



# QUARTERLY STATEMENT

As of June 30, 2018

of the Condition and Affairs of the

## APPALACHIAN INSURANCE COMPANY

NAIC Group Code.....0065, 0065 (Current Period) (Prior Period)	NAIC Company Code..... 10316	Employer's ID Number.....05-0284861
Organized under the Laws of RI	State of Domicile or Port of Entry RI	Country of Domicile US
Incorporated/Organized..... April 14, 1941	Commenced Business..... January 1, 1942	
Statutory Home Office	270 Central Avenue .. Johnston .. RI .. US .. 02919-4949 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	270 Central Avenue .. Johnston .. RI .. US .. 02919-4949 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	401-275-3000 <i>(Area Code) (Telephone Number)</i>
Mail Address	P.O. Box 7500 .. Johnston .. RI .. US .. 02919-0750 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	270 Central Avenue .. Johnston .. RI .. US .. 02919-4949 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	401-275-3000 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.fmglobal.com	
Statutory Statement Contact	Jeffrey Black <i>(Name)</i> jeffrey.black@fmglobal.com <i>(E-Mail Address)</i>	401-415-1559 <i>(Area Code) (Telephone Number) (Extension)</i> 401-946-8306 <i>(Fax Number)</i>

### 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	Senior Vice President
Jonathan William Hall	Chief Operating Officer	Christopher Johnson	Executive Vice President
Sanjay Chawla #	Senior Vice President	Jeanne Ruth Lieb	Senior Vice President
Jonathan Irving Mishara	Senior Vice President	Enzo Rebula	Senior Vice President
Michael Robert Turner	Executive 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	

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) Thomas Alan Lawson 1. (Printed Name) Chairman & Chief Executive Officer (Title)	_____ (Signature) Jonathan Irving Mishara 2. (Printed Name) Senior Vice President & Secretary (Title)	_____ (Signature) Theresa Ann Molloy 3. (Printed Name) Vice President & Controller (Title)
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Subscribed and sworn to before me  
This 10th day of August 2018  
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 Statement Date			4
	1	2	3	December 31 Prior Year Net Admitted Assets
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	210,776,142		210,776,142	218,261,238
2. Stocks:				
2.1 Preferred stocks.....	2,500,000		2,500,000	2,500,000
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
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 (\$.....13,229,188), cash equivalents (\$.....40,893,595) and short-term investments (\$.....0).....	54,122,783		54,122,783	78,037,376
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....	3,206,405		3,206,405	1,166,402
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	270,605,330	0	270,605,330	299,965,016
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	1,238,699		1,238,699	1,302,251
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	16,634,406		16,634,406	16,982,930
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.....	319,142		319,142	458,108
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.....	6,577,826		6,577,826	7,177,826
18.2 Net deferred tax asset.....	351,000	274,000	77,000	86,000
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	7,199	0	7,199	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	295,733,602	274,000	295,459,602	325,972,131
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	295,733,602	274,000	295,459,602	325,972,131

### DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. A/R Misc Cash Clearing.....	7,199		7,199	
2502.....			0	
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	7,199	0	7,199	0

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....0).....	60,872,896	60,904,656
2. Reinsurance payable on paid losses and loss adjustment expenses.....	9,668,250	27,105,763
3. Loss adjustment expenses.....	8,724,155	9,299,330
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....		
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	350	2,497
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 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).....		738
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	770	2,127
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....	7,099	
16. Provision for reinsurance (including \$.....0 certified).....	896,842	896,842
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	5,223,127	22,159,798
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....	3,206,405	1,166,402
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	231	131
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	88,600,125	121,538,284
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	88,600,125	121,538,284
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	3,525,000	3,525,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	7,577,528	7,577,528
35. Unassigned funds (surplus).....	195,756,949	193,331,319
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).....	206,859,477	204,433,847
38. Totals (Page 2, Line 28, Col. 3).....	295,459,602	325,972,131

**DETAILS OF WRITE-INS**

2501. Miscellaneous Accounts Payable.....	231	131
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	231	131
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....0).....	44,233	8,006,037	16,145,062
1.2 Assumed..... (written \$.....33,112,364).....	33,112,364	35,874,469	70,515,100
1.3 Ceded..... (written \$.....11,554).....	55,050	7,886,763	15,894,294
1.4 Net..... (written \$.....33,100,810).....	33,101,547	35,993,743	70,765,868
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....21,233,224):			
2.1 Direct.....			
2.2 Assumed.....	21,233,224	24,267,660	73,586,557
2.3 Ceded.....			(3,188)
2.4 Net.....	21,233,224	24,267,660	73,589,745
3. Loss adjustment expenses incurred.....	1,004,900	921,865	3,136,094
4. Other underwriting expenses incurred.....	10,936,287	10,569,534	20,486,543
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	33,174,411	35,759,059	97,212,382
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(72,864)	234,684	(26,446,514)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	3,015,553	2,712,715	5,918,928
10. Net realized capital gains (losses) less capital gains tax of \$.....17,000.....	63,774	(28,489)	145,945
11. Net investment gain (loss) (Lines 9 + 10).....	3,079,327	2,684,226	6,064,873
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0		
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	0	0	0
15. Total other income (Lines 12 through 14).....	0	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	3,006,463	2,918,910	(20,381,641)
17. Dividends to policyholders.....			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	3,006,463	2,918,910	(20,381,641)
19. Federal and foreign income taxes incurred.....	583,000	1,008,938	(7,243,375)
20. Net income (Line 18 minus Line 19) (to Line 22).....	2,423,463	1,909,972	(13,138,266)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	204,433,847	217,407,806	217,407,806
22. Net income (from Line 20).....	2,423,463	1,909,972	(13,138,266)
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....3,000.....	8,167	(8,027)	(17,137)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(15,000)	2,000	(241,000)
27. Change in nonadmitted assets.....	9,000	8,000	193,000
28. Change in provision for reinsurance.....			229,444
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.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	2,425,630	1,911,945	(12,973,959)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	206,859,477	219,319,751	204,433,847
<b>DETAILS OF WRITE-INS</b>			
0501. ....			
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	0
3701. ....			
3702. ....			
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

Statement for June 30, 2018 of the **APPALACHIAN INSURANCE COMPANY**  
**CASH FLOW**

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	33,447,976	34,384,647	70,354,782
2. Net investment income.....	3,179,961	2,892,863	6,138,693
3. Miscellaneous income.....			
4. Total (Lines 1 through 3).....	36,627,937	37,277,510	76,493,475
5. Benefit and loss related payments.....	38,563,531	26,323,993	59,042,572
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	12,518,510	12,205,049	24,719,134
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....			5,676,218
10. Total (Lines 5 through 9).....	51,082,041	38,529,042	89,437,924
11. Net cash from operations (Line 4 minus Line 10).....	(14,454,104)	(1,251,532)	(12,944,449)
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	7,468,012	14,656,595	19,817,218
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	8,168	8,023	(11,084)
12.7 Miscellaneous proceeds.....			0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	7,476,180	14,664,618	19,806,134
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....		11,001,035	65,318,571
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....	2,040,003	0	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	2,040,003	11,001,035	65,318,571
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	5,436,177	3,663,583	(45,512,437)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
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.....			
16.6 Other cash provided (applied).....	(14,896,666)	10,655,405	12,787,218
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(14,896,666)	10,655,405	12,787,218
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(23,914,593)	13,067,456	(45,669,668)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	78,037,376	123,707,044	123,707,044
19.2 End of period (Line 18 plus Line 19.1).....	54,122,783	136,774,500	78,037,376

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

20.0001 .....			
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**NOTES TO FINANCIAL STATEMENTS****Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices (required NAIC disclosure regardless of whether there is any significant change)**

The accompanying financial statements of Appalachian 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 Commissioner' (NAIC) Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the Rhode Island Division of Insurance. The Company has no state prescribed or permitted practices.

	SSAP #	F/S Page	F/S Line #	2018	2017
<b>NET INCOME</b>					
(1) The Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 2,423,463	\$ (13,138,266)
(2) State Prescribed Practice that are an increase/(decrease) from NAIC SAP				\$ -	\$ -
(3) State Permitted Practice that are an increase/(decrease) from NAIC SAP				\$ -	\$ -
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 2,423,463	\$ (13,138,266)
<b>SURPLUS</b>					
(5) The Company state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 206,859,477	\$ 204,433,847
(6) State Prescribed Practice that are an increase/(decrease) from NAIC SAP				\$ -	\$ -
(7) State Permitted Practice that are an increase/(decrease) from NAIC SAP				\$ -	\$ -
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 206,859,477	\$ 204,433,847

**B. Use of Estimates**

No significant changes

**C. Accounting Policy**

1 - 5. No significant changes

**(6) Basis for Loan-Backed Securities and Adjustment Methodology (required NAIC disclosure regardless of whether there is any significant change)**

U.S. government agency loan-backed and structured securities are valued at amortized cost. Other loan-backed and structured securities are valued at either amortized cost or fair value, depending on many factors including: the 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 cost to par value and amortized cost to fair value.

7 - 13. No significant changes

**D. Going Concern (required NAIC disclosure regardless of whether there is any significant change)**

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

**Note 2 – Accounting Changes and Corrections of Errors**

No significant changes

**Note 3 – Business Combinations and Goodwill**

No significant changes

**Note 4 – Discontinued Operations**

No significant changes

**Note 5 – Investments****A. Mortgage Loans**

No significant changes

**B. Debt Restructuring**

No significant changes

**C. Reverse Mortgages**

No significant changes

**D. Loan-Backed Securities (required NAIC disclosure regardless of whether there is any significant change)**

**NOTES TO FINANCIAL STATEMENTS****Note 5 – Investments (continued from preceding page)**

## (1) Description of Sources Used to Determine Prepayment Assumptions

Loan-backed bonds and structured securities are valued at amortized cost using the constant interest rate method, not including anticipated prepayment at the date of purchase. Loan-backed securities are valued using an effective yield based on current prepayment assumptions obtained from Bloomberg. 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

## (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	\$	-
	2. 12 Months or Longer	\$	106,723
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$	-
	2. 12 Months or Longer	\$	4,891,400

## (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) Policies Requiring Collateral

No significant changes

## (2) Collateral Pledged

No significant changes

## (3) Collateral Received (required NAIC disclosure regardless of whether there is any significant change)

## a. Aggregate Amount of Cash Collateral Received

No significant changes

b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged \$3,206,405

## c. Information about Sources and Uses of Collateral

No significant changes

## (4) Aggregate Value of the Reinvested Collateral

No significant changes

## (5) Collateral Reinvestment

## a. Aggregate Amount of Cash Collateral Reinvested

No significant changes

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

No significant changes

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

No significant changes

## (7) Collateral for Securities Lending transactions that extend beyond one year from the reporting date.

No significant changes

## F. Repurchase Agreements Transactions Accounted for as Secured Borrowing (required NAIC disclosure regardless of whether there is any significant change)

No significant changes

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## NOTES TO FINANCIAL STATEMENTS

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### Note 5 – Investments (continued from preceding page)

- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing  
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions **(required NAIC disclosure regardless of whether there is any significant change)**  
  
No significant changes
- H. Repurchase Agreements Transactions Accounted for as a Sale  
Repurchase Transaction – Cash Taker – Overview of Sale Transactions **(required NAIC disclosure regardless of whether there is any significant change)**  
  
No significant changes
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale  
Repurchase Transaction – Cash Provider – Overview of Sale Transactions **(required NAIC disclosure regardless of whether there is any significant change)**  
  
No significant changes
- J. Real Estate  
  
No significant changes
- K. Low-Income Housing Tax Credits (LIHTC)  
  
No significant changes
- L. Restricted Assets  
  
No significant changes
- M. Working Capital Finance Investments **(required NAIC disclosure regardless of whether there is any significant change)**  
  
No significant changes
- N. Offsetting and Netting of Assets and Liabilities **(required NAIC disclosure regardless of whether there is any significant change)**  
  
No significant changes
- O. Structured Notes  
  
No significant changes
- P. 5\* Securities  
  
No significant changes
- Q. Short Sales  
  
No significant changes
- R. Prepayment Penalty and Acceleration Fees  
  
No significant changes

### Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

No significant changes

### Note 7 – Investment Income

No significant changes

### Note 8 – Derivative Instruments

No significant changes

### Note 9 – Income Taxes

No significant changes

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

No significant changes

### Note 11 – Debt

- A. Debt  
  
Not applicable
- B. FHLB (Federal Home Loan Bank) Agreements **(required NAIC disclosure regardless of whether there is any significant change)**  
  
Not applicable



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## NOTES TO FINANCIAL STATEMENTS

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

A. Defined Benefit Plan

(1) - (3)

No significant changes

(4) Components of Net Periodic Benefit Cost **(required NAIC disclosure regardless of whether there is any significant change)**

Not applicable

(5) - (21)

No significant changes

B. Description of Investment Policies

No significant changes

C. Fair Value of Plan Assets

No significant changes

D. Rate of Return Assumptions

No significant changes

E. Defined Contribution Plans

No significant changes

F. Multiemployer Plans

No significant changes

G. Consolidated/Holding Company Plans

No significant changes

H. Postemployment Benefits and Compensated Absences

No significant changes

I. Impact of Medicare Modernization Act on Postretirement Benefits

No significant changes

**Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

No significant changes

**Note 14 – Liabilities, Contingencies and Assessments**

No significant changes

**Note 15 – Leases**

No significant changes

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

No significant changes

**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) Loaned Securities  
No significant changes
- (2) Servicing Assets and Servicing Liabilities **(required NAIC disclosure regardless of whether there is any significant change)**  
Not applicable
- (3) Servicing Assets and Liabilities Subsequently Measured at Fair Value - Not applicable
- (4) Securitizations, Asset-Based Financing Arrangements and Similar Transfers Accounted for as Sales **(required NAIC disclosure regardless of whether there is any significant change)**  
Not applicable
- (5) Transfers of Financial Assets Accounted for as Secured Borrowing - Not applicable
- (6) Transfers of Receivables with Recourse - Not applicable
- (7) Repurchase Agreements - Not applicable
- C. Wash Sales **(required NAIC disclosure regardless of whether there is any significant change)**  
Not applicable

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

No significant changes

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

No significant changes

**Note 20 – Fair Value Measurements (required NAIC disclosure regardless of whether there is any significant change)**

## 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. Item 4 provides a discussion of each of these three levels. However, the Company has no invested assets carried at fair value at the reporting date.

	Level 1	Level 2	Level 3	Total	Net Asset Value (NAV) Included in Level 2
Assets at Fair Value					
Cash Equivalents	\$ 40,893,595	\$ -	\$ -	\$ 40,893,595	\$ -
Total	\$ 40,893,595	\$ -	\$ -	\$ 40,893,595	\$ -

## (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.

## (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.

**NOTES TO FINANCIAL STATEMENTS****Note 20 – Fair Value Measurements (required NAIC disclosure regardless of whether there is any significant change) (continued from preceding page)**

## (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 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) Fair Value Disclosures

Not applicable

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

Not applicable

## C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)	Net Asset Value (NAV) Included in Level 2
Bonds	\$ 206,022,943	\$ 210,776,142	\$ -	\$ 210,776,142	\$ -	\$ -	\$ -
Cash, cash equivalents and short-term investments	\$ 54,122,783	\$ 54,122,783	\$ 54,122,783	\$ -	\$ -	\$ -	\$ -
Securities lending reinvested collateral assets	\$ 3,206,405	\$ 3,206,405	\$ 3,206,405	\$ -	\$ -	\$ -	\$ -
Total	\$ 263,352,131	\$ 268,105,330	\$ 57,329,188	\$ 210,776,142	\$ -	\$ -	\$ -

## D. Not Practicable to Estimate Fair Value

Not applicable

**Note 21 – Other Items**

No significant changes

**Note 22 – Events Subsequent**

No significant changes

**Note 23 – Reinsurance**

No significant changes

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

A- E. No significant changes

F. Risk Sharing Provisions of the Affordable Care Act (required NAIC disclosure regardless of whether there is any significant change)

Not applicable

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses (required NAIC disclosure regardless of whether there is any significant change)**

No significant changes

**Note 26 – Intercompany Pooling Arrangements**

No significant changes

**Note 27 – Structured Settlements**

No significant changes

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## NOTES TO FINANCIAL STATEMENTS

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**Note 28 – Health Care Receivables**

No significant changes

**Note 29 – Participating policies**

No significant changes

**Note 30 – Premium Deficiency Reserves**

No significant changes

**Note 31 – High Deductibles**

No significant changes

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

No significant changes

**Note 33 – Asbestos/Environmental Reserves**

No significant changes

**Note 34 – Subscriber Savings Accounts**

No significant changes

**Note 35 – Multiple Peril Crop Insurance**

No significant changes

**Note 36 – Financial Guaranty Insurance**

A. Financial Guarantee Insurance Contracts

No significant changes

B. Schedule of Insured Financial Obligations at the End of the Period: **(required NAIC disclosure regardless of whether there is any significant change)**

Not applicable

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]
- 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 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? If yes, complete Schedule Y, Parts 1 and 1A. Yes [X] No [ ]
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [ ] No [X]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. \_\_\_\_\_
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]
- 4.2 If yes, provide 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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? If yes, attach an explanation. Yes [ ] No [X] N/A [ ]
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017
- 6.2 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. 12/31/2012
- 6.3 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). 01/10/2014
- 6.4 By what department or departments?  
Rhode Island Division of Insurance
- 6.5 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]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [X]
- 7.1 Has this 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]
- 7.2 If yes, give full information:
- 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 location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

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

- 9.1 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.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]
- 11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No [ ]

14.2 If yes, please complete the following:

	1 Prior Year End Book/Adjusted Carrying Value		2 Current Quarter Book/Adjusted Carrying Value
14.21	\$ 0		\$ 0
14.22	2,500,000		2,500,000
14.23	0		0
14.24	0		0
14.25	0		0
14.26	0		0
14.27	\$ 2,500,000		\$ 2,500,000
14.28	\$ 0		\$ 0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]  
If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 3,206,405
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 3,206,405
- 16.3 Total payable for securities lending reported on the liability page: \$ 3,206,405

17. 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 [ ]

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

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Worldwide Securities Services	383 Madison Avenue, New York, NY 10179

17.2 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)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [X]

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

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

17.5 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, Chief Investment Officer	I
Daniel Richards VP, Portfolio Mgr Fixed Income	I
Scott Anthony, VP Sector Portfolio Mgr Fixed Income	I

17.5097 For those firms/individuals listed in the table for Question 17.5, 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 [ ]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [ ] No [ ]

17.6 For those firms or individuals listed in the table for 17.5 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

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [ X ] No [ ]
- 18.2 If no, list exceptions:
19. By self-designating 5\*GI securities, the reporting entity is certifying the following elements for each self-designated 5\*GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist.
  - 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 5\*GI securities? Yes [ ] No [ X ]

## GENERAL INTERROGATORIES (continued)

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [X] N/A [ ]  
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [ ] No [X]  
 If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see *Annual Statement Instructions* pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [ ] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
	0.000	0.000	0	0	0	0	0	0	0	0
<b>Total</b>	XXX	XXX	0	0	0	0	0	0	0	0

5.1 Operating Percentages:

5.1 A&H loss percent	0.000%
5.2 A&H cost containment percent	0.000%
5.3 A&H expense percent excluding cost containment expenses	0.000%

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

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

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

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

7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [X] No [ ]

7.1 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 [ ]



## SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1	2	3	4	5	6	7
NAIC Company Code	ID Number	Name of Reinsurer	Domiciliary Jurisdiction	Type of Reinsurer	Certified Reinsurer Rating (1 through 6)	Effective Date of Certified Reinsurer Rating
<b>U.S. Insurers</b>						
15140.....	80-0916041.....	THREE BELMONT INSURANCE COMPANY.....	NY.....	Unauthorized....	.....	.....
<b>All Other Insurers</b>						
.....	AA-8310017.....	BELAIRE INSURANCE COMPANY LIMITED.....	GBR.....	Unauthorized....	.....	.....
.....	AA-1780117.....	GD INSURANCE COMPANY DAC.....	IRL.....	Unauthorized....	.....	.....
.....	AA-3160151.....	TORINO RE LIMITED.....	BRB.....	Unauthorized....	.....	.....

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....	AL	E	790,260				
2. Alaska.....	AK	E					
3. Arizona.....	AZ	E	378,899				
4. Arkansas.....	AR	E					
5. California.....	CA	E	3,224,761	67,767	179,033	19,226,740	19,855,077
6. Colorado.....	CO	E	365,946				
7. Connecticut.....	CT	E					
8. Delaware.....	DE	E	17,719				
9. District of Columbia.....	DC	E	295				
10. Florida.....	FL	E	4,602,893			485,827	489,866
11. Georgia.....	GA	E	756,488			33,654,722	33,268,837
12. Hawaii.....	HI	E					
13. Idaho.....	ID	E					
14. Illinois.....	IL	E	4,428			1,496	1,500
15. Indiana.....	IN	E	53,603				
16. Iowa.....	IA	E	5,486				
17. Kansas.....	KS	E					
18. Kentucky.....	KY	E	945,610				
19. Louisiana.....	LA	E	20,059			398	392
20. Maine.....	ME	E					
21. Maryland.....	MD	E	46,744				
22. Massachusetts.....	MA	E	2,804			10	10
23. Michigan.....	MI	E				16	16
24. Minnesota.....	MN	E				7	7
25. Mississippi.....	MS	E	23,392			10	10
26. Missouri.....	MO	E	12,041			20,192,781	19,961,251
27. Montana.....	MT	E					
28. Nebraska.....	NE	E	2,362				
29. Nevada.....	NV	E	161,694				
30. New Hampshire.....	NH	E					
31. New Jersey.....	NJ	E					
32. New Mexico.....	NM	E	21,948				
33. New York.....	NY	E		13,410	20,616	22,622,870	22,888,091
34. North Carolina.....	NC	E	116,202				
35. North Dakota.....	ND	E					
36. Ohio.....	OH	E	486,655				
37. Oklahoma.....	OK	E	17,763				
38. Oregon.....	OR	E	31,951				
39. Pennsylvania.....	PA	E	406,719			763	755
40. Rhode Island.....	RI	L				3,165	3,136
41. South Carolina.....	SC	E	33,939				
42. South Dakota.....	SD	E					
43. Tennessee.....	TN	E	602,006				
44. Texas.....	TX	E	2,887,861			18,621	18,416
45. Utah.....	UT	E	51				
46. Vermont.....	VT	E					
47. Virginia.....	VA	E	2,181				
48. Washington.....	WA	E	119,018	(1,567)	24,071	13,450,200	13,331,838
49. West Virginia.....	WV	E	3,571			1,000	1,000
50. Wisconsin.....	WI	E					
51. Wyoming.....	WY	E					
52. American Samoa.....	AS	N					
53. Guam.....	GU	E					
54. Puerto Rico.....	PR	E					
55. US Virgin Islands.....	VI	E					
56. Northern Mariana Islands.....	MP	N					
57. Canada.....	CAN	E					
58. Aggregate Other Alien.....	OT	XXX	0	0	0	0	0
59. Totals.....	XXX		16,145,349	79,610	223,720	109,658,626	109,820,202

**DETAILS OF WRITE-INS**

58001.....	XXX						
58002.....	XXX						
58003.....	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page....	XXX	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above).....	XXX	0	0	0	0	0	0

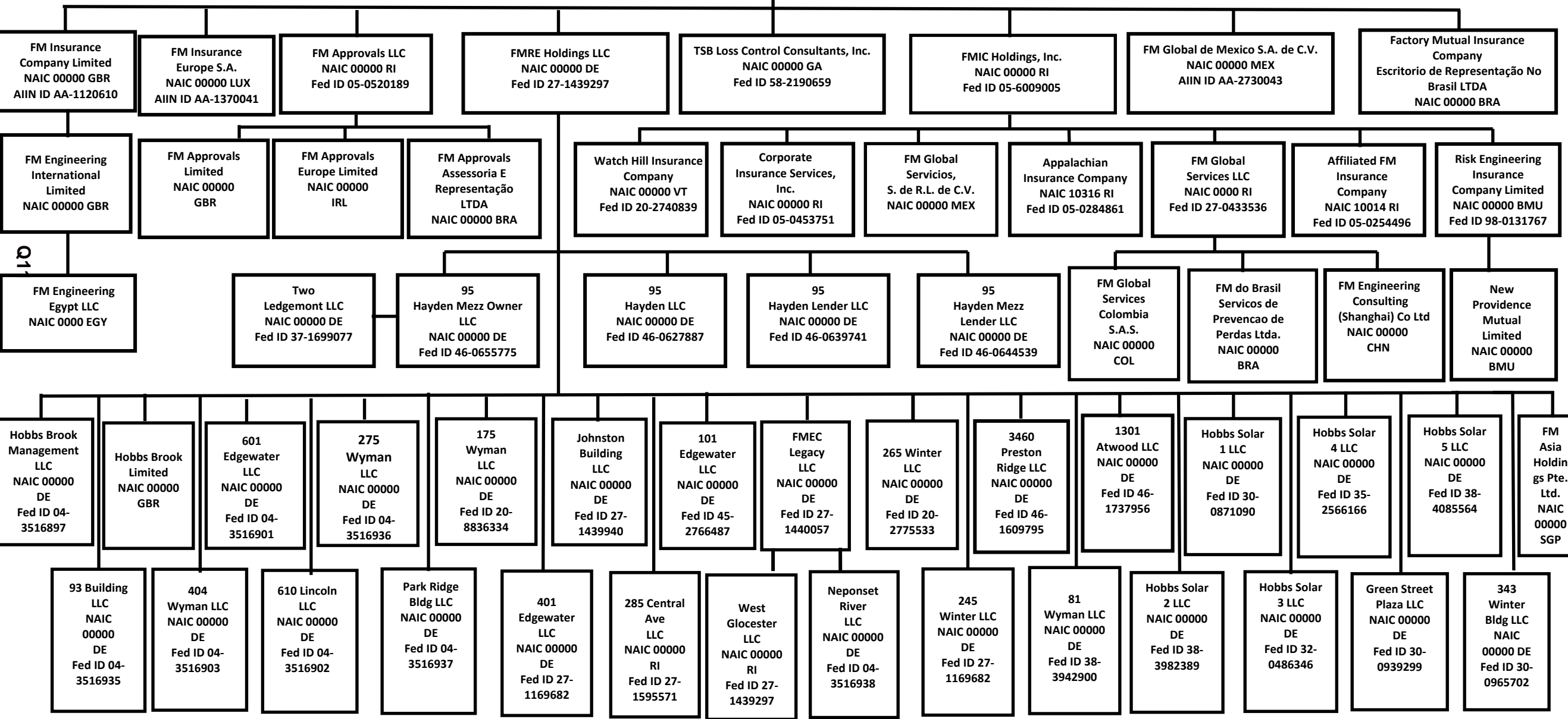
(a) Active Status Count

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	1	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).....	54	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.....	2

Organizational Chart  
June 30, 2018

**Policyholders**

**Factory Mutual Insurance Company**  
NAIC 21482 Fed ID 05-0316605 RI  
100% OWNERSHIP of all Subs



Q1

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
<b>Members</b>															
0065	Factory Mutual Insurance Company & its Affiliates..	21482...	05-0316605..				Factory Mutual Insurance Company.....	RI.....	UIP.....					.....N.....	1...
0065	Factory Mutual Insurance Company & its Affiliates..	10014...	05-0254496..				Affiliated FM Insurance Company.....	RI.....	IA.....	FMIC Holdings, Inc.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	1...
0065	Factory Mutual Insurance Company & its Affiliates..	10316...	05-0284861..				Appalachian Insurance Company.....	RI.....	RE.....	FMIC Holdings, Inc.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	1...
0065	Factory Mutual Insurance Company & its Affiliates..	00000...	AA-1120610..				FM Insurance Company Limited.....	GBR.....	IA.....	Factory Mutual Insurance Company.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....Y.....	
0065	Factory Mutual Insurance Company & its Affiliates..	00000...	98-0131767..				Risk Engineering Insurance Company Limited.....	BMU.....	IA.....	FMIC Holdings, Inc.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	AA-1370041..				FM Insurance Europe S.A.....	LUX.....	IA.....	Factory Mutual Insurance Company.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....Y.....	
0065	Factory Mutual Insurance Company & its Affiliates..	00000...	AA-2730043..				FM Global de Mexico S.A. de C.V.....	MEX.....	IA.....	Factory Mutual Insurance Company.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....Y.....	
0065	Factory Mutual Insurance Company & its Affiliates..	00000...	20-2740839..				Watch Hill Insurance Company.....	VT.....	IA.....	FMIC Holdings, Inc.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0065	Factory Mutual Insurance Company & its Affiliates..	00000...	05-0453751..				Corporate Insurance Services, Inc.....	RI.....	NIA.....	FMIC Holdings, Inc.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0065	Factory Mutual Insurance Company & its Affiliates..	00000...					New Providence Mutual Limited.....	BMU.....	IA.....	Risk Engineering Insurance Company Limited..	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0065	Factory Mutual Insurance Company & its Affiliates..	00000...					Factory Mutual Insurance Company - Escritorio de Representação No Brasil LTDA.....	BRA.....	IA.....	Factory Mutual Insurance Company.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....Y.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	05-0520189..				FM Approvals LLC.....	RI.....	NIA.....	Factory Mutual Insurance Company.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...					FM Engineering International Limited.....	GBR.....	NIA.....	FM Insurance Company Limited.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...					FM Engineering Consulting (Shanghai) Co. Ltd.....	CHN.....	NIA.....	FM Global Services LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...					FM Approvals Limited.....	GBR.....	NIA.....	FM Approvals LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...					FM Approvals Assessoria E Representação LTDA.....	BRA.....	NIA.....	FM Approvals LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	27-1439297..				FMRE Holdings LLC.....	DE.....	NIA.....	Factory Mutual Insurance Company.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	58-2190659..				TSB Loss Control Consultants, Inc.....	GA.....	NIA.....	Factory Mutual Insurance Company.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....Y.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	05-6009005..				FMIC Holdings, Inc.....	RI.....	UDP.....	Factory Mutual Insurance Company.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....Y.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...					FM Global Servicios, S.de R.L. de C.V.....	MEX.....	NIA.....	FMIC Holdings, Inc.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	27-0433536..				FM Global Services LLC.....	RI.....	NIA.....	FMIC Holdings, Inc.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...					FM do Brasil Servicos de Prevencao de Perdas LTDA.....	BRA.....	NIA.....	FM Global Services LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	04-3516902..				610 Lincoln LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	04-3516903..				404 Wyman LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	04-3516936..				275 Wyman LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	20-8836334..				175 Wyman LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	04-3516937..				Park Ridge Building LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	04-3516935..				93 Building LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	20-2775533..				265 Winter LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	27-1169682..				245 Winter LLC.....	DE.....	NIA.....	265 Winter LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	27-1440057..				FMEC Legacy LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	04-3516938..				Neponset River LLC.....	DE.....	NIA.....	FMEC Legacy LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	27-1439297..				West Gloucester LLC.....	RI.....	NIA.....	FMEC Legacy LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	04-3516901..				601 Edgewater LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	27-1595571..				285 Central Avenue, LLC.....	RI.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	04-3516897..				Hobbs Brook Management LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...					Hobbs Brook Limited.....	GBR.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	45-2766487..				101 Edgewater LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	27-1169682..				401 Edgewater LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	27-1439940..				Johnston Building LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...					FM Global Services Colombia S.A.S.....	COL.....	NIA.....	FM Global Services LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	37-1699077..				Two Ledgemont LLC.....	DE.....	NIA.....	95 Hayden Mezz Owner LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company.....	.....N.....	

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### SCHEDULE Y

#### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	46-0627887..	.....	.....	.....	95 Hayden LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	46-0639741..	.....	.....	.....	95 Hayden Lender LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	46-0655775..	.....	.....	.....	95 Hayden Mezz Owner LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	46-0644539..	.....	.....	.....	95 Hayden Mezz Lender LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	46-1609795..	.....	.....	.....	3460 Preston Ridge, LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	46-1737956..	.....	.....	.....	1301 Atwood LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	38-3942900..	.....	.....	.....	81 Wyman LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	30-0871090..	.....	.....	.....	Hobbs Solar 1 LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	38-3982389..	.....	.....	.....	Hobbs Solar 2 LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	32-0486346..	.....	.....	.....	Hobbs Solar 3 LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	.....	.....	.....	.....	FM Asia Holdings Pte. Ltd.....	SGP.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	30-0939299..	.....	.....	.....	Green Street Plaza LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	35-2566166..	.....	.....	.....	Hobbs Solar 4 LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	.....	.....	.....	.....	FM Engineering Egypt LLC.....	EGY.....	NIA.....	FM Engineering International Limted.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	30-0965702..	.....	.....	.....	343 Wlnter Bldg LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	.....	.....	.....	.....	FM Approvals Europe Limited.....	IRL.....	NIA.....	FM Approvals LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....
0000	Factory Mutual Insurance Company & its Affiliates..	00000...	38-4085564..	.....	.....	.....	Hobbs Solar 5 LLC.....	DE.....	NIA.....	FMRE Holdings LLC.....	Ownership.....	...100.000	Factory Mutual Insurance Company....	.....N.....	.....

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Aster	Explanation
1	Pool Participants:Factory Mutual Insurance Company (86%), Affiliated FM Insurance Company (12%), and Appalachian Insurance Company (2%).

**PART 1 - LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....	6,202		0.000	
2. Allied lines.....	9,844		0.000	
3. Farmowners multiple peril.....			0.000	
4. Homeowners multiple peril.....			0.000	
5. Commercial multiple peril.....			0.000	
6. Mortgage guaranty.....			0.000	
8. Ocean marine.....	7,346		0.000	
9. Inland marine.....	20,841		0.000	
10. Financial guaranty.....			0.000	
11.1. Medical professional liability - occurrence.....			0.000	
11.2. Medical professional liability - claims-made.....			0.000	
12. Earthquake.....			0.000	
13. Group accident and health.....			0.000	
14. Credit accident and health.....			0.000	
15. Other accident and health.....			0.000	
16. Workers' compensation.....			0.000	
17.1 Other liability-occurrence.....			0.000	
17.2 Other liability-claims made.....			0.000	
17.3 Excess workers' compensation.....			0.000	
18.1 Products liability-occurrence.....			0.000	
18.2 Products liability-claims made.....			0.000	
19.1, 19.2 Private passenger auto liability.....			0.000	
19.3, 19.4 Commercial auto liability.....			0.000	
21. Auto physical damage.....			0.000	
22. Aircraft (all perils).....			0.000	
23. Fidelity.....			0.000	
24. Surety.....			0.000	
26. Burglary and theft.....			0.000	
27. Boiler and machinery.....			0.000	
28. Credit.....			0.000	
29. International.....			0.000	
30. Warranty.....			0.000	
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0.000	
35. Totals.....	44,233	0	0.000	
<b>DETAILS OF WRITE-INS</b>				
3401.....			0.000	
3402.....			0.000	
3403.....			0.000	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.000	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.000	

**PART 2 - DIRECT PREMIUMS WRITTEN**

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			2,263,759
2. Allied lines.....			3,593,234
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			2,681,266
9. Inland marine.....			7,607,090
10. Financial guaranty.....			
11.1. Medical professional liability - occurrence.....			
11.2. Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1 Other liability-occurrence.....			
17.2 Other liability-claims made.....			
17.3 Excess workers' compensation.....			
18.1 Products liability-occurrence.....			
18.2 Products liability-claims made.....			
19.1 19.2 Private passenger auto liability.....			
19.3 19.4 Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	0	0	16,145,349
<b>DETAILS OF WRITE-INS</b>			
3401.....			
3402.....			
3403.....			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2018 Loss and LAE Payments on Claims Reported as of Prior Year-End	2018 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2018 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2015 + Prior.....	7,960	62,243	70,203	.606		.606	7,867	10	61,720	69,597	513	(513)	0
2. 2016.....			0			0				0	0	0	0
3. Subtotals 2016 + Prior.....	7,960	62,243	70,203	.606	0	.606	7,867	10	61,720	69,597	513	(513)	0
4. 2017.....			0			0				0	0	0	0
5. Subtotals 2017 + Prior.....	7,960	62,243	70,203	.606	0	.606	7,867	10	61,720	69,597	513	(513)	0
6. 2018.....	XXX	XXX	XXX	XXX	22,238	22,238	XXX			0	XXX	XXX	XXX
7. Totals.....	7,960	62,243	70,203	.606	22,238	22,844	7,867	10	61,720	69,597	513	(513)	0
8. Prior Year-End's Surplus As Regards Policyholders	204,434												
											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....6.4 %	2. ....(0.8)%	3. ....0.0 %
													Col. 13, Line 7 Line 8
													4. ....0.0 %

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# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

**Explanation:**

1. The data for this supplement is not required to be filed.
2. The data for this supplement is not required to be filed.
3. The data for this supplement is not required to be filed.
4. The data for this supplement is not required to be filed.

**Bar Code:**





Statement for June 30, 2018 of the **APPALACHIAN INSURANCE COMPANY**  
**Overflow Page for Write-Ins**

**Additional Write-ins for Liabilities:**

	1 Current Statement Date	2 December 31, Prior Year
2904. ....	.....	.....
2905. ....	.....	.....
2997. Summary of remaining write-ins for Line 29.....	.0	.0

**Additional Write-ins for Liabilities:**

	1 Current Statement Date	2 December 31, Prior Year
3204. ....	.....	.....
3205. ....	.....	.....
3297. Summary of remaining write-ins for Line 32.....	.0	.0

Statement for June 30, 2018 of the **APPALACHIAN INSURANCE COMPANY**  
**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other-than-temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	220,761,238	175,394,481
2. Cost of bonds and stocks acquired.....		65,318,571
3. Accrual of discount.....	36,646	69,934
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	83,772	211,892
6. Deduct consideration for bonds and stocks disposed of.....	7,468,012	19,817,218
7. Deduct amortization of premium.....	164,742	416,422
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees.....	27,240	
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9+10).....	213,276,142	220,761,238
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	213,276,142	220,761,238

### SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	194,589,104		1,168,749	(59,921)	194,589,104	193,360,434		200,339,576
2. NAIC 2 (a).....	18,418,446		999,681	(3,057)	18,418,446	17,415,708		17,921,662
3. NAIC 3 (a).....						0		
4. NAIC 4 (a).....						0		
5. NAIC 5 (a).....						0		
6. NAIC 6 (a).....						0		
7. Total Bonds.....	213,007,550	0	2,168,430	(62,978)	213,007,550	210,776,142	0	218,261,238
<b>PREFERRED STOCK</b>								
8. NAIC 1.....	2,500,000				2,500,000	2,500,000		2,500,000
9. NAIC 2.....						0		
10. NAIC 3.....						0		
11. NAIC 4.....						0		
12. NAIC 5.....						0		
13. NAIC 6.....						0		
14. Total Preferred Stock.....	2,500,000	0	0	0	2,500,000	2,500,000	0	2,500,000
15. Total Bonds and Preferred Stock.....	215,507,550	0	2,168,430	(62,978)	215,507,550	213,276,142	0	220,761,238

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**Sch. DA - Pt. 1  
NONE**

**Sch. DA - Verification  
NONE**

**Sch. DB - Pt. A - Verification  
NONE**

**Sch. DB - Pt. B - Verification  
NONE**

**Sch. DB - Pt. C - Sn. 1  
NONE**

**Sch. DB - Pt. C - Sn. 2  
NONE**

**Sch. DB - Verification  
NONE**

**SCHEDULE E - PART 2 - VERIFICATION**

## Cash Equivalents

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	78,044,772	80,324,907
2. Cost of cash equivalents acquired.....	583,173	108,238,657
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....	11,167	(23,137)
5. Total gain (loss) on disposals.....	(2,999)	12,053
6. Deduct consideration received on disposals.....	37,742,518	110,507,708
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	40,893,595	78,044,772
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	40,893,595	78,044,772

**Sch. A - Pt. 2  
NONE**

**Sch. A - Pt. 3  
NONE**

**Sch. B - Pt. 2  
NONE**

**Sch. B - Pt. 3  
NONE**

**Sch. BA - Pt. 2  
NONE**

**Sch. BA - Pt. 3  
NONE**

**Sch. D - Pt. 3  
NONE**

### SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Government</b>																					
36179M 2T 6	GNMA PASS-THRU M SINGLE F.....		06/01/2018	MORTGAGE PAYDOWN.....		124,628	124,628	135,922	125,320		(693)		(693)		124,628			0	2,661	02/20/2043	1.....
36200Q 2T 0	GOVT NATL MTGE ASSN.....		06/01/2018	MORTGAGE PAYDOWN.....		396	396	404	396				0		396			0	12	02/15/2032	1.....
0599999	Total - Bonds - U.S. Government.....					125,024	125,024	136,326	125,716	0	(693)	0	(693)	0	125,024	0	0	0	2,673	XXX	XXX
<b>Bonds - U.S. Special Revenue and Special Assessment</b>																					
31296S M5 2	FHLMC FHLMC.....		06/01/2018	MORTGAGE PAYDOWN.....		2,981	2,981	3,088	2,979		2		2		2,981			0	75	01/01/2034	1.....
31297T WF 6	FHLMC PC GOLD COM.....		06/01/2018	MORTGAGE PAYDOWN.....		10,033	10,033	9,593	9,980		53		53		10,033			0	223	09/01/2035	1.....
31298N UG 8	FHLMC GOLD PC # FHLMC.....		06/01/2018	MORTGAGE PAYDOWN.....		246	246	254	249		(3)		(3)		246			0	8	05/01/2031	1FE.....
31411A JG 1	FEDERAL NATL MG FNMA.....		05/01/2018	MORTGAGE PAYDOWN.....		13,861	13,861	13,951	13,858		3		3		13,861			0	358	11/01/2036	1.....
31419A DS 3	FNMA PASS-THRU LNG 30 Y.....		05/01/2018	MORTGAGE PAYDOWN.....		16,605	16,605	18,091	16,676		(72)		(72)		16,605			0	415	09/01/2039	1.....
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments.....					43,726	43,726	44,977	43,742	0	(17)	0	(17)	0	43,726	0	0	0	1,079	XXX	XXX
<b>Bonds - Industrial and Miscellaneous</b>																					
38141G FM 1	GOLDMAN SACHS GROUP INC.....		04/01/2018	MATURITY.....		1,000,000	1,000,000	998,160	999,940		60		60		1,000,000			0	30,750	04/01/2018	1FE.....
92857W AS 9	VODAFONE GROUP PLC NEW.....		06/16/2018	ISSUE CALLED at 102.724.....		1,027,240	1,000,000	997,410	999,535		146		146		999,681		319	319	55,398	06/10/2019	2FE.....
3899999	Total - Bonds - Industrial and Miscellaneous.....					2,027,240	2,000,000	1,995,570	1,999,475	0	206	0	206	0	1,999,681	0	319	319	86,148	XXX	XXX
8399997	Total - Bonds - Part 4.....					2,195,990	2,168,750	2,176,873	2,168,933	0	(504)	0	(504)	0	2,168,431	0	319	319	89,900	XXX	XXX
8399999	Total - Bonds.....					2,195,990	2,168,750	2,176,873	2,168,933	0	(504)	0	(504)	0	2,168,431	0	319	319	89,900	XXX	XXX
9999999	Total - Bonds, Preferred and Common Stocks.....					2,195,990	XXX	2,176,873	2,168,933	0	(504)	0	(504)	0	2,168,431	0	319	319	89,900	XXX	XXX

QE05

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: .....0.

**Sch. DB - Pt. A - Sn. 1**  
**NONE**

**Sch. DB - Pt. B - Sn. 1**  
**NONE**

**Sch. DB - Pt. D - Sn. 1**  
**NONE**

**Sch. DB - Pt. D - Sn. 2**  
**NONE**



**SCHEDULE DL - PART 1  
SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned Current Statement Date

(Securities lending collateral assets reported in aggregate on Line 10 of the Assets page and not included on Schedules A, B, BA, D, DB and E)

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation / Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Date
<b>Cash Equivalents (Schedule E Part 2 Type)</b>						
000000 00 0	DEUTSCHE BANK SECURITIES INC.....	C.....		209,894	209,894	06/25/2018.....
000000 00 0	HSBC SECURITIES,INC.....	C.....		194,910	194,910	06/25/2018.....
000000 00 0	ML PIERCE FENNER & SMITH INC.....	C.....		301,601	301,601	06/25/2018.....
000000 00 0	ML PIERCE FENNER & SMITH INC.....	C.....		500,000	500,000	06/25/2018.....
000000 00 0	MIZUHO SECURITIES USA INC.....	C.....		75,000	75,000	06/25/2018.....
000000 00 0	NATIXIS NEW YORK BRANCH.....	C.....		700,000	700,000	06/25/2018.....
000000 00 0	PERSHING LLC.....	C.....		500,000	500,000	06/25/2018.....
000000 00 0	SOCIETE GENERALE NY BRANCH.....	C.....		500,000	500,000	06/25/2018.....
000000 00 0	SANTANDER UK PLC LDN.....	C.....		75,000	75,000	06/25/2018.....
000000 00 0	DNB BANK ASA GRAND CAYMAN BRANCH.....	C.....		75,000	75,000	06/25/2018.....
000000 00 0	AUSTRALIA NEW ZEALAND BK GC.....	C.....		75,000	75,000	06/25/2018.....
9199999	Total - Cash Equivalents (Schedule E Part 2 Type).....			3,206,405	3,206,405	XXX
9999999	Totals.....			3,206,405	3,206,405	XXX

General Interrogatories:

- The activity for the year: Fair Value \$.....2,040,003 Book/Adjusted Carrying Value \$.....2,040,003
- Average balance for the year: Fair Value \$.....1,917,644 Book/Adjusted Carrying Value \$.....1,917,644
- Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:  
 NAIC 1: \$.....3,206,405 NAIC 2: \$.....0 NAIC 3: \$.....0 NAIC 4: \$.....0 NAIC 5: \$.....0 NAIC 6: \$.....0

**SCHEDULE DL - PART 2  
SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned Current Statement Date

(Securities lending collateral assets included on Schedules A, B, BA, D, DB and E and not reported in aggregate on Line 10 of the Assets page)

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation / Market Indicator	Fair Value	Book/Adjusted Carrying Value	Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0
2. Average balance for the year: Fair Value \$.....0 Book/Adjusted Carrying Value \$.....0

**NONE**

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
JP MORGAN CHASE..... NEW YORK, NY .....		.....0.550	.....36,137	.....	.....12,944,663	.....13,794,396	.....13,229,338	XXX
0199998. Deposits in.....1 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories.....	XXX	XXX	.....	.....	.....(964)	.....(150)	.....(150)	XXX
0199999. Total Open Depositories.....	XXX	XXX	.....36,137	.....0	.....12,943,699	.....13,794,246	.....13,229,188	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	.....36,137	.....0	.....12,943,699	.....13,794,246	.....13,229,188	XXX
0599999. Total Cash.....	XXX	XXX	.....36,137	.....0	.....12,943,699	.....13,794,246	.....13,229,188	XXX

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<b>All Other Money Market Mutual Funds</b>								
09248U 61 9	BLACKROCK LIQUIDITY TEMPFUND INST'L		05/31/2018	2.060		40,893,595	2,273	325,009
8699999. Total - All Other Money Market Mutual Funds						40,893,595	2,273	325,009
8899999. Total - Cash Equivalents						40,893,595	2,273	325,009

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