XXX	XXX	XXX	XXX	40,708	18,582	8,576	4,146	1	327
7. 2014	XXX	XXX	XXX	XXX	XXX	47,798	20,115	8,690	1,004	1
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX	35,654	10,671	1,652	250
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	39,314	8,874	2,543
10. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32,831	11,661
11. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	65,915

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	 3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1. Alabama AL	L	7,137,833	7,091,175	382	1,849,560	1,827,262	320,136		
2. Alaska AK	L	4,915,127	4,630,768		1,748,490	4,047,350	2,721,528		
3. Arizona AZ	L	8,486,941	8,452,383	882	4,611,910	4,570,426	4,661,818		
4. Arkansas AR	L	7,870,251	8,474,854	228	4,250,048	3,328,911	618,739		
5. California CA	L	106,991,041	106,670,636	73,374	51,823,560	121,583,989	113,377,100		
6. Colorado CO	L	12,457,405	12,086,120	2,989	16,134,846	26,897,981	22,363,442		
7. Connecticut CT	L	4,962,760	4,933,327	10,074	722,610	1,185,989	1,652,935		
8. Delaware DE	L	1,222,501	1,021,810			273,457	276,636		
9. District of Columbia DC	L	8,388,711	7,830,638		5,750,582	18,815,134	13,979,076		
10. Florida FL	L	23,545,297	23,404,910	27,705	31,732,828	67,546,920	48,797,298		
11. Georgia GA	L	16,981,814	15,936,004	6,384	11,522,209	36,044,771	31,034,512		
12. Hawaii HI	L	684,510	744,996						
13. Idaho ID	L	3,369,336	3,281,348	4,069	864,370	923,396	247,178		
14. Illinois IL	L	37,396,010	35,903,960	8,640	26,663,507	70,286,553	83,856,895		
15. Indiana IN	L	13,313,547	12,575,741	293	7,053,095	8,637,683	1,905,010		
16. Iowa IA	L	5,073,739	4,951,979		3,420,340	6,567,226	4,153,745		
17. Kansas KS	L	3,581,300	3,787,738	1,719	5,076,971	4,872,669	1,758,712		
18. Kentucky KY	L	6,639,010	6,459,989	2,580	1,628,266	2,023,955	1,290,968		
19. Louisiana LA	L	14,319,629	14,621,441		10,667,966	12,059,801	9,102,681		
20. Maine ME	L	797,434	804,840	3,606	620,808	1,369,517	1,032,494		
21. Maryland MD	L	18,945,009	18,201,624	969	7,479,570	8,115,671	4,649,011		
22. Massachusetts MA	L	33,822,479	32,040,426	110,255	19,993,387	24,471,133	14,146,771		
23. Michigan MI	L	15,965,992	15,836,763	2,828	85,504,948	150,972,008	75,217,470		
24. Minnesota MN	L	11,931,366	12,041,391	9,000	4,179,781	5,844,436	2,891,026		
25. Mississippi MS	L	10,303,045	9,856,269		147,538	2,389,583	2,868,340		
26. Missouri MO	L	19,180,758	18,186,457	10,682	25,277,451	16,071,101	5,097,942		
27. Montana MT	L	2,629,818	2,560,099		244,305	426,798	324,227		
28. Nebraska NE	L	2,028,115	2,264,177		529,393	1,108,649	1,117,505		
29. Nevada NV	L	10,520,022	10,585,203		2,161,496	5,315,415	4,141,957		
30. New Hampshire NH	L	2,505,622	2,459,853	2,624	126,136	546,342	763,978		
31. New Jersey NJ	L	21,195,458	20,243,394	21,117	5,838,286	(5,476,095)	106,337,781		
32. New Mexico NM	L	2,946,771	2,744,707		2,228,193	9,219,085	7,181,987		
33. New York NY	L	70,114,903	67,581,860	8,650	32,280,135	22,185,184	103,109,261		
34. North Carolina NC	L	14,175,451	13,657,153	812	4,182,144	11,831,859	11,188,156		
35. North Dakota ND	L	1,095,259	1,137,219		27,509	278,035	410,178		
36. Ohio OH	L	24,369,091	22,797,723	7,634	7,180,856	6,062,834	10,070,021		
37. Oklahoma OK	L	5,914,228	6,146,795		3,499,822	3,044,527	4,815,515		
38. Oregon OR	L	13,957,764	14,371,094	1,790	3,245,578	3,188,805	1,573,989		
39. Pennsylvania PA	L	19,204,421	18,830,825	10,658	4,477,449	8,546,007	6,712,904		
40. Rhode Island RI	L	3,970,146	4,351,622	143,169	2,170,546	1,171,758	4,900,560		
41. South Carolina SC	L	6,190,135	5,792,437	2,625	3,320,316	5,565,794	4,323,405		
42. South Dakota SD	L	637,205	605,056		485,301	(228,787)			
43. Tennessee TN	L	16,169,811	15,850,593		6,282,788	26,634,359	25,022,388		
44. Texas TX	L	64,638,952	62,781,221		154,578,806	72,588,803	155,415,154		
45. Utah UT	L	16,666,106	16,048,722		5,131,208	2,153,814	587,717		
46. Vermont VT	L	1,648,303	1,487,247	729	100,142	59,624	139,407		
47. Virginia VA	L	12,597,167	12,164,591	5,944	7,041,515	7,308,923	3,510,320		
48. Washington WA	L	41,305,018	41,763,619	4,974	19,554,858	19,123,549	4,274,361		
49. West Virginia WV	L	520,346	483,914		61,408	61,408			
50. Wisconsin WI	L	10,539,484	10,554,942	519	3,006,729	2,793,809	6,165,474		
51. Wyoming WY	L	1,142,283	1,000,146		624,555	87,409	55,880		
52. American Samoa AS	N								
53. Guam GU	L								
54. Puerto Rico PR	L	109,192	229,071		3,598,311	(7,869,300)	8,526,679		
55. US Virgin Islands VI	L		126						
56. Northern Mariana Islands MP	L								
57. Canada CAN	L	121,939,237	117,537,811	11,455	90,365,426	201,539,712	139,475,430		
58. Aggregate Other Alien OT	XXX	1,333,339	1,310,418	0	91,996	2,086,682	1,994,686	0	0
59. Totals	XXX	888,346,492	867,169,225	499,359	691,159,848	1,000,081,922	1,060,160,382	0	0

DETAILS OF WRITE-INS

58001. ARG ARGENTINA	XXX	40	17						
58002. AUS AUSTRALIA	XXX	1,909	2,917						
58003. AUT AUSTRIA	XXX	5,656	5,539						
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	1,325,734	1,301,945	0	91,996	2,086,682	1,994,686	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	1,333,339	1,310,418	0	91,996	2,086,682	1,994,686	0	0

Explanation of Basis of Allocation of Premiums by States, etc.

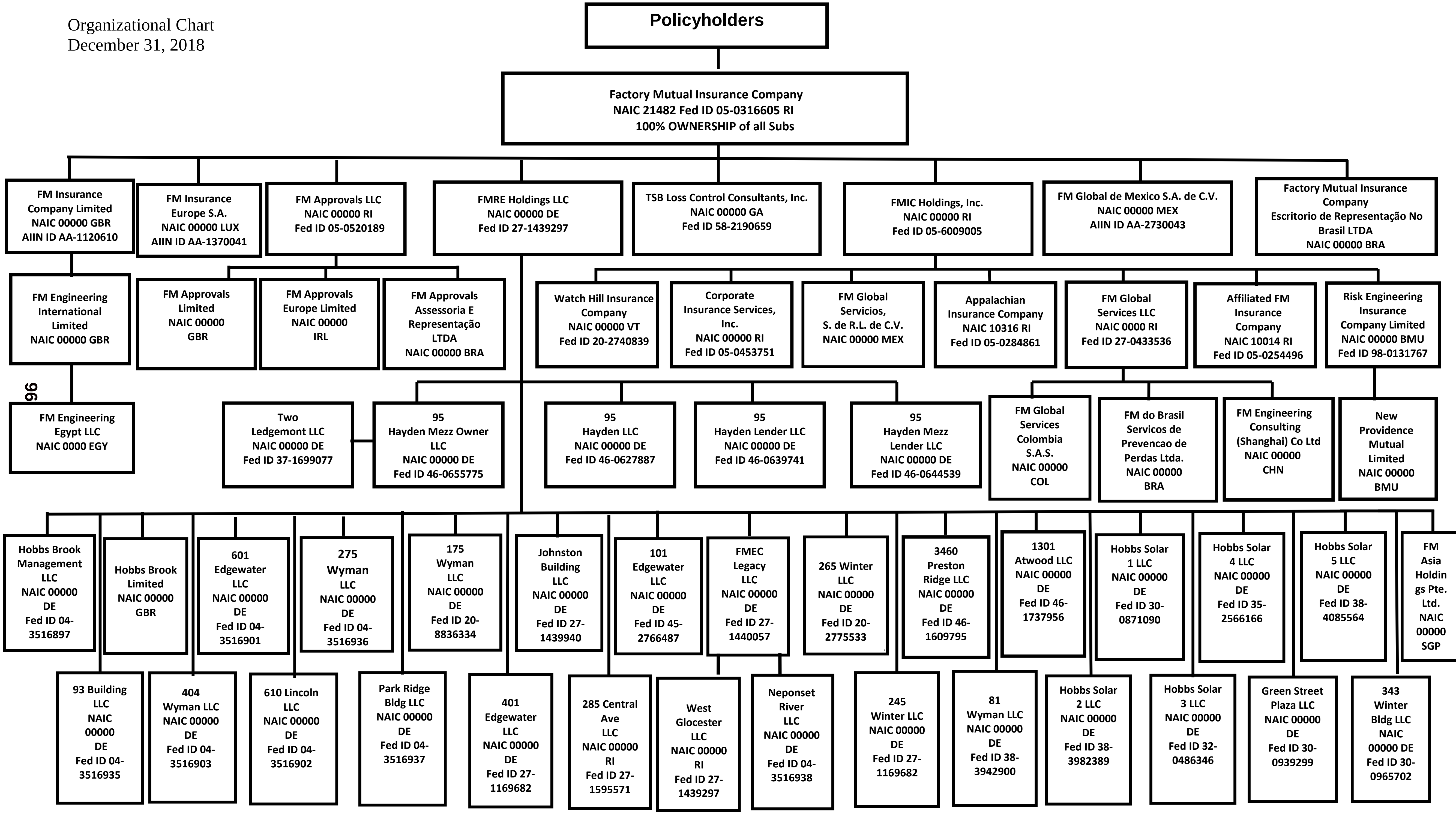
All premiums are allocated to the location of the property insured.

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	56	R - Registered - Non-domiciled RRGs	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI)	0	Q - Qualified - Qualified or accredited reinsurer	0
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile	0	N - None of the above - Not allowed to write business in the state	1

Annual Statement for the year 2018 of the **AFFILIATED FM INSURANCE COMPANY**

Organizational Chart
December 31, 2018



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