

QUARTERLY STATEMENT

OF THE

Beacon Mutual Insurance Company

of **Warwick**

in the state of **Rhode Island**

TO THE

Insurance Department

OF THE

STATE OF

State of Rhode Island

FOR THE QUARTER ENDED

June 30, 2018

PROPERTY AND CASUALTY

2018



24017201820100102

QUARTERLY STATEMENT

AS OF JUNE 30, 2018
OF THE CONDITION AND AFFAIRS OF THE

The Beacon Mutual Insurance Company

NAIC Group Code 3490, NAIC Company Code 24017, Employer's ID Number 05-0458697
Organized under the Laws of Rhode Island, State of Domicile or Port of Entry RI
Country of Domicile US
Incorporated/Organized July 11, 1990, Commenced Business August 12, 1992
Statutory Home Office One Beacon Centre, Warwick, RI US 02886-1378
Main Administrative Office One Beacon Centre, Warwick, RI US 02886-1378
Mail Address One Beacon Centre, Warwick, RI US 02886-1378
Primary Location of Books and Records One Beacon Centre, Warwick, RI US 02886-1378
Internet Website Address www.beaconmutual.com
Statutory Statement Contact Ann Lazzareschi, 401-825-2621

OFFICERS

Table with 2 columns: Name, Title. 1. Brian Joseph Spero, President & CEO; 2. Amy Clark Vitale, Vice President, General Counsel & Assistant Secret; 3. Cynthia Lee Lawlor, Chief Financial Officer

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Pamela Lee Alarie, Vice President; Michael Dennis Lynch, Vice President; James Wallace Moody Jr, Vice President; Theresa Joanna Keegan, Asst Vice President #; Robert Glenn DeOrsey, Vice President; Rajani Mahadevan, EVP & COO; Carmen Lee Angela Sharp, Vice President #

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Harry Robert Bacon, Raymond Christopher Coia, Brian Joseph Spero, Timothy Ludger Byrne; Myrth York, Linda D'Amario Rossi, Kate Coyne-McCoy, Bradford Alan Dean; Steven Issa

State of Rhode Island

County of Kent ss

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

Signature and Title section for Brian Joseph Spero, Amy Clark Vitale, and Cynthia Lee Lawlor.

Subscribed and sworn to before me this day of , 2018

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	298,270,483		298,270,483	318,189,901
2. Stocks:				
2.1 Preferred stocks	6,150,797		6,150,797	933,811
2.2 Common stocks	36,547,110		36,547,110	18,569,537
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	10,557,730		10,557,730	10,736,993
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 1,318,098), cash equivalents (\$ 4,065,602), and short-term investments (\$ 0)	5,383,700		5,383,700	11,628,679
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	19,344		19,344	37,245
9. Receivables for securities	684,554		684,554	347,606
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	357,613,718		357,613,718	360,443,772
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	2,900,530		2,900,530	3,003,357
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,476,563	505,143	1,971,420	2,702,650
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 2,153,651 earned but unbilled premiums)	31,996,065	44,388	31,951,677	36,798,090
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	280,719		280,719	336,316
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	1,543,645	1,190,456	353,189	176,498
21. Furniture and equipment, including health care delivery assets (\$ 0)	180,093	180,093		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	7,108,873	4,919,612	2,189,261	66,360
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	404,100,206	6,839,692	397,260,514	403,527,043
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	404,100,206	6,839,692	397,260,514	403,527,043

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses	7,022,607	4,919,612	2,102,995	14,140
2502. SERP Account	49,227		49,227	37,500
2503. Miscellaneous Receivables	37,039		37,039	14,720
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	7,108,873	4,919,612	2,189,261	66,360

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 30,857,487)	143,320,237	140,786,423
2. Reinsurance payable on paid losses and loss adjustment expenses	4,317	13,102
3. Loss adjustment expenses	22,378,585	22,809,913
4. Commissions payable, contingent commissions and other similar charges	5,096,807	4,974,292
5. Other expenses (excluding taxes, licenses and fees)	6,200,696	7,946,327
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	11,131,879	8,056,487
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 \$ 67,370 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)	55,643,723	62,163,222
10. Advance premium	2,372,536	2,547,924
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders	48,008	395,600
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	11,432	242,970
15. Remittances and items not allocated	74,021	116,571
16. Provision for reinsurance (including \$ 0 certified)	3,000	3,000
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	11,944	
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	335,729	478,883
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	246,632,914	250,534,714
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	246,632,914	250,534,714
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	20,758,685	20,758,685
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	129,868,915	132,233,644
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	150,627,600	152,992,329
38. Totals (Page 2, Line 28, Col. 3)	397,260,514	403,527,043

DETAILS OF WRITE-IN LINES		
2501. Deferred Gain - CH Investments	333,229	476,264
2502. Miscellaneous Liabilities	2,500	2,619
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	335,729	478,883
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201. Capital assessment by RI Dept of Labor to provide residual market	20,758,685	20,758,685
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	20,758,685	20,758,685

NONE

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 55,990,947)	61,904,753	63,720,263	126,959,990
1.2 Assumed (written \$ 2,164,094)	2,769,788	2,892,483	5,545,154
1.3 Ceded (written \$ 2,762,149)	2,762,149	3,289,304	6,169,155
1.4 Net (written \$ 55,392,892)	61,912,392	63,323,442	126,335,989
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 36,094,676):			
2.1 Direct	37,074,313	44,234,032	79,885,362
2.2 Assumed	1,865,319	3,030,005	5,870,830
2.3 Ceded	871,436	(797,307)	(265,852)
2.4 Net	38,068,196	48,061,344	86,022,044
3. Loss adjustment expenses incurred	10,635,028	12,188,259	22,725,143
4. Other underwriting expenses incurred	19,018,720	18,665,220	36,025,643
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	67,721,944	78,914,823	144,772,830
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(5,809,552)	(15,591,381)	(18,436,841)
INVESTMENT INCOME			
9. Net investment income earned	6,117,724	6,237,228	12,414,330
10. Net realized capital gains (losses) less capital gains tax of \$ 0	1,161,529	1,211,841	2,252,465
11. Net investment gain (loss) (Lines 9 + 10)	7,279,253	7,449,069	14,666,795
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 113,087 amount charged off \$ 479,218)	(366,131)	(240,587)	(231,757)
13. Finance and service charges not included in premiums	75,734	78,385	144,570
14. Aggregate write-ins for miscellaneous income	(10,860)	9,213	251,997
15. Total other income (Lines 12 through 14)	(301,257)	(152,989)	164,810
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,168,444	(8,295,301)	(3,605,236)
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)	1,168,444	(8,295,301)	(3,605,236)
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	1,168,444	(8,295,301)	(3,605,236)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	152,992,329	158,538,277	158,538,277
22. Net income (from Line 20)	1,168,444	(8,295,301)	(3,605,236)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(2,424,826)	(72,971)	213,857
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	(1,108,347)	(847,008)	(2,151,569)
28. Change in provision for reinsurance			(3,000)
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			
38. Change in surplus as regards policyholders (Lines 22 through 37)	(2,364,729)	(9,215,280)	(5,545,948)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	150,627,600	149,322,997	152,992,329

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Impairment Recovery - Subsidiary	35,322		62,294
1402. Gain (Loss) on Disposal of Assets	40	2,990	3,190
1403. Retroactive Reinsurance Gain (Loss)			16,807
1498. Summary of remaining write-ins for Line 14 from overflow page	(46,222)	6,223	169,706
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(10,860)	9,213	251,997
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	60,489,618	64,217,336	125,388,683
2. Net investment income	6,857,331	6,898,130	13,857,574
3. Miscellaneous income	(301,256)	(152,989)	164,809
4. Total (Lines 1 to 3)	67,045,693	70,962,477	139,411,066
5. Benefit and loss related payments	35,470,817	38,228,519	74,322,849
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	28,622,264	32,515,350	59,469,542
8. Dividends paid to policyholders	347,592	1,091,707	1,684,004
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	64,440,673	71,835,576	135,476,395
11. Net cash from operations (Line 4 minus Line 10)	2,605,020	(873,099)	3,934,671
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	43,688,144	23,781,084	45,493,841
12.2 Stocks	15,884,912	9,572,806	17,590,292
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	59,573,056	33,353,890	63,084,133
13. Cost of investments acquired (long-term only):			
13.1 Bonds	24,444,296	32,755,345	45,990,796
13.2 Stocks	40,250,599	4,497,345	16,413,343
13.3 Mortgage loans			
13.4 Real estate	7,260		(87,947)
13.5 Other invested assets			
13.6 Miscellaneous applications	336,948	9,071	347,605
13.7 Total investments acquired (Lines 13.1 to 13.6)	65,039,103	37,261,761	62,663,797
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)	(5,466,047)	(3,907,871)	420,336
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			
16.6 Other cash provided (applied)	(3,383,952)	8,936	(1,024,054)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(3,383,952)	8,936	(1,024,054)
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)	(6,244,979)	(4,772,034)	3,330,953
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	11,628,679	8,297,726	8,297,726
19.2 End of period (Line 18 plus Line 19.1)	5,383,700	3,525,692	11,628,679

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

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of The Beacon Mutual Insurance Company (the "Company") have been prepared in conformity with insurance accounting practices prescribed or permitted by the Rhode Island Department of Business Regulation-Insurance Division. 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.

SSAP 97 requires investments in subsidiaries to be carried at the entity's underlying audited statutory equity. As the Castle Hill Insurance subsidiary ("Castle Hill") has been inactive since its inception, the State of Rhode Island has granted the subsidiary an exemption from filing audited financial statements. As such, the State of Rhode Island has also granted a permitted practice to allow Castle Hill to be recorded on the Company's balance sheet as an invested asset at its unaudited statutory equity value.

A summary of the impact of the permitted practices on the Company's net income and surplus as a result of recording Castle Hill as an invested asset is estimated to be as follows:

	SSAP #	F/S Page	F/S Line #	6/30/2018	12/31/2017
<u>NET INCOME</u>					
Rhode Island Basis	97	4	20	\$ 1,168,444	\$ (3,605,236)
State Permitted Practice:					
Value of Castle Hill Subsidiary					
NAIC SAP	97	4	20	<u>\$ 1,168,444</u>	<u>\$ (3,605,236)</u>
<u>SURPLUS</u>					
Rhode Island Basis	97	3	37	\$150,627,600	\$152,992,329
State Permitted Practice:					
Value of Castle Hill Subsidiary				\$ (1,399,222)	\$ (1,381,090)
NAIC SAP	97	3	37	<u>\$ 149,228,378</u>	<u>\$ 151,611,239</u>

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

No Change

C. Accounting Policies

(1- 5) No change.

6. Loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all loan-backed securities.

(7-13) No change.

D. Going Concern

Not applicable.

2. Accounting Changes and Corrections of Errors

Not applicable

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

5. Investments

NOTES TO FINANCIAL STATEMENTS

A-C No change.

D. Loan-Backed Securities

1. Prepayment assumptions for single class and multi-class mortgage backed/ asset-backed securities were obtained from an external investment manager.
2. The Company did not recognize any other-than-temporary impairments on loan back or structured securities during the second quarter of 2018.
3. Not applicable.
4. The following summarizes gross unrealized investment losses on loan-backed and structured securities by the length of time that securities have continuously been in an unrealized loss position.
 - a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$ (864,565)
2. 12 Months or Longer	<u>(1,866,602)</u>
	(2,731,167)
 - b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	\$41,761,706
2. 12 Months or Longer	<u>30,391,051</u>
	72,152,757
5. All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether an other-than-temporary impairment should be recognized. For those securities in an unrealized loss position as of June 30, 2018, the Company has not made a decision to sell any such securities. The Company evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their cost basis. As of June 30, 2018, the Company can attest that it has the intent and believes that it has the ability to hold these securities long enough to allow the cost basis of these securities to be recovered. The conclusions are determined by a detailed analysis of the underlying credit and cash flows on each security. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities held at June 30, 2018 if future events, information, and the passage of time cause it to conclude that declines in value are other than temporary.

E-I, L-R No change.

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

7. Investment Income

No change.

8. Derivative Instruments

Not applicable.

9. Income Taxes

No change.

10. Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

11. Debt

A. No change.

B. FHLB (Federal Home Loan Bank) Agreements

1. The Company is a member of the Federal Home Loan Bank (FHLB) of Boston. Through its membership, the Company has the ability to conduct

NOTES TO FINANCIAL STATEMENTS

business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds as backup liquidity if necessary.

2. FHLB Capital Stock - Aggregate Totals

The Company holds 2,312 shares of Membership stock – Class B at \$100 par value, totaling \$231,200. None of the stock is eligible for redemption.

3. Collateral Pledged to FHLB

There is no collateral pledged to the FHLB as of June 30, 2018.

4. Borrowing from FHLB

There have no been borrowings from the FHLB as of June 30, 2018.

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

No significant change.

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

No significant change.

14. Contingencies

No significant change.

15. Leases

No significant change.

16. Information About Financial Instruments With Off-Balance Sheet Risk

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable.

18. Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not applicable.

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

Not applicable.

20. Fair Value Measurement

A. Inputs Used for Assets and Liabilities Measured at Fair Value

1) Fair Value Measurements by Levels 1, 2 and 3

The Company has categorized its assets and liabilities that are measured at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows:

Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, prepayment speeds, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

NOTES TO FINANCIAL STATEMENTS

The following table provides information about the Company's financial assets and liabilities measured at fair value:

June 30, 2018				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets at fair value (in 000's)				
Bonds and debt securities	\$	\$ 2,734		\$ 2,734
Cash				
Equivalents	4,066			4,066
Preferred stock		3,697	-	3,697
Common stock	34,917		-	34,917
Total assets at fair value	\$ 38,983	\$ 6,431	\$ -	\$ 45,414

The following table provides information about the Company's financial assets and liabilities, including those measured at other than fair value in the Statements of Admitted Assets, Liabilities, and Policyholders' Surplus.

June 30, 2018						
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>Not Practicable (Carrying Value)</u>
Assets at fair value (in 000's)						
Bonds and debt securities	\$ 11,236	\$ 287,611	-	\$ 298,847	\$ 298,847	-
Cash equivalents	4,066	-	-	4,066	4,066	-
Preferred Stock		6,165	-	6,165	6,165	-
Common stock	34,917	231	-	35,148	35,148	-
Total assets at fair value	\$ 50,219	\$ 294,007	\$ -	\$ 344,226	\$ 344,226	-

The Company had no transfers into or out of Level 3.

2) Rollforward of Level 3 Items

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

3) Policy on Transfers Into and Out of Level 3

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. During the current year, no transfers into or out of Level 3 were required.

4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

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

The Company's investments in bond and debt securities and preferred stock reported at fair value are classified in Level 2. Fair values of the investments reported in this category are provided by independent pricing services. Where independent pricing services provide fair values, the Company has obtained an understanding of the methods, models and inputs used in pricing and has controls in place to validate that the amounts provided represent current fair values.

Typical inputs to models used by independent pricing services include but are not limited to benchmark yields, reported trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers, reference data, and industry and economic events. Because some preferred and common stocks do not trade daily, independent pricing services regularly derive fair values using recent trades of securities with similar

NOTES TO FINANCIAL STATEMENTS

features. When recent trades are not available, pricing models are used to estimate the fair values of securities by discounting future cash flows at estimated market interest rates.

B. Other Fair Value Disclosures

Not applicable.

C. Reasons Not Practical to Estimate Fair Values

Not applicable.

21. Other Items

No significant changes.

22. Events Subsequent

No change.

23. Reinsurance

A. Reinsurance Assumed and Ceded and Protected Cells

All reinsurance premiums are paid on earned premium; therefore, return commission is zero. At June 30, 2018, the unearned premium reserves for direct and assumed premiums were \$52,035,074 and \$2,126,864, respectively. The unearned premium reserve for ceded premiums was \$67,370 at June 30, 2018.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No significant change.

25. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years increased by \$3million during 2018. Increases (or decreases) of this nature take place as the result of ongoing claims activity and the review of claim reserves as additional information becomes available.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

No change.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

No change.

31. High Deductibles

Not applicable.

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

Not applicable.

33. Asbestos/Environmental Reserves

No change.

34. Subscriber Savings Accounts

Not applicable.

NOTES TO FINANCIAL STATEMENTS

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

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? Yes [X] No []

If yes, complete Schedule Y, Parts 1, and 1A.

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 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
.....
.....

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? Yes [] No [] N/A [X]
 If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2015

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. _____ 12/31/2015

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). _____ 04/05/2017

6.4 By what department or departments?
 Department of Business Regulation, State of Rhode Island

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 [X] No [] N/A []

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]

GENERAL INTERROGATORIES

7.2 If yes, give full information

.....

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

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

.....

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

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

1 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?

- (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.

Yes [X] No []

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).

.....

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: \$ _____

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]

GENERAL INTERROGATORIES

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: \$ _____

13. Amount of real estate and mortgages held in short-term investments: \$ _____

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ <u>1,381,089</u>	\$ <u>1,399,222</u>
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ <u>1,381,089</u>	\$ <u>1,399,222</u>
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
 If no, attach a description with this statement. Yes No

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

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

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 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
Bank of America, National Association	135 South LaSalle Street, Chicago, IL 60603
.....

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

GENERAL INTERROGATORIES

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 investments decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["..that have access to the investment accounts";"..handle securities"]

1 Name of Firm or Individual	2 Affiliation
New England Asset Management	U

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, 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
105900	New England Asset Management	KUR85E5PS4GQFZTFC130	Securities Exchange Commission	No

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes 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

GENERAL INTERROGATORIES

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	2	3	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
.....
.....
.....
TOTAL		

5. Operating Percentages:
 5.1. A&H loss percent _____ %
 5.2. A&H cost containment percent _____ %
 5.3. A&H expense percent excluding cost containment expenses _____ %

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. \$ _____

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

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

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
<div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%); font-size: 48px; font-weight: bold; opacity: 0.5;">NONE</div>						

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	N						
2. Alaska	AK	N						
3. Arizona	AZ	N						
4. Arkansas	AR	N						
5. California	CA	N						
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	N						
9. District of Columbia	DC	N						
10. Florida	FL	N						
11. Georgia	GA	N						
12. Hawaii	HI	N						
13. Idaho	ID	N						
14. Illinois	IL	N						
15. Indiana	IN	N						
16. Iowa	IA	N						
17. Kansas	KS	N						
18. Kentucky	KY	N						
19. Louisiana	LA	N						
20. Maine	ME	N						
21. Maryland	MD	N						
22. Massachusetts	MA	L						
23. Michigan	MI	N						
24. Minnesota	MN	N						
25. Mississippi	MS	N						
26. Missouri	MO	N						
27. Montana	MT	N						
28. Nebraska	NE	N						
29. Nevada	NV	N						
30. New Hampshire	NH	N						
31. New Jersey	NJ	N						
32. New Mexico	NM	N						
33. New York	NY	N						
34. North Carolina	NC	N						
35. North Dakota	ND	N						
36. Ohio	OH	N						
37. Oklahoma	OK	N						
38. Oregon	OR	N						
39. Pennsylvania	PA	N						
40. Rhode Island	RI	L	55,990,947	57,264,588	34,174,807	37,135,673	154,378,990	150,135,720
41. South Carolina	SC	N						
42. South Dakota	SD	N						
43. Tennessee	TN	N						
44. Texas	TX	N						
45. Utah	UT	N						
46. Vermont	VT	N						
47. Virginia	VA	N						
48. Washington	WA	N						
49. West Virginia	WV	N						
50. Wisconsin	WI	N						
51. Wyoming	WY	N						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CAN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals	X X X		55,990,947	57,264,588	34,174,807	37,135,673	154,378,990	150,135,720

DETAILS OF WRITE-INS							
58001.	X X X						
58002.	X X X						
58003.	X X X						
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X						
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X						

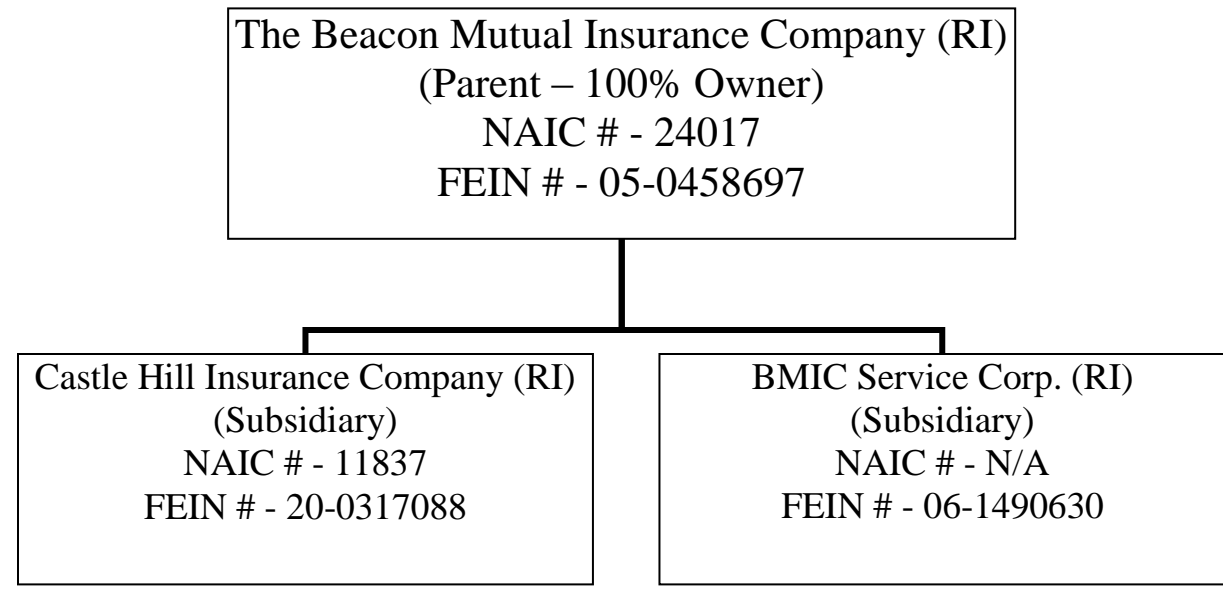
NONE

(a) Active Status Counts

- L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG 2
- R - Registered - Non-domiciled RRGs _____
- E - Eligible - Reporting entities eligible or approved to write surplus lines in the state _____
- Q - Qualified - Qualified or accredited reinsurer _____
- D - Domestic Surplus Lines Insurer (DSL) - Reporting entities authorized to write surplus lines in the state of domicile _____
- N - None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLI) 55

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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)	*
3490	Beacon Mutual Insurance Group	24017	05-0458697				Beacon Mutual Insurance Company	RI							
3490	Beacon Mutual Insurance Group	11837	20-0317088				Castle Hill Insurance Company	RI	DS	Beacon Mutual Insurance Company	Ownership	100.0	Beacon Mutual Insurance Company	N	
		00000	06-1490630				BMIC Service Corp	RI	DS	Beacon Mutual Insurance Company	Ownership	100.0	Beacon Mutual Insurance Company	Y	

12

Asterik	Explanation
	NONE

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				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
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	61,904,753	37,074,313	59.9	69.4
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	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				
35. TOTALS	61,904,753	37,074,313	59.9	69.4

DETAILS OF WRITE-INS			
3401.	NONE		
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

PART 2 – DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
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		22,308,744	55,990,947
17.1 Other liability-occurrence			57,264,588
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			
35. TOTALS	22,308,744	55,990,947	57,264,588

DETAILS OF WRITE-INS			
3401.	NONE		
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

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 & 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 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2015 + prior	48,269	15,483	63,752	11,963	2	11,965	41,202	67	13,453	54,722	4,896	(1,961)	2,935
2. 2016	19,053	17,082	36,135	7,254	33	7,287	17,303	41	9,181	26,525	5,504	(7,827)	(2,323)
3. Subtotals 2016 + prior	67,322	32,565	99,887	19,217	35	19,252	58,505	108	22,634	81,247	10,400	(9,788)	612
4. 2017	25,836	37,874	63,710	16,709	525	17,234	22,928	1,211	24,675	48,814	13,801	(11,463)	2,338
5. Subtotals 2017 + prior	93,158	70,439	163,597	35,926	560	36,486	81,433	1,319	47,309	130,061	24,201	(21,251)	2,950
6. 2018	X X X	X X X	X X X	X X X	10,114	10,114	X X X	14,009	21,629	35,638	X X X	X X X	X X X
7. Totals	93,158	70,439	163,597	35,926	10,674	46,600	81,433	15,328	68,938	165,699	24,201	(21,251)	2,950

8. Prior Year-End Surplus As Regards Policyholders

155,377

Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
As % of Col. 1,	As % of Col. 2,	As % of Col. 3,
Line 7	Line 7	Line 7
1. <u>25.978</u>	2. <u>-30.169</u>	3. <u>1.803</u>
		Col. 13, Line 7
		Line 8
		4. <u>1.899</u>

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:

- Question 1: Not applicable.
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- Question 2: Not applicable.
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- Question 3: Not applicable.
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- Question 4: Not applicable.
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Bar Code:



24017201849000020



24017201845500020



24017201836500020



24017201850500020

OVERFLOW PAGE FOR WRITE-INS

Page 4 - Continuation

STATEMENT OF INCOME

	1	2	3
REMAINING WRITE-INS AGGREGATED AT LINE 14 FOR MISCELLANEOUS INCOME	Current Year	Prior Year	Prior Year Ended December 31
1404. Interest and Penalties		(1,250)	(1,250)
1405. Miscellaneous Income (Loss)	(46,222)	7,473	170,956
1497. Totals (Lines 1404 through 1496) (Page 4, Line 1498)	(46,222)	6,223	169,706

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	10,736,993	11,173,328
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	7,260	
2.2 Additional investment made after acquisition		(87,948)
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	186,523	348,387
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	10,557,730	10,736,993
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	10,557,730	10,736,993

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		
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)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE**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	37,245	35,455
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)	(17,901)	1,790
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)	19,344	37,245
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	19,344	37,245

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	337,693,251	337,197,575
2. Cost of bonds and stocks acquired	64,694,893	62,404,144
3. Accrual of discount	38,869	84,717
4. Unrealized valuation increase (decrease)	(2,424,336)	145,181
5. Total gain (loss) on disposals	1,013,246	2,310,383
6. Deduct consideration for bonds and stocks disposed of	59,573,052	63,084,132
7. Deduct amortization of premium	497,293	1,183,066
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		181,551
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	22,812	
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	340,968,390	337,693,251
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	340,968,390	337,693,251

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
BONDS								
1. NAIC 1 (a)	252,184,935	15,749,735	7,170,791	(5,933,164)	252,184,935	254,830,715		279,811,460
2. NAIC 2 (a)	37,558,108	1,560,766	4,124,303	5,711,453	37,558,108	40,706,024		42,388,661
3. NAIC 3 (a)	2,194,314	600,350		(60,920)	2,194,314	2,733,744		2,087,721
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	291,937,357	17,910,851	11,295,094	(282,631)	291,937,357	298,270,483		324,287,842
PREFERRED STOCK								
8. NAIC 1	423,011				423,011	423,011		423,011
9. NAIC 2	3,382,178	375,000		(5,640)	3,382,178	3,751,538		510,800
10. NAIC 3	1,982,748			(6,500)	1,982,748	1,976,248		
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	5,787,937	375,000		(12,140)	5,787,937	6,150,797		933,811
15. Total Bonds & Preferred Stock	297,725,294	18,285,851	11,295,094	(294,771)	297,725,294	304,421,280		325,221,653

(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

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999					

NONE

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		5,733,174
2. Cost of short-term investments acquired		29,360,621
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		35,093,795
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)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

SCHEDULE E PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	8,298,556	
2. Cost of cash equivalents acquired	76,705,915	29,450,729
3. Accrual of discount	8,167	4,400
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	337	
6. Deduct consideration received on disposals	80,947,371	21,156,573
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)	4,065,604	8,298,556
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	4,065,604	8,298,556

NONE Schedule B - Part 2 and 3

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Ident- ification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Desig- nation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
NONE												
4699999 Totals												X X X

EO3

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Ident- ification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						
NONE																			
4699999 Totals																			

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
36179T-Z5-7	GOVERNMENT NATL MTG ASSOC II #MA5264		06/25/2018	VARIOUS		11,770,781	11,500,000.00	25,611	1FE
0599999	Subtotal - Bonds - U. S. Government				X X X	11,770,781	11,500,000.00	25,611	X X X
3128P8-FX-4	FEDERAL HOME LN MTG CORP #C91982		05/24/2018	WELLS FARGO FINANCIAL		981,469	977,498.00	1,140	1FE
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	981,469	977,498.00	1,140	X X X
05526Q-AA-4	BANC OF AMERICA MERRILL LYNCH 15 200P A		05/09/2018	DEUTSCHE BANK		973,398	1,000,000.00	894	1FM
19123M-AC-7	COCA-COLA EUROPEAN PARTNERS	D	04/12/2018	EXCHANGE		1,560,766	1,500,000.00		2FE
369550-BC-1	GENERAL DYNAMICS CORP		05/29/2018	CITIGROUP GLOBAL MARKETS		1,014,090	1,000,000.00	2,083	1FE
46591A-AZ-8	JPMD COMMERCIAL MORTGAGE SECU 18-C8 A3		05/23/2018	JP MORGAN SECURITIES INC.		1,009,996	1,000,000.00	1,534	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	4,558,250	4,500,000.00	4,511	X X X
65473P-AC-9	NISOURCE INC		06/07/2018	VARIOUS		600,350	600,000.00		3FE
4899999	Subtotal - Bonds - Hybrid Securities				X X X	600,350	600,000.00		X X X
8399997	Subtotal - Bonds - Part 3				X X X	17,910,850	17,577,498.00	31,262	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total - Bonds				X X X	17,910,850	17,577,498.00	31,262	X X X
59156R-87-6	METLIFE INC 5.625%		05/30/2018	MORGAN STANLEY & CO	15,000.000	375,000			P2LFE
8499999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	375,000	X X X		X X X
8999997	Subtotal - Preferred Stock - Part 3				X X X	375,000	X X X		X X X
8999998	Summary Item from Part 5 for Preferred Stocks				X X X	X X X	X X X	X X X	X X X
8999999	Total - Preferred Stock				X X X	375,000	X X X		X X X
370334-10-4	GENERAL MILLS INC		04/05/2018	MORGAN STANLEY & CO	4,100.000	186,445			L
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	186,445	X X X		X X X
9799997	Subtotal - Common Stock - Part 3				X X X	186,445	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X

E04

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

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
9799999	Total - Common Stock				X X X	186,445	X X X		X X X
9899999	Total - Preferred and Common Stock				X X X	561,445	X X X		X X X
9999999	Totals				X X X	18,472,295	X X X	31,262	X X X

E04.1

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of
During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicat (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
38373A-L2-0	GOVERNMENT NATIONAL MORTGAGE A 09		06/01/2018	PAYDOWN		10,271	10,271.00	10,794	10,343		(72)		(72)		10,271				191	07/20/2038	1FE
38376F-J3-7	GOVERNMENT NATIONAL MORTGAGE A 09		06/01/2018	PAYDOWN		857	857.00	946	872		(16)		(16)		857				16	08/20/2038	1FE
38378K-RR-2	GOVERNMENT NATIONAL MORTGAGE A 13		06/01/2018	PAYDOWN		26,939	26,939.00	27,695	26,959		(20)		(20)		26,939				243	03/16/2048	1FE
36296H-Q6-9	GOVERNMENT NATL MTG ASSOC #691777		06/01/2018	PAYDOWN		577	577.00	588	577		(1)		(1)		577				12	07/15/2038	1FE
36296Q-LY-3	GOVERNMENT NATL MTG ASSOC #697943		06/01/2018	PAYDOWN		326	326.00	333	326						326				7	03/15/2039	1FE
36296W-WP-7	GOVERNMENT NATL MTG ASSOC #703654		06/01/2018	PAYDOWN		194	194.00	199	194						194				4	02/15/2039	1FE
3620C6-EG-6	GOVERNMENT NATL MTG ASSOC #749935		06/01/2018	PAYDOWN		2,362	2,362.00	2,465	2,358		4		4		2,362				39	11/15/2040	1FE
36241K-YZ-5	GOVERNMENT NATL MTG ASSOC #782528		06/01/2018	PAYDOWN		6,701	6,701.00	6,836	6,709		(8)		(8)		6,701				140	01/15/2039	1FE
0599999	Subtotal - Bonds - U.S. Governments				X X X	48,227	48,227.00	49,856	48,338		(113)		(113)		48,227				652	X X X	X X X
13063B-JE-3	CALIFORNIA ST		04/30/2018	VARIOUS		421,736	340,000.00	445,036	428,898		(2,910)		(2,910)		425,988		(4,252)	(4,252)	11,752	11/01/2026	1FE
686053-DR-7	OREGON ST SCH BRDS ASSN SHORT-		05/03/2018	SWBC CAPITAL MARKET		280,950	250,000.00	294,990	293,138		(1,686)		(1,686)		291,451		(10,501)	(10,501)	11,785	06/30/2028	1FE
1799999	Subtotal - Bonds - U.S. States, Territories and Possessions				X X X	702,686	590,000.00	740,026	722,036		(4,596)		(4,596)		717,439		(14,753)	(14,753)	23,537	X X X	X X X
542433-ND-5	LONG BEACH CA UNIF SCH DIST		04/26/2018	RAYMOND JAMES		558,210	500,000.00	606,055	576,305		(3,759)		(3,759)		572,546		(14,336)	(14,336)	22,095	08/01/2025	1FE
597502-BD-4	MIDLAND CNTY TX HOSP DIST		05/15/2018	MATURITY		400,000	400,000.00	400,000	400,000						400,000				10,510	05/15/2018	1FE
655867-QD-4	NORFOLK VA		04/26/2018	BANK OF AMERICA		216,230	200,000.00	246,530	219,105		(1,887)		(1,887)		217,218		(988)	(988)	5,806	10/01/2025	1FE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	1,174,440	1,100,000.00	1,252,585	1,195,410		(5,646)		(5,646)		1,189,764		(15,324)	(15,324)	38,411	X X X	X X X
196479-C3-1	COLORADO ST HSG & FIN AUTH		06/01/2018	SINK FUND PAYMENT		4,841	4,841.00	4,841	4,841						4,841				64	09/01/2047	1FE
31396V-4B-1	FANNIE MAE 07 58 FG		06/25/2018	PAYDOWN		895	895.00	895	895						895				7	06/25/2037	1FE
3136A5-TB-2	FANNIE MAE 12 33 GV		06/01/2018	PAYDOWN		28,481	28,481.00	30,422	28,578		(97)		(97)		28,481				416	07/25/2028	1FE
312944-FE-6	FEDERAL HOME LN MTG CORP #A95565		03/01/2018	PAYDOWN				9,961	(10,371)		(9,970)		(9,970)						102	12/01/2040	1FE
312962-VV-0	FEDERAL HOME LN MTG CORP #B10629		06/01/2018	PAYDOWN		877	877.00	948	887		(10)		(10)		877				18	11/01/2018	1FE
312962-ZK-2	FEDERAL HOME LN MTG CORP #B10746		06/01/2018	PAYDOWN		606	606.00	656	614		(8)		(8)		606				13	11/01/2018	1FE
312962-3G-6	FEDERAL HOME LN MTG CORP #B10799		06/01/2018	PAYDOWN		1,976	1,976.00	2,137	2,009		(32)		(32)		1,976				41	12/01/2018	1FE
312963-PY-1	FEDERAL HOME LN MTG CORP #B11339		06/01/2018	PAYDOWN		1,054	1,054.00	1,140	1,069		(15)		(15)		1,054				22	12/01/2018	1FE
31292S-AN-0	FEDERAL HOME LN MTG CORP #C09013		06/01/2018	PAYDOWN		8,285	8,285.00	8,445	8,291		(6)		(6)		8,285				107	09/01/2042	1FE
3128H8-CB-4	FEDERAL HOME LN MTG CORP #E99966		06/01/2018	PAYDOWN		993	993.00	1,074	1,009		(16)		(16)		993				20	10/01/2018	1FE
3128M4-CP-6	FEDERAL HOME LN MTG CORP #G02478		06/01/2018	PAYDOWN		1,165	1,165.00	1,148	1,163		2		2		1,165				29	12/01/2036	1FE
3128MJ-Q7-8	FEDERAL HOME LN MTG CORP #G08477		06/01/2018	PAYDOWN		15,955	15,955.00	16,679	15,986		(31)		(31)		15,955				233	02/01/2042	1FE
3128MJ-Q9-4	FEDERAL HOME LN MTG CORP #G08479		06/01/2018	PAYDOWN		5,024	5,024.00	5,345	5,037		(13)		(13)		5,024				74	03/01/2042	1FE
3128MJ-RV-4	FEDERAL HOME LN MTG CORP #G08499		06/01/2018	PAYDOWN		5,610	5,610.00	5,720	5,613		(3)		(3)		5,610				70	07/01/2042	1FE
3128MJ-R5-1	FEDERAL HOME LN MTG CORP #G08507		06/01/2018	PAYDOWN		2,963	2,963.00	3,107	2,968		(5)		(5)		2,963				38	10/01/2042	1FE

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicat (a)		
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.									
3128MM-K7-7	FEDERAL HOME LN MTG CORP #G18317		06/01/2018	PAYDOWN		5,216	5,216.00	5,438	5,241		(25)		(25)		5,216				98	07/01/2024	1FE		
3128PP-YY-3	FEDERAL HOME LN MTG CORP #J10727		06/01/2018	PAYDOWN		781	781.00	835	786		(5)		(5)		781				15	10/01/2024	1FE		
3128PP-4D-2	FEDERAL HOME LN MTG CORP #J10820		06/01/2018	PAYDOWN		9,600	9,600.00	9,860	9,621		(20)		(20)		9,600				193	10/01/2024	1FE		
3128PR-FA-2	FEDERAL HOME LN MTG CORP #J11961		06/01/2018	PAYDOWN		19,466	19,466.00	20,257	19,535		(69)		(69)		19,466				338	04/01/2025	1FE		
3128PR-M7-1	FEDERAL HOME LN MTG CORP #J12182		06/01/2018	PAYDOWN		6,758	6,758.00	6,999	6,770		(13)		(13)		6,758				127	05/01/2025	1FE		
3128PT-7B-5	FEDERAL HOME LN MTG CORP #J14490		06/01/2018	PAYDOWN		16,085	16,085.00	16,112	16,088		(3)		(3)		16,085				236	02/01/2026	1FE		
3128PV-BD-1	FEDERAL HOME LN MTG CORP #J15436		06/01/2018	PAYDOWN		6,014	6,014.00	6,272	6,033		(19)		(19)		6,014				100	05/01/2026	1FE		
3128PV-5E-6	FEDERAL HOME LN MTG CORP #J16245		06/01/2018	PAYDOWN		3,309	3,309.00	3,478	3,322		(13)		(13)		3,309				55	08/01/2026	1FE		
3132GM-KJ-0	FEDERAL HOME LN MTG CORP #Q05997		06/01/2018	PAYDOWN		6,800	6,800.00	7,061	6,835		(34)		(34)		6,800				100	02/01/2042	1FE		
3132GT-DJ-3	FEDERAL HOME LN MTG CORP #Q07905		06/01/2018	PAYDOWN		144,461	144,461.00	150,195	144,969		(508)		(508)		144,461				2,495	05/01/2042	1FE		
3132HL-A2-9	FEDERAL HOME LN MTG CORP #Q10025		06/01/2018	PAYDOWN		826	826.00	879	830		(4)		(4)		826				12	08/01/2042	1FE		
31371L-PL-7	FEDERAL NATIONAL MTG ASSOC #255227		06/01/2018	PAYDOWN		7,075	7,075.00	7,299	7,101		(25)		(25)		7,075				133	05/01/2019	1FE		
31400S-BR-9	FEDERAL NATIONAL MTG ASSOC #695848		04/01/2018	PAYDOWN		151	151.00	164	154		(3)		(3)		151				3	05/01/2025	1FE		
31400S-CF-4	FEDERAL NATIONAL MTG ASSOC #695870		04/01/2018	PAYDOWN		54	54.00	59	55		(1)		(1)		54				1	04/01/2018	1FE		
31401C-LJ-0	FEDERAL NATIONAL MTG ASSOC #704229		05/01/2018	VARIOUS		221	221.00	241	225		(4)		(4)		221				4	05/01/2018	1FE		
31401X-L4-7	FEDERAL NATIONAL MTG ASSOC #721347		06/01/2018	VARIOUS		747	747.00	814	762		(15)		(15)		747				14	06/01/2018	1FE		
31405D-KC-0	FEDERAL NATIONAL MTG ASSOC #786091		06/01/2018	PAYDOWN		428	428.00	466	433		(6)		(6)		428				9	07/01/2019	1FE		
31407B-WY-1	FEDERAL NATIONAL MTG ASSOC #826063		06/01/2018	PAYDOWN		3,957	3,957.00	3,792	3,947		10		10		3,957				72	07/01/2035	1FE		
31410G-ME-0	FEDERAL NATIONAL MTG ASSOC #888757		06/01/2018	PAYDOWN		1,054	1,054.00	1,065	1,055		(1)		(1)		1,054				19	09/01/2037	1FE		
31410G-RJ-4	FEDERAL NATIONAL MTG ASSOC #888889		06/01/2018	PAYDOWN		587	587.00	634	597		(10)		(10)		587				10	12/01/2018	1FE		
31412U-AJ-9	FEDERAL NATIONAL MTG ASSOC #934809		06/01/2018	PAYDOWN		4,672	4,672.00	4,837	4,685		(13)		(13)		4,672				87	03/01/2024	1FE		
31412U-L7-3	FEDERAL NATIONAL MTG ASSOC #935150		06/01/2018	PAYDOWN		1,242	1,242.00	1,285	1,245		(3)		(3)		1,242				23	04/01/2024	1FE		
31413J-FD-1	FEDERAL NATIONAL MTG ASSOC #946664		06/01/2018	PAYDOWN		46	46.00	47	46						46				1	09/01/2037	1FE		
31417M-KJ-1	FEDERAL NATIONAL MTG ASSOC #AC2996		06/01/2018	PAYDOWN		3,206	3,206.00	3,319	3,219		(12)		(12)		3,206				57	09/01/2024	1FE		
3138ED-2V-2	FEDERAL NATIONAL MTG ASSOC #AK8887		06/01/2018	PAYDOWN		6,765	6,765.00	7,224	6,772		(8)		(8)		6,765				83	04/01/2042	1FE		
3138ET-DZ-6	FEDERAL NATIONAL MTG ASSOC #AL8219		06/01/2018	PAYDOWN		102,547	102,547.00	110,550	102,968		(421)		(421)		102,547				1,684	02/01/2046	1FE		
3138M6-R2-5	FEDERAL NATIONAL MTG ASSOC #AP3204		06/01/2018	PAYDOWN		5,802	5,802.00	6,023	5,813		(11)		(11)		5,802				60	08/01/2027	1FE		
3138W0-RB-7	FEDERAL NATIONAL MTG ASSOC #AR3181		06/01/2018	PAYDOWN		22,109	22,109.00	23,063	22,120		(11)		(11)		22,109				224	03/01/2043	1FE		
3138W1-3L-9	FEDERAL NATIONAL MTG ASSOC #AR4402		06/01/2018	PAYDOWN		7,110	7,110.00	7,394	7,127		(18)		(18)		7,110				79	02/01/2028	1FE		
3138WG-6E-9	FEDERAL NATIONAL MTG ASSOC #AS7168		06/01/2018	PAYDOWN		313,362	313,362.00	330,352	314,265		(904)		(904)		313,362				4,550	05/01/2046	1FE		
31418B-6G-6	FEDERAL NATIONAL MTG ASSOC #MA2670		06/01/2018	PAYDOWN		89,458	89,458.00	92,693	89,577		(120)		(120)		89,458				1,123	07/01/2046	1FE		
31396H-J8-3	FREDDIE MAC 3114 PF		06/15/2018	PAYDOWN		9,103	9,103.00	9,150	9,105		(2)		(2)		9,103				77	02/15/2036	1FE		
3137AJ-RJ-5	FREDDIE MAC 3976 AE		06/01/2018	PAYDOWN		13,161	13,161.00	13,503	13,195		(34)		(34)		13,161				135	08/15/2029	1FE		
64971X-BB-3	NEW YORK CITY NY TRANSITIONAL		04/26/2018	RAYMOND JAMES		238,725	250,000.00	249,945	249,945						249,945		(11,220)	(11,220)	6,026	08/01/2030	1FE		
73358W-RQ-9	PORT AUTH OF NEW YORK & NEW JE		05/08/2018	WELLS FARGO FINANCIA		271,313	250,000.00	276,695	274,995		(1,217)		(1,217)		273,778		(2,466)	(2,466)	10,288	08/01/2046	1FE		
79575D-ZX-1	SALT RIVER AZ PROJ AGRIC IMPT		04/26/2018	MESIROW FINANCIAL INC		102,049	100,000.00	120,748	103,550		(1,169)		(1,169)		102,380		(331)	(331)	4,153	01/01/2022	1FE		
914440-KJ-0	UNIV OF MASSACHUSETTS MA BLDG		04/26/2018	JANNEY MONTGOMERY		2,331,023	2,250,000.00	2,283,203	2,260,528		(2,564)		(2,564)		2,257,964				73,058	73,058	71,857	05/01/2029	1FE

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of
During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicat (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment Non-Guaranteed Obligations				X X X	3,834,008	3,740,898.00	3,874,469	3,772,103		(17,479)		(17,479)		3,774,965		59,041	59,041	105,795	X X X	X X X	
02006W-AD-1	ALLY AUTO RECEIVABLES TRUST 14 2 A4		06/15/2018	PAYDOWN		230,457	230,457.00	230,434	230,378		80		80		230,457				1,752	01/15/2020	1FE	
035229-CW-1	ANHEUSER-BUSCH COS LLC		04/23/2018	SECURITY CALLED BY IS		1,087,812	1,065,000.00	1,047,095	1,063,020		517		517		1,063,537		1,463	1,463	57,129	03/01/2019	2FE	
17320D-AC-2	CITIGROUP COMMERCIAL MORT 13 GC11		05/01/2018	PAYDOWN		312,756	312,756.00	322,135	313,615		(859)		(859)		312,756				2,072	04/10/2046	1FM	
19122T-AB-5	COCA-COLA EUROPEAN PARTN		04/12/2018	VARIOUS		1,560,766	1,500,000.00	1,663,050	1,565,303		(4,536)		(4,536)		1,560,766				43,688	09/01/2021	2FE	
209111-ET-6	CONSOLIDATED EDISON CO O		04/01/2018	MATURITY		400,000	400,000.00	399,824	399,994		6		6		400,000				11,700	04/01/2018	1FE	
23305Y-AD-1	DBUBS MORTGAGE TRUST 11 LC3A A4		06/01/2018	PAYDOWN		16,476	16,476.00	16,639	16,486		(10)		(10)		16,476				380	08/10/2044	1FM	
38137D-AA-5	GOLDENTREE LOAN OPPORTUNITIES 13 7		06/09/2018	VARIOUS		399,655	399,655.00	394,647	398,459		569		569		399,028		627	627	6,648	04/25/2025	1FE	
61166W-AF-8	MONSANTO CO		04/15/2018	MATURITY		1,500,000	1,500,000.00	1,614,180	1,504,578		(4,578)		(4,578)		1,500,000				38,438	04/15/2018	2FE	
69121P-DE-0	OWNIT MORTGAGE LOAN ASSET-BACK 06		06/01/2018	PAYDOWN		6,201	6,201.00	4,556	6,124		76		76		6,201				90	01/25/2037	1FM	
75970N-BD-8	RENAISSANCE HOME EQUITY LOAN 05 3 A		06/01/2018	PAYDOWN		8,478	8,478.00	8,478	8,478						8,478				164	11/25/2035	1FM	
82652D-AA-8	SIERRA RECEIVABLES FUNDING CO 14 2A		06/20/2018	PAYDOWN		4,091	4,091.00	4,091	4,087		4		4		4,091				35	06/20/2031	1FE	
82652J-AA-5	SIERRA RECEIVABLES FUNDING CO 15 3A		06/20/2018	PAYDOWN		21,528	21,528.00	21,524	21,503		25		25		21,528				229	09/20/2032	1FE	
92903P-AA-7	VORNADO DP LLC 10 VNO A1		06/10/2018	PAYDOWN		41,377	41,377.00	41,377	41,350		26		26		41,377				512	09/13/2028	1FM	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	5,589,597	5,506,019.00	5,768,030	5,573,375		(8,680)		(8,680)		5,564,695		2,090	2,090	162,837	X X X	X X X	
8199999	Subtotal - Bonds - SVO Identified Funds				X X X															X X X	X X X	
8399997	Subtotal - Bonds - Part 4				X X X	11,348,958	10,985,144	11,684,966	11,311,262		(36,514)		(36,514)		11,295,090		31,054	31,054	331,232	X X X	X X X	
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total - Bonds				X X X	11,348,958	10,985,144.00	11,684,966	11,311,262		(36,514)		(36,514)		11,295,090		31,054	31,054	331,232	X X X	X X X	
594918-10-4	MICROSOFT CORP		04/05/2018	SANFORD BERNSTEIN		2,100.00	193,943	192,663						192,663		1,279	1,279	882			L	
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	193,943		192,663						192,663		1,279	1,279	882	X X X	X X X		
9799997	Subtotal - Common Stock - Part 4				X X X	193,943	X X X	192,663						192,663		1,279	1,279	882	X X X	X X X		
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799999	Total - Common Stocks				X X X	193,943	X X X	192,663						192,663		1,279	1,279	882	X X X	X X X		

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
9899999	Total - Preferred and Common Stocks				X X X	193,943	X X X	192,663						192,663		1,279	1,279	882	X X X	X X X	
9999999	Totals					11,542,901	X X X	11,877,629	11,311,262		(36,514)		(36,514)	11,487,753		32,333	32,333	332,114	X X X	X X X	

E05.3

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

- NONE Schedule DB - Part A - Section 1**
- NONE Schedule DB - Part B - Section 1**
- NONE Schedule DB - Part D - Section 1**
- NONE Schedule DB - Part D - Section 2**
- NONE Schedule DL - Part 1**
- NONE Schedule DL - Part 2**

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	
Open Depositories								
Cash Held-Bank of America Providence, RI					451,662	1,772,313	1,309,853	
Cash Held-Federal Home Loan Bank of Boston Boston, MA					5,174	5,174	8,245	
0199998 Deposits in () depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	X X X	X X X						X X X
0199999 Total - Open Depositories	X X X	X X X			456,836	1,777,487	1,318,098	X X X
Suspended Depositories								
0299998 Deposits in () depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	X X X	X X X						X X X
0299999 Total Suspended Depositories	X X X	X X X						X X X
0399999 Total Cash on Deposit	X X X	X X X			456,836	1,777,487	1,318,098	X X X
0499999 Cash in Company's Office	X X X	X X X	X X X	X X X				X X X
0599999 Total	X X X	X X X			456,836	1,777,487	1,318,098	X X X

