



# ANNUAL STATEMENT

For the Year Ended December 31, 2018  
of the Condition and Affairs of the

## Metropolitan Direct Property and Casualty Insurance Company

|                                       |   |                                       |              |   |            |
|---------------------------------------|---|---------------------------------------|--------------|---|------------|
| NAIC Group Code.....                  | 241, 241<br>(Current Period) (Prior Period)   | NAIC Company Code.....                | 25321        | Employer's ID Number.....                             | 23-1903575 |
| Organized under the Laws of RI        |   | State of Domicile or Port of Entry RI |              | Country of Domicile                                   | US         |
| Incorporated/Organized.....           | May 24, 1949  | Commenced Business.....               | June 1, 1949 |   |            |
| Statutory Home Office                 | 700 Quaker Lane .. Warwick .. RI .. US .. 02886-6669<br><i>(Street and Number) (City or Town, State, Country and Zip Code)</i>                          |                                       |              |   |            |
| Main Administrative Office            | 700 Quaker Lane .. Warwick .. RI .. US .. 02886-6669<br><i>(Street and Number) (City or Town, State, Country and Zip Code)</i>                          |                                       |              | 401-827-2400<br><i>(Area Code) (Telephone Number)</i> |            |
| Mail Address                          | PO Box 350, 700 Quaker Lane .. Warwick .. RI .. US .. 02887-0350<br><i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i> |                                       |              |   |            |
| Primary Location of Books and Records | 700 Quaker Lane .. Warwick .. RI .. US .. 02886-6669<br><i>(Street and Number) (City or Town, State, Country and Zip Code)</i>                          |                                       |              | 800-638-4208<br><i>(Area Code) (Telephone Number)</i> |            |
| Internet Web Site Address             | www.metlife.com   |                                       |              |   |            |
| Statutory Statement Contact           | Kevin Paul Swift<br><i>(Name)</i>   |                                       |              | 800-638-4208<br><i>(Area Code) (Telephone Number)</i> |            |
|                                       | kswift@metlife.com<br><i>(E-Mail Address)</i>   |                                       |              | 401-827-2315<br><i>(Fax Number)</i>                   |            |

### OFFICERS

| Name                      | Title                                      | Name                         | Title                                   |
|---------------------------|--|------------------------------|---|
| 1. Kishore Ponnayolu      | President                                  | 2. Maura Catherine Travers   | Assistant General Counsel and Secretary |
| 3. Michael John Bednarick | Vice President and Chief Financial Officer | 4. Edward Allen Spehar Jr. # | Treasurer                               |

### OTHER

|                            |  |                            |   |
|----------------------------|--|----------------------------|---|
| Zulfi Shafaat Ahmed        | Senior Vice President and Chief Information Security Officer | Robert Edward Bean         | Vice President                                      |
| Kevin Chean                | Vice President   | Charles Patrick Connery #  | Vice President and Assistant Treasurer              |
| Darla Ann Finchum          | Vice President   | Barbara Jean Furr          | Vice President                                      |
| Paul Edward Gavin          | Senior Vice President  | Lorene Elsie Guardado      | Vice President                                      |
| Lise Ann Hasegawa          | Vice President   | Michelle Lee Kolodziejczak | Vice President                                      |
| Richard Jay Leist #        | Executive Vice President and Executive Investment Officer    | Richard Paul Lonardo       | Vice President                                      |
| Aaron Matthew McClain #    | Vice President   | Albert Montoya #           | Vice President and Investment Officer               |
| Robert Francis Nostramo    | Vice President and General Counsel                           | Kevin Stanley Redgate #    | Senior Vice President and Senior Investment Officer |
| Christopher Timothy Rhodes | Vice President   | James Sheridan Stevens #   | Vice President and Investment Officer               |
| Richard Andrew Stevens     | Vice President and Controller                                | Calvin Tyrone Strong       | Vice President                                      |

### DIRECTORS OR TRUSTEES

|                        |                   |                   |                   |
|------------------------|-------------------|-------------------|-------------------|
| Michael John Bednarick | Barbara Jean Furr | Paul Edward Gavin | Kishore Ponnayolu |
|------------------------|-------------------|-------------------|-------------------|

State of..... Rhode Island  
County of..... Kent

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.

*Kishore Ponnayolu*

Kishore Ponnayolu  
President

*Maura Catherine Travers*

Maura Catherine Travers  
Assistant General Counsel and Secretary

*Michael J Bednarick*

Michael John Bednarick  
Vice President and Chief Financial Officer

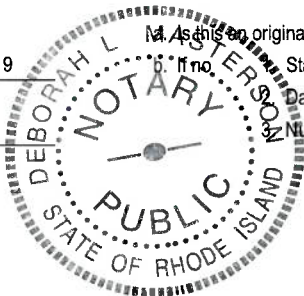
Subscribed and sworn to before me  
This 15th day of February, 2019

4. As this is an original filing? Yes [X] No [ ]

State the amendment number \_\_\_\_\_  
Date filed \_\_\_\_\_  
Number of pages attached \_\_\_\_\_

*Deborah L. Masterson*

Deborah L. Masterson  
Notary  
June 24, 2021



## ASSETS

|  | Current Year |                            |  | Prior Year                  |
|--|--------------|----------------------------|--|-----------------------------|
|  | 1<br>Assets  | 2<br>Nonadmitted<br>Assets | 3<br>Net Admitted<br>Assets<br>(Cols. 1 - 2) | 4<br>Net<br>Admitted Assets |
| 1. Bonds (Schedule D).....   | 48,318,185   |                            | 48,318,185                                   | 44,956,876                  |
| 2. Stocks (Schedule D):  |              |                            |  |                             |
| 2.1 Preferred stocks.....  |              |                            | 0  |                             |
| 2.2 Common stocks.....   |              |                            | 0  |                             |
| 3. Mortgage loans on real estate (Schedule B):   |              |                            |  |                             |
| 3.1 First liens.....   |              |                            | 0  |                             |
| 3.2 Other than first liens.....  |              |                            | 0  |                             |
| 4. Real estate (Schedule A):   |              |                            |  |                             |
| 4.1 Properties occupied by the company (less \$.....0<br>encumbrances).....  |              |                            | 0  |                             |
| 4.2 Properties held for the production of income (less \$.....0<br>encumbrances).....  |              |                            | 0  |                             |
| 4.3 Properties held for sale (less \$.....0 encumbrances).....   |              |                            | 0  |                             |
| 5. Cash (\$.....101,381, Schedule E-Part 1), cash equivalents (\$.....1,999,063,<br>Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA)..... | 2,100,444    |                            | 2,100,444                                    | 11,361,390                  |
| 6. Contract loans (including \$.....0 premium notes).....  |              |                            | 0  |                             |
| 7. Derivatives (Schedule DB).....  |              |                            | 0  |                             |
| 8. Other invested assets (Schedule BA).....  |              |                            | 0  |                             |
| 9. Receivables for securities.....   |              |                            | 0  |                             |
| 10. Securities lending reinvested collateral assets (Schedule DL).....   |              |                            | 0  |                             |
| 11. Aggregate write-ins for invested assets.....   | 0            | 0                          | 0  | 0                           |
| 12. Subtotals, cash and invested assets (Lines 1 to 11).....   | 50,418,629   | 0                          | 50,418,629                                   | 56,318,266                  |
| 13. Title plants less \$.....0 charged off (for Title insurers only).....  |              |                            | 0  |                             |
| 14. Investment income due and accrued.....   | 279,195      |                            | 279,195                                      | 302,055                     |
| 15. Premiums and considerations:   |              |                            |  |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....  | 7,756,480    | 4,985,161                  | 2,771,319                                    | 3,414,060                   |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred<br>and not yet due (including \$.....0 earned but unbilled premiums).....        | 122,244,958  |                            | 122,244,958                                  | 113,007,463                 |
| 15.3 Accrued retrospective premiums (\$.....0) and contracts subject to<br>redetermination (\$.....0).....   |              |                            | 0  |                             |
| 16. Reinsurance:   |              |                            |  |                             |
| 16.1 Amounts recoverable from reinsurers.....  |              |                            | 0  |                             |
| 16.2 Funds held by or deposited with reinsured companies.....  |              |                            | 0  |                             |
| 16.3 Other amounts receivable under reinsurance contracts.....   |              |                            | 0  |                             |
| 17. Amounts receivable relating to uninsured plans.....  |              |                            | 0  |                             |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....  |              |                            | 0  |                             |
| 18.2 Net deferred tax asset.....   | 1,007,385    |                            | 1,007,385                                    | 758,336                     |
| 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.....  | 8,305        | 8,305                      | 0  |                             |
| 24. Health care (\$.....0) and other amounts receivable.....   |              |                            | 0  |                             |
| 25. Aggregate write-ins for other-than-invested assets.....  | 250          | 250                        | 0  | 0                           |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts (Lines 12 to 25).....   | 181,715,202  | 4,993,716                  | 176,721,486                                  | 173,800,180                 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....   |              |                            | 0  |                             |
| 28. TOTAL (Lines 26 and 27).....   | 181,715,202  | 4,993,716                  | 176,721,486                                  | 173,800,180                 |

## DETAILS OF WRITE-INS

|  |     |     |   |   |
|--|-----|-----|---|---|
| 1101.....  |     |     | 0 |   |
| 1102.....  |     |     | 0 |   |
| 1103.....  |     |     | 0 |   |
| 1198. Summary of remaining write-ins for Line 11 from overflow page..... | 0   | 0   | 0 | 0 |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....    | 0   | 0   | 0 | 0 |
| 2501. Deferred expenses.....   | 250 | 250 | 0 |   |
| 2502.....  |     |     | 0 |   |
| 2503.....  |     |     | 0 |   |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0   | 0   | 0 | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....    | 250 | 250 | 0 | 0 |

**LIABILITIES, SURPLUS AND OTHER FUNDS**

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8).....   |                   |                 |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....  |                   |                 |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....   |                   |                 |
| 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).....   |                   |                 |
| 7.1 Current federal and foreign income taxes (including \$.....(9,760) on realized capital gains (losses)).....   | 62,796            | 54,610          |
| 7.2 Net deferred tax liability.....   |                   |                 |
| 8. Borrowed money \$.....0 and interest thereon \$.....0.....   |                   |                 |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....158,747,134 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)..... |                   |                 |
| 10. Advance premium.....  |                   |                 |
| 11. Dividends declared and unpaid:  |                   |                 |
| 11.1 Stockholders.....  |                   |                 |
| 11.2 Policyholders.....   |                   |                 |
| 12. Ceded reinsurance premiums payable (net of ceding commissions).....   | 130,001,438       | 118,952,432     |
| 13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20).....   |                   |                 |
| 14. Amounts withheld or retained by company for account of others.....  |                   |                 |
| 15. Remittances and items not allocated.....  |                   |                 |
| 16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 3, Column 78).....   |                   |                 |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates.....  |                   |                 |
| 18. Drafts outstanding.....   |                   |                 |
| 19. Payable to parent, subsidiaries and affiliates.....   | 1,420             | 50,465          |
| 20. Derivatives.....  |                   |                 |
| 21. Payable for securities.....   |                   | 9,954,606       |
| 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.....  | 0                 | 0               |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....  | 130,065,654       | 129,012,113     |
| 27. Protected cell liabilities.....   |                   |                 |
| 28. Total liabilities (Lines 26 and 27).....  | 130,065,654       | 129,012,113     |
| 29. Aggregate write-ins for special surplus funds.....  | 0                 | 0               |
| 30. Common capital stock.....   | 3,000,000         | 3,000,000       |
| 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.....  | 31,620,721        | 29,620,721      |
| 35. Unassigned funds (surplus).....   | 12,035,111        | 12,167,345      |
| 36. Less treasury stock, at cost:   |                   |                 |
| 36.1 .....0.000 shares common (value included in Line 30 \$.....0).....   |                   |                 |
| 36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....  |                   |                 |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....   | 46,655,832        | 44,788,067      |
| 38. TOTAL (Page 2, Line 28, Col. 3).....  | 176,721,486       | 173,800,180     |

**DETAILS OF WRITE-INS**

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

## STATEMENT OF INCOME

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>UNDERWRITING INCOME</b>   |                   |                 |
| 1. Premiums earned (Part 1, Line 35, Column 4).....  |                   |                 |
| DEDUCTIONS:  |                   |                 |
| 2. Losses incurred (Part 2, Line 35, Column 7).....  |                   |                 |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....  |                   |                 |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....   |                   |                 |
| 5. Aggregate write-ins for underwriting deductions.....  | 0                 | 0               |
| 6. Total underwriting deductions (Lines 2 through 5).....  | 0                 | 0               |
| 7. Net income of protected cells.....  |                   |                 |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....   | 0                 | 0               |
| <b>INVESTMENT INCOME</b>   |                   |                 |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....   | 1,502,802         | 1,099,064       |
| 10. Net realized capital gains (losses) less capital gains tax of \$.....(9,760) (Exhibit of Capital Gains (Losses)).....                                    | (42,708)          | (52,992)        |
| 11. Net investment gain (loss) (Lines 9 + 10).....   | 1,460,094         | 1,046,072       |
| <b>OTHER INCOME</b>  |                   |                 |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....4,997,040).....                        | (4,997,040)       | (5,162,911)     |
| 13. Finance and service charges not included in premiums.....  | 731,833           | 684,393         |
| 14. Aggregate write-ins for miscellaneous income.....  | 4,265,207         | 4,478,303       |
| 15. Total other income (Lines 12 through 14).....  | 0                 | (215)           |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....     | 1,460,094         | 1,045,857       |
| 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)..... | 1,460,094         | 1,045,857       |
| 19. Federal and foreign income taxes incurred.....   | 66,303            | 139,272         |
| 20. Net income (Line 18 minus Line 19) (to Line 22).....   | 1,393,791         | 906,585         |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>   |                   |                 |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....  | 44,788,067        | 32,557,633      |
| 22. Net income (from Line 20).....   | 1,393,791         | 906,585         |
| 23. Net transfers (to) from Protected Cell accounts.....   |                   |                 |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....   |                   |                 |
| 25. Change in net unrealized foreign exchange capital gain (loss).....   |                   |                 |
| 26. Change in net deferred income tax.....   | 249,049           | (605,474)       |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....   | (1,775,074)       | 929,323         |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....  |                   |                 |
| 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.....  | 2,000,000         | 11,000,000      |
| 33.2 Transferred to capital (Stock Dividend).....  |                   |                 |
| 33.3. Transferred from capital.....  |                   |                 |
| 34. Net remittances from or (to) Home Office.....  |                   |                 |
| 35. Dividends to stockholders.....   |                   |                 |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....   |                   |                 |
| 37. Aggregate write-ins for gains and losses in surplus.....   | 0                 | 0               |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....   | 1,867,765         | 12,230,434      |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....   | 46,655,833        | 44,788,067      |
| <b>DETAILS OF WRITE-INS</b>  |                   |                 |
| 0501. ....   |                   |                 |
| 0502. ....   |                   |                 |
| 0503. ....   |                   |                 |
| 0598. Summary of remaining write-ins for Line 5 from overflow page.....  | 0                 | 0               |
| 0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....   | 0                 | 0               |
| 1401. Restated quota share - dividends, write-offs, payment fees.....  | 4,265,207         | 4,478,518       |
| 1402. Miscellenous.....  |                   | (215)           |
| 1403. ....   |                   |                 |
| 1498. Summary of remaining write-ins for Line 14 from overflow page.....   | 0                 | 0               |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....  | 4,265,207         | 4,478,303       |
| 3701. ....   |                   |                 |
| 3702. ....   |                   |                 |
| 3703. ....   |                   |                 |
| 3798. Summary of remaining write-ins for Line 37 from overflow page.....   | 0                 | 0               |
| 3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....  | 0                 | 0               |

**CASH FLOW**

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>CASH FROM OPERATIONS</b>  |                   |                 |
| 1. Premiums collected net of reinsurance.....  |                   | 0               |
| 2. Net investment income.....  | 1,462,212         | 1,082,270       |
| 3. Miscellaneous income.....   |                   | (216)           |
| 4. Total (Lines 1 through 3).....  | 1,462,212         | 1,082,055       |
| 5. Benefit and loss related payments.....  | (46,428)          |                 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                    |                   |                 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions.....                                      |                   |                 |
| 8. Dividends paid to policyholders.....  |                   |                 |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....(16,056) tax on capital gains (losses)..... | 48,357            | 73,776          |
| 10. Total (Lines 5 through 9).....   | 1,929             | 73,776          |
| 11. Net cash from operations (Line 4 minus Line 10).....   | 1,460,283         | 1,008,279       |
| <b>CASH FROM INVESTMENTS</b>   |                   |                 |
| 12. Proceeds from investments sold, matured or repaid:   |                   |                 |
| 12.1 Bonds.....  | 15,810,317        | 6,859,594       |
| 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.....                           | (567)             | 171             |
| 12.7 Miscellaneous proceeds.....   |                   | 10,357,541      |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7).....   | 15,809,750        | 17,217,306      |
| 13. Cost of investments acquired (long-term only):   |                   |                 |
| 13.1 Bonds.....  | 19,206,505        | 26,350,818      |
| 13.2 Stocks.....   |                   |                 |
| 13.3 Mortgage loans.....   |                   |                 |
| 13.4 Real estate.....  |                   |                 |
| 13.5 Other invested assets.....  |                   |                 |
| 13.6 Miscellaneous applications.....   | 9,954,606         |                 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6).....  | 29,161,111        | 26,350,818      |
| 14. Net increase (decrease) in contract loans and premium notes.....   |                   |                 |
| 15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....                                  | (13,351,361)      | (9,133,512)     |
| <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.....   | 2,000,000         | 11,000,000      |
| 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).....  | 630,132           | 2,862,884       |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)..... | 2,630,132         | 13,862,884      |
| <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 Lines 15 and 17).....       | (9,260,946)       | 5,737,651       |
| 19. Cash, cash equivalents and short-term investments:   |                   |                 |
| 19.1 Beginning of year.....  | 11,361,390        | 5,623,739       |
| 19.2 End of year (Line 18 plus Line 19.1).....   | 2,100,444         | 11,361,390      |

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

|         |   |            |           |
|---------|---|------------|-----------|
| 20.0001 | Ceded reinsurance payable.....  | 11,049,006 | 9,471,469 |
| 20.0002 | Deferred premiums.....  | 9,237,495  | 6,670,395 |
| 20.0003 | Agents balance in course of collection.....   | 1,123,978  | 495,788   |
| 20.0004 | Net change in value of obligations under structured settlements.....                    | 46,428     |           |
| 20.0005 | Net change in value of ownership in annuity contracts under structured settlements..... | 46,428     |           |
| 20.0006 | Security exchanges.....   |            | 99,193    |
| 20.0007 | Guarantee funds receivable.....   |            | 2,873     |

**Underwriting and Investment Ex. - Pt. 1 - Ex. of Premiums Earned  
NONE**

**Underwriting and Investment Ex. - Pt. 1A - Recapitulation of All Premiums  
NONE**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B - PREMIUMS WRITTEN**

| Line of Business   | 1<br>Direct Business<br>(a) | Reinsurance Assumed     |                             | Reinsurance Ceded     |                           | 6<br>Net Premiums<br>Written<br>(Cols. 1 + 2 + 3<br>- 4 - 5) |
|--|-----------------------------|-------------------------|-----------------------------|-----------------------|---------------------------|--|
|  |                             | 2<br>From<br>Affiliates | 3<br>From<br>Non-Affiliates | 4<br>To<br>Affiliates | 5<br>To<br>Non-Affiliates |  |
| 1. Fire.....   | 137,017                     |                         |                             | 128,142               | 8,875                     | 0  |
| 2. Allied lines.....   | 319,381                     |                         |                             | 319,381               |                           | 0  |
| 3. Farmowners multiple peril.....                              |                             |                         |                             |                       |                           | 0  |
| 4. Homeowners multiple peril.....                              | 55,383,893                  |                         |                             | 55,383,893            |                           | 0  |
| 5. Commercial multiple peril.....                              | 2,738,941                   |                         |                             | 2,738,941             |                           | 0  |
| 6. Mortgage guaranty.....                                      |                             |                         |                             |                       |                           | 0  |
| 8. Ocean marine.....   |                             |                         |                             |                       |                           | 0  |
| 9. Inland marine.....  | 1,120,376                   |                         |                             | 1,120,376             |                           | 0  |
| 10. Financial guaranty.....                                    |                             |                         |                             |                       |                           | 0  |
| 11.1 Medical professional liability - occurrence.....          |                             |                         |                             |                       |                           | 0  |
| 11.2 Medical professional liability - claims-made.....         |                             |                         |                             |                       |                           | 0  |
| 12. Earthquake.....  | 1,979,324                   |                         |                             | 1,979,324             |                           | 0  |
| 13. Group accident and health.....                             |                             |                         |                             |                       |                           | 0  |
| 14. Credit accident and health (group and individual).....     |                             |                         |                             |                       |                           | 0  |
| 15. Other accident and health.....                             |                             |                         |                             |                       |                           | 0  |
| 16. Workers' compensation.....                                 |                             |                         |                             |                       |                           | 0  |
| 17.1 Other liability - occurrence.....                         | 675,574                     |                         |                             | 675,574               |                           | 0  |
| 17.2 Other liability - claims-made.....                        |                             |                         |                             |                       |                           | 0  |
| 17.3 Excess workers' compensation.....                         |                             |                         |                             |                       |                           | 0  |
| 18.1 Products liability - occurrence.....                      |                             |                         |                             |                       |                           | 0  |
| 18.2 Products liability - claims-made.....                     |                             |                         |                             |                       |                           | 0  |
| 19.1, 19.2 Private passenger auto liability.....               | 168,334,239                 |                         |                             | 168,334,239           |                           | 0  |
| 19.3, 19.4 Commercial auto liability.....                      | 8,975,239                   |                         |                             | 8,975,239             |                           | 0  |
| 21. Auto physical damage.....                                  | 124,710,566                 |                         |                             | 124,710,566           |                           | 0  |
| 22. Aircraft (all perils).....                                 |                             |                         |                             |                       |                           | 0  |
| 23. Fidelity.....  |                             |                         |                             |                       |                           | 0  |
| 24. Surety.....  |                             |                         |                             |                       |                           | 0  |
| 26. Burglary and theft.....                                    |                             |                         |                             |                       |                           | 0  |
| 27. Boiler and machinery.....                                  |                             |                         |                             |                       |                           | 0  |
| 28. Credit.....  |                             |                         |                             |                       |                           | 0  |
| 29. International.....   |                             |                         |                             |                       |                           | 0  |
| 30. Warranty.....  |                             |                         |                             |                       |                           | 0  |
| 31. Reinsurance - nonproportional assumed property.....        | XXX                         |                         |                             |                       |                           | 0  |
| 32. Reinsurance - nonproportional assumed liability.....       | XXX                         |                         |                             |                       |                           | 0  |
| 33. Reinsurance - nonproportional assumed financial lines..... | XXX                         |                         |                             |                       |                           | 0  |
| 34. Aggregate write-ins for other lines of business.....       | 0                           | 0                       | 0                           | 0                     | 0                         | 0  |
| 35. TOTALS.....  | 364,374,550                 | 0                       | 0                           | 364,365,675           | 8,875                     | 0  |

**DETAILS OF WRITE-INS**

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

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

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

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - LOSSES PAID AND INCURRED**

| Line of Business   | Losses Paid Less Salvage |                             |                               |  | 5<br>Net Losses<br>Unpaid<br>Current Year<br>(Part 2A, Col. 8) | 6<br>Net Losses<br>Unpaid<br>Prior Year | 7<br>Losses<br>Incurred<br>Current Year<br>(Cols. 4 + 5 - 6) | 8<br>Percentage of<br>Losses Incurred<br>(Col. 7, Part 2)<br>to Premiums Earned<br>(Col. 4, Part 1) |
|--|--------------------------|-----------------------------|-------------------------------|--|--|---|--|---|
|  | 1<br>Direct<br>Business  | 2<br>Reinsurance<br>Assumed | 3<br>Reinsurance<br>Recovered | 4<br>Net Payments<br>(Cols. 1 + 2 - 3) |  |   |  |   |
| 1. Fire.....   | 106,076                  |                             | 106,076                       | 0                                      | 0  | 0                                       | 0.0  |   |
| 2. Allied lines.....   |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 3. Farmowners multiple peril.....                              |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 4. Homeowners multiple peril.....                              | 39,790,726               |                             | 39,790,726                    | 0                                      | 0  | 0                                       | 0.0  |   |
| 5. Commercial multiple peril.....                              | 92,454                   |                             | 92,454                        | 0                                      | 0  | 0                                       | 0.0  |   |
| 6. Mortgage guaranty.....                                      |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 8. Ocean marine.....   |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 9. Inland marine.....  | 484,485                  |                             | 484,485                       | 0                                      | 0  | 0                                       | 0.0  |   |
| 10. Financial guaranty.....                                    |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 11.1 Medical professional liability - occurrence.....          |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 11.2 Medical professional liability - claims-made.....         |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 12. Earthquake.....  |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 13. Group accident and health.....                             |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 14. Credit accident and health (group and individual).....     |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 15. Other accident and health.....                             |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 16. Workers' compensation.....                                 |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 17.1 Other liability - occurrence.....                         | 379,500                  |                             | 379,500                       | 0                                      | 0  | 0                                       | 0.0  |   |
| 17.2 Other liability - claims-made.....                        |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 17.3 Excess workers' compensation.....                         |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 18.1 Products liability - occurrence.....                      |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 18.2 Products liability - claims-made.....                     |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 19.1, 19.2 Private passenger auto liability.....               | 106,986,636              |                             | 106,986,636                   | 0                                      | 0  | 0                                       | 0.0  |   |
| 19.3, 19.4 Commercial auto liability.....                      | 2,660,765                |                             | 2,660,765                     | 0                                      | 0  | 0                                       | 0.0  |   |
| 21. Auto physical damage.....                                  | 72,075,523               |                             | 72,075,523                    | 0                                      | 0  | 0                                       | 0.0  |   |
| 22. Aircraft (all perils).....                                 |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 23. Fidelity.....  |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 24. Surety.....  |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 26. Burglary and theft.....                                    |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 27. Boiler and machinery.....                                  |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 28. Credit.....  |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 29. International.....   |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 30. Warranty.....  |                          |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 31. Reinsurance - nonproportional assumed property.....        | XXX                      |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 32. Reinsurance - nonproportional assumed liability.....       | XXX                      |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 33. Reinsurance - nonproportional assumed financial lines..... | XXX                      |                             |                               | 0                                      | 0  | 0                                       | 0.0  |   |
| 34. Aggregate write-ins for other lines of business.....       | 0                        | 0                           | 0                             | 0                                      | 0  | 0                                       | 0.0  |   |
| 35. TOTALS.....  | 222,576,165              |                             | 222,576,165                   | 0                                      | 0  | 0                                       | 0.0  |   |

**DETAILS OF WRITE-INS**

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



**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

| Line of Business   | Reported Losses |                          |                                     |   | Incurred But Not Reported |                          |                        | 8<br>Net Losses Unpaid<br>(Cols. 4 + 5 + 6 - 7) | 9<br>Net Unpaid Loss Adjustment Expenses |
|--|-----------------|--------------------------|-------------------------------------|---|---------------------------|--------------------------|------------------------|---|--|
|  | 1<br>Direct     | 2<br>Reinsurance Assumed | 3<br>Deduct Reinsurance Recoverable | 4<br>Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3) | 5<br>Direct               | 6<br>Reinsurance Assumed | 7<br>Reinsurance Ceded |   |  |
| 1. Fire.....   | 43,494          |                          | 43,494                              | 0   |                           |                          |                        | 0   |  |
| 2. Allied lines.....   |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 3. Farmowners multiple peril.....  |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 4. Homeowners multiple peril.....  | 8,712,797       |                          | 8,712,797                           | 0   | 3,868,128                 |                          | 3,868,128              | 0   |  |
| 5. Commercial multiple peril.....  | 481,306         |                          | 481,306                             | 0   | 1,721,952                 |                          | 1,721,952              | 0   |  |
| 6. Mortgage guaranty.....  |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 8. Ocean marine.....   |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 9. Inland marine.....  | 46,576          |                          | 46,576                              | 0   | 78,566                    |                          | 78,566                 | 0   |  |
| 10. Financial guaranty.....  |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 11.1 Medical professional liability - occurrence.....                    |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 11.2 Medical professional liability - claims-made.....                   |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 12. Earthquake.....  |                 |                          |                                     | 0   | 136,657                   |                          | 136,657                | 0   |  |
| 13. Group accident and health.....                                       |                 |                          |                                     | 0   |                           |                          |                        | 0   | (a)                                      |
| 14. Credit accident and health (group and individual).....               |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 15. Other accident and health.....                                       |                 |                          |                                     | 0   |                           |                          |                        | 0   | (a)                                      |
| 16. Workers' compensation.....   |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 17.1 Other liability - occurrence.....                                   | 1,324,409       |                          | 1,324,409                           | 0   | 463,825                   |                          | 463,825                | 0   |  |
| 17.2 Other liability - claims-made.....                                  |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 17.3 Excess workers' compensation.....                                   |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 18.1 Products liability - occurrence.....                                |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 18.2 Products liability - claims-made.....                               |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 19.1, 19.2 Private passenger auto liability.....                         | 88,576,501      |                          | 88,576,501                          | 0   | 15,482,930                |                          | 15,482,930             | 0   |  |
| 19.3, 19.4 Commercial auto liability.....                                | 1,674,895       |                          | 1,674,895                           | 0   | 1,317,551                 |                          | 1,317,551              | 0   |  |
| 21. Auto physical damage.....  | 8,955,710       |                          | 8,955,710                           | 0   | (7,129,696)               |                          | (7,129,696)            | 0   |  |
| 22. Aircraft (all perils).....   |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 23. Fidelity.....  |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 24. Surety.....  |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 26. Burglary and theft.....  |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 27. Boiler and machinery.....  |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 28. Credit.....  |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 29. International.....   |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 30. Warranty.....  |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 31. Reinsurance - nonproportional assumed property.....                  | XXX             |                          |                                     | 0   | XXX                       |                          |                        | 0   |  |
| 32. Reinsurance - nonproportional assumed liability.....                 | XXX             |                          |                                     | 0   | XXX                       |                          |                        | 0   |  |
| 33. Reinsurance - nonproportional assumed financial lines.....           | XXX             |                          |                                     | 0   | XXX                       |                          |                        | 0   |  |
| 34. Aggregate write-ins for other lines of business.....                 | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 35. TOTALS.....  | 109,815,688     | 0                        | 109,815,688                         | 0   | 15,939,913                | 0                        | 15,939,913             | 0   | 0  |
| <b>DETAILS OF WRITE-INS</b>  |                 |                          |                                     |   |                           |                          |                        |   |  |
| 3401. ....   |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 3402. ....   |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 3403. ....   |                 |                          |                                     | 0   |                           |                          |                        | 0   |  |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....    | 0               | 0                        | 0                                   | 0   | 0                         | 0                        | 0                      | 0   | 0  |

10

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

# Metropolitan Direct Property and Casualty Insurance Company

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 3 - EXPENSES

|   | 1<br>Loss Adjustment<br>Expenses | 2<br>Other<br>Underwriting<br>Expenses | 3<br>Investment<br>Expenses | 4<br>Total |
|---|----------------------------------|--|-----------------------------|------------|
| 1. Claim adjustment services:   |                                  |  |                             |            |
| 1.1 Direct.....   | 6,660,752                        |  |                             | 6,660,752  |
| 1.2 Reinsurance assumed.....  |                                  |  |                             | .0         |
| 1.3 Reinsurance ceded.....  | 6,660,752                        |  |                             | 6,660,752  |
| 1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....  | .0                               | .0                                     | .0                          | .0         |
| 2. Commission and brokerage:  |                                  |  |                             |            |
| 2.1 Direct, excluding contingent.....   |                                  | 18,461,993                             |                             | 18,461,993 |
| 2.2 Reinsurance assumed, excluding contingent.....  |                                  |  |                             | .0         |
| 2.3 Reinsurance ceded, excluding contingent.....  |                                  | 18,461,993                             |                             | 18,461,993 |
| 2.4 Contingent - direct.....  |                                  | 1,264,723                              |                             | 1,264,723  |
| 2.5 Contingent - reinsurance assumed.....   |                                  |  |                             | .0         |
| 2.6 Contingent - reinsurance ceded.....   |                                  | 1,264,723                              |                             | 1,264,723  |
| 2.7 Policy and membership fees.....   |                                  |  |                             | .0         |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....                   | .0                               | .0                                     | .0                          | .0         |
| 3. Allowances to manager and agents.....  |                                  |  |                             | .0         |
| 4. Advertising.....   |                                  |  |                             | .0         |
| 5. Boards, bureaus and associations.....  |                                  |  |                             | .0         |
| 6. Surveys and underwriting reports.....  |                                  |  |                             | .0         |
| 7. Audit of assureds' records.....  |                                  |  |                             | .0         |
| 8. Salary and related items:  |                                  |  |                             |            |
| 8.1 Salaries.....   |                                  |  | 15,764                      | 15,764     |
| 8.2 Payroll taxes.....  |                                  |  | 986                         | 986        |
| 9. Employee relations and welfare.....  |                                  |  | 2,944                       | 2,944      |
| 10. Insurance.....  |                                  |  |                             | .0         |
| 11. Directors' fees.....  |                                  |  |                             | .0         |
| 12. Travel and travel items.....  |                                  |  | 816                         | 816        |
| 13. Rent and rent items.....  |                                  |  | 3,368                       | 3,368      |
| 14. Equipment.....  |                                  |  | 495                         | 495        |
| 15. Cost or depreciation of EDP equipment and software.....                                       |                                  |  | 1,919                       | 1,919      |
| 16. Printing and stationery.....  |                                  |  | 394                         | 394        |
| 17. Postage, telephone and telegraph, exchange and express.....                                   |                                  |  | 1,207                       | 1,207      |
| 18. Legal and auditing.....   |                                  |  | 1,318                       | 1,318      |
| 19. Totals (Lines 3 to 18).....   | .0                               | .0                                     | 29,211                      | 29,211     |
| 20. Taxes, licenses and fees:   |                                  |  |                             |            |
| 20.1 State and local insurance taxes deducting guaranty association credits<br>of \$.....635..... |                                  |  |                             | .0         |
| 20.2 Insurance department licenses and fees.....  |                                  |  |                             | .0         |
| 20.3 Gross guaranty association assessments.....  |                                  |  |                             | .0         |
| 20.4 All other (excluding federal and foreign income and real estate).....                        |                                  |  |                             | .0         |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....                              | .0                               | .0                                     | .0                          | .0         |
| 21. Real estate expenses.....   |                                  |  |                             | .0         |
| 22. Real estate taxes.....  |                                  |  |                             | .0         |
| 23. Reimbursements by uninsured plans.....  |                                  |  |                             | .0         |
| 24. Aggregate write-ins for miscellaneous expenses.....   | .0                               | .0                                     | 1,779                       | 1,779      |
| 25. Total expenses incurred.....  | .0                               | .0                                     | 30,990                      | (a) 30,990 |
| 26. Less unpaid expenses - current year.....  |                                  |  |                             | .0         |
| 27. Add unpaid expenses - prior year.....   |                                  |  |                             | .0         |
| 28. Amounts receivable relating to uninsured plans, prior year.....                               |                                  |  |                             | .0         |
| 29. Amounts receivable relating to uninsured plans, current year.....                             |                                  |  |                             | .0         |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....                                       | .0                               | .0                                     | 30,990                      | 30,990     |

#### DETAILS OF WRITE-INS

|  |    |    |       |       |
|--|----|----|-------|-------|
| 2401. Miscellaneous expenses.....  |    |    | 1,779 | 1,779 |
| 2402. ....   |    |    |       | .0    |
| 2403. ....   |    |    |       | .0    |
| 2498. Summary of remaining write-ins for Line 24 from overflow page..... | .0 | .0 | .0    | .0    |
| 2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....    | .0 | .0 | 1,779 | 1,779 |

(a) Includes management fees of \$.....29,211 to affiliates and \$......0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

|  | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|--|-------------------------------|----------------------------|
| 1. U.S. government bonds.....  | (a).....316,123               | .....349,595               |
| 1.1 Bonds exempt from U.S. tax.....  | (a).....837,368               | .....780,284               |
| 1.2 Other bonds (unaffiliated).....  | (a).....330,216               | .....330,938               |
| 1.3 Bonds of affiliates.....   | (a).....                      | .....                      |
| 2.1 Preferred stocks (unaffiliated).....                                     | (b).....                      | .....                      |
| 2.11 Preferred stocks of affiliates.....                                     | (b).....                      | .....                      |
| 2.2 Common stocks (unaffiliated).....  | .....                         | .....                      |
| 2.21 Common stocks of affiliates.....  | .....                         | .....                      |
| 3. Mortgage loans.....   | (c).....                      | .....                      |
| 4. Real estate.....  | (d).....                      | .....                      |
| 5. Contract loans.....   | .....                         | .....                      |
| 6. Cash, cash equivalents and short-term investments.....                    | (e).....68,810                | .....68,810                |
| 7. Derivative instruments.....   | (f).....                      | .....                      |
| 8. Other invested assets.....  | .....                         | .....                      |
| 9. Aggregate write-ins for investment income.....                            | .....4,165                    | .....4,165                 |
| 10. Total gross investment income.....                                       | .....1,556,682                | .....1,533,792             |
| 11. Investment expenses.....   | .....                         | (g).....30,990             |
| 12. Investment taxes, licenses and fees, excluding federal income taxes..... | .....                         | (g).....                   |
| 13. Interest expense.....  | .....                         | (h).....                   |
| 14. Depreciation on real estate and other invested assets.....               | .....                         | (i).....0                  |
| 15. Aggregate write-ins for deductions from investment income.....           | .....                         | .....0                     |
| 16. Total deductions (Lines 11 through 15).....                              | .....                         | .....30,990                |
| 17. Net investment income (Line 10 minus Line 16).....                       | .....                         | .....1,502,802             |

**DETAILS OF WRITE-INS**

|  |            |            |
|--|------------|------------|
| 0901. Interest received - involuntary reinsurance.....                   | .....2,062 | .....2,062 |
| 0902. Miscellaneous.....   | .....2,103 | .....2,103 |
| 0903. ....   | .....      | .....      |
| 0998. Summary of remaining write-ins for Line 9 from overflow page.....  | .....0     | .....0     |
| 0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....     | .....4,165 | .....4,165 |
| 1501. ....   | .....      | .....      |
| 1502. ....   | .....      | .....      |
| 1503. ....   | .....      | .....      |
| 1598. Summary of remaining write-ins for Line 15 from overflow page..... | .....      | .....0     |
| 1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....    | .....      | .....0     |

- (a) Includes \$.....102,829 accrual of discount less \$.....85,807 amortization of premium and less \$.....104,154 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....67,498 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

|   | 1<br>Realized<br>Gain (Loss)<br>on Sales<br>or Maturity | 2<br>Other<br>Realized<br>Adjustments | 3<br>Total Realized<br>Capital Gain (Loss)<br>(Columns 1 + 2) | 4<br>Change in<br>Unrealized<br>Capital Gain (Loss) | 5<br>Change in<br>Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
|---|---|---------------------------------------|---|---|---|
| 1. U.S. government bonds.....                             | .....(5,919)  | .....                                 | .....(5,919)  | .....   | .....   |
| 1.1 Bonds exempt from U.S. tax.....                       | .....19,298   | .....                                 | .....19,298   | .....   | .....   |
| 1.2 Other bonds (unaffiliated).....                       | .....(65,281)   | .....                                 | .....(65,281)   | .....   | .....   |
| 1.3 Bonds of affiliates.....                              | .....   | .....                                 | .....0  | .....   | .....   |
| 2.1 Preferred stocks (unaffiliated).....                  | .....   | .....                                 | .....0  | .....   | .....   |
| 2.11 Preferred stocks of affiliates.....                  | .....   | .....                                 | .....0  | .....   | .....   |
| 2.2 Common stocks (unaffiliated).....                     | .....   | .....                                 | .....0  | .....   | .....   |
| 2.21 Common stocks of affiliates.....                     | .....   | .....                                 | .....0  | .....   | .....   |
| 3. Mortgage loans.....                                    | .....   | .....                                 | .....0  | .....   | .....   |
| 4. Real estate.....                                       | .....   | .....                                 | .....0  | .....   | .....   |
| 5. Contract loans.....                                    | .....   | .....                                 | .....0  | .....   | .....   |
| 6. Cash, cash equivalents and short-term investments..... | .....(567)  | .....                                 | .....(567)  | .....   | .....   |
| 7. Derivative instruments.....                            | .....   | .....                                 | .....0  | .....   | .....   |
| 8. Other invested assets.....                             | .....   | .....                                 | .....0  | .....   | .....   |
| 9. Aggregate write-ins for capital gains (losses).....    | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 10. Total capital gains (losses).....                     | .....(52,469)   | .....0                                | .....(52,469)   | .....0  | .....0  |

**DETAILS OF WRITE-INS**

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

## EXHIBIT OF NONADMITTED ASSETS

|   | 1<br>Current Year<br>Total<br>Nonadmitted Assets | 2<br>Prior Year<br>Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|---|--|--|---|
| 1. Bonds (Schedule D).....  |  |  | 0   |
| 2. Stocks (Schedule D):   |  |  |   |
| 2.1 Preferred stocks.....   |  |  | 0   |
| 2.2 Common stocks.....  |  |  | 0   |
| 3. Mortgage loans on real estate (Schedule B):  |  |  |   |
| 3.1 First liens.....  |  |  | 0   |
| 3.2 Other than first liens.....   |  |  | 0   |
| 4. Real estate (Schedule A):  |  |  |   |
| 4.1 Properties occupied by the company.....   |  |  | 0   |
| 4.2 Properties held for the production of income.....   |  |  | 0   |
| 4.3 Properties held for sale.....   |  |  | 0   |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2)<br>and short-term investments (Schedule DA).....          |  |  | 0   |
| 6. Contract loans.....  |  |  | 0   |
| 7. Derivatives (Schedule DB).....   |  |  | 0   |
| 8. Other invested assets (Schedule BA).....   |  |  | 0   |
| 9. Receivables for securities.....  |  |  | 0   |
| 10. Securities lending reinvested collateral assets (Schedule DL).....  |  |  | 0   |
| 11. Aggregate write-ins for invested assets.....  | 0  | 0  | 0   |
| 12. Subtotals, cash and invested assets (Lines 1 to 11).....  | 0  | 0  | 0   |
| 13. Title plants (for Title insurers only).....   |  |  | 0   |
| 14. Investment income due and accrued.....  |  |  | 0   |
| 15. Premiums and considerations:  |  |  |   |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....   | 4,985,161  | 3,218,442                                      | (1,766,719)   |
| 15.2 Deferred premiums, agents' balances and installments booked but<br>deferred and not yet due.....                       |  |  | 0   |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination.....   |  |  | 0   |
| 16. Reinsurance:  |  |  |   |
| 16.1 Amounts recoverable from reinsurers.....   |  |  | 0   |
| 16.2 Funds held by or deposited with reinsured companies.....   |  |  | 0   |
| 16.3 Other amounts receivable under reinsurance contracts.....  |  |  | 0   |
| 17. Amounts receivable relating to uninsured plans.....   |  |  | 0   |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....   |  |  | 0   |
| 18.2 Net deferred tax asset.....  |  |  | 0   |
| 19. Guaranty funds receivable or on deposit.....  |  |  | 0   |
| 20. Electronic data processing equipment and software.....  |  |  | 0   |
| 21. Furniture and equipment, including health care delivery assets.....   |  |  | 0   |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....   |  |  | 0   |
| 23. Receivables from parent, subsidiaries and affiliates.....   | 8,305  |  | (8,305)   |
| 24. Health care and other amounts receivable.....   |  |  | 0   |
| 25. Aggregate write-ins for other-than-invested assets.....   | 250  | 200  | (50)  |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts (Lines 12 through 25)..... | 4,993,716  | 3,218,642                                      | (1,775,074)   |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....  |  |  | 0   |
| 28. TOTALS (Lines 26 and 27).....   | 4,993,716  | 3,218,642                                      | (1,775,074)   |

## DETAILS OF WRITE-INS

|  |     |     |      |
|--|-----|-----|------|
| 1101.....  |     |     | 0    |
| 1102.....  |     |     | 0    |
| 1103.....  |     |     | 0    |
| 1198. Summary of remaining write-ins for Line 11 from overflow page..... | 0   | 0   | 0    |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....    | 0   | 0   | 0    |
| 2501. Deferred Expenses.....   | 250 | 200 | (50) |
| 2502.....  |     |     | 0    |
| 2503.....  |     |     | 0    |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0   | 0   | 0    |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....    | 250 | 200 | (50) |

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

The accompanying financial statements of Metropolitan Direct Property and Casualty Insurance Company (the “Company” or “MDIR”) have been prepared on the basis of accounting standards prescribed or permitted (“RI SAP”) by the State of Rhode Island (“RI”) Department of Business Regulation, Insurance Division (the “Department” or “RIDBR”).

The Department recognizes only the statutory accounting practices prescribed or permitted by Rhode Island in determining and reporting the financial condition and results of operations of an insurance company, in determining its solvency under the Rhode Island Insurance Law. In 2001, the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* (“NAIC SAP”) was adopted as the basis of RI SAP.

Rhode Island has not adopted any prescribed accounting practices that differ from those found in NAIC SAP. A reconciliation of the Company’s net income and capital and surplus between RI SAP and NAIC SAP is as follows:

|   | SSAP<br>Number <sup>(1)</sup> | Financial<br>Statement<br>Page | Financial<br>Statement<br>Line<br>Number | For the Year Ended<br>December 31, 2018 | For the Year Ended<br>December 31, 2017 |
|---|-------------------------------|--------------------------------|--|---|---|
| Net income, RI SAP                      |                               |                                |  | \$ 1,393,791                            | \$ 906,585                              |
| State prescribed practices: NONE        |                               |                                |  | —                                       | —                                       |
| State permitted practices: NONE         |                               |                                |  | —                                       | —                                       |
| Net income, NAIC SAP                    |                               |                                |  | \$ 1,393,791                            | \$ 906,585                              |
|   |                               |                                |  | <b>December 31, 2018</b>                | <b>December 31, 2017</b>                |
| Statutory capital and surplus, RI SAP   |                               |                                |  | \$ 46,655,832                           | \$ 44,788,067                           |
| State prescribed practices: NONE        |                               |                                |  | —                                       | —                                       |
| State permitted practices: NONE         |                               |                                |  | —                                       | —                                       |
| Statutory capital and surplus, NAIC SAP |                               |                                |  | \$ 46,655,832                           | \$ 44,788,067                           |

<sup>(1)</sup> Statement of Statutory Accounting Principles (“SSAP”)

The Company’s risk-based capital (“RBC”) would not have triggered a regulatory event without the use of the state prescribed practices.

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

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

All references to realized and unrealized net capital gains (losses), including other than temporary impairments (“OTTI”) and impairments, are pre-tax unless otherwise noted.

#### C. Accounting Policy

Premiums are generally recognized as revenue on a pro rata basis over the policy term. The portion of the premiums written applicable to the unexpired terms of the policies is recorded as unearned premiums.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated in the same manner as comparable longer-term investments described below.
- (2) Bonds not backed by other loans are generally stated at amortized cost unless they have a NAIC rating designation of 3, 4, 5 or 6, which are stated at the lower of amortized cost or fair value. Bonds not backed by other loans are amortized using the scientific method.
- (3) Common stocks of nonaffiliates are stated at fair value.
- (4) Redeemable preferred stocks are generally stated at cost or amortized cost unless they have a NAIC rating designation of 3, 4, 5 or 6, in which case such stocks are stated at the lower of cost, amortized cost or fair value. Perpetual preferred stocks are generally stated at fair value unless they have a NAIC rating designation of 3, 4, 5 or 6, in which case such stocks are stated at the lower of cost or fair value.
- (5) Mortgage loans on real estate are principally stated at amortized cost, net of valuation allowances.
- (6) Mortgage-backed bonds, included in bonds, are generally stated at amortized cost using the scientific method unless they have a NAIC rating designation of 3, 4, 5, or 6, which are stated at the lower of amortized cost or fair value. Amortization of the discount or premium from the purchase of these securities considers the estimated timing and amount of prepayments of the underlying mortgage loans. Actual prepayment experience is periodically reviewed

**NOTES TO THE FINANCIAL STATEMENTS**

and effective yields are recalculated when differences arise between the prepayments originally anticipated and the actual prepayments received and currently anticipated. For credit-sensitive mortgage-backed and asset-backed bonds and certain prepayment-sensitive bonds (e.g., interest-only securities), the effective yield is recalculated on a prospective basis. For all other mortgage-backed and asset-backed bonds, the effective yield is recalculated on a retrospective basis.

For certain residential mortgage-backed securities (“RMBS”) and commercial mortgage-backed securities (“CMBS”), both an initial and final NAIC designation is determined on a security-by-security basis based on a range of values published by the NAIC. The initial designation is used to determine the carrying value of the RMBS or CMBS. RMBS and CMBS with initial designations of 1 or 2 are stated at amortized cost, while RMBS and CMBS with initial designations of 3, 4, 5 or 6 are stated at the lower of amortized cost or fair value. The final designation calculation compares this carrying value with a range of values, resulting in a final NAIC designation reported herein, which is used for all other accounting and reporting purposes.

For loan-backed securities, including asset-backed securities (“ABS”), which are not modeled, the NAIC relies on the second lowest NAIC Credit Rating Provider (“CRP”) rating to determine the initial NAIC designation. The second lowest CRP rating is used to determine the carrying value of the security, which is based on the NAIC’s estimate of expected losses, using an NAIC published formula. The carrying value of the security determines its final NAIC designation, which is used for reporting in the Annual Statement and in RBC calculations. This revised methodology does not apply to NAIC 1 and NAIC 6 securities which are rated at the second lowest CRP designation.

- (7) The Company accounts for investments in subsidiary, controlled and affiliated (“SCA”) companies using the statutory equity of the investee if the entity is an insurance company. All noninsurance entities are valued at the U.S. Generally Accepted Accounting Principles (“GAAP”) equity of the investee.
  - (8) Investments in joint ventures, partnerships and limited liability companies (“LLC”) are carried at the underlying audited GAAP equity (or audited International Financial Reporting Standards (“IFRS”) equity for certain partnership interests) of the respective entity’s financial statements. Undistributed earnings of these entities are recognized in unrealized gains and losses. Such investments are nonadmitted if they do not have financial statement audits.
  - (9) The Company did not utilize derivative instruments.
  - (10) The Company considers anticipated investment income as a factor in the premium deficiency calculation.
  - (11) The liability for unpaid reported losses is based on a case by case estimate (case reserves) for all lines and coverages within line of business, except for the non-injury automobile claims. For the non-injury automobile coverages, unpaid losses are based on average “statistical” reserves. There is an additional overall estimate (supplemental reserves for several specific coverages within lines of business) based on the Company’s past experience; this is also known as an additional reserve on known claims. A provision is also made for losses incurred but not reported on the basis of estimates and past experience modified for current trends and estimates of expenses for investigating and settling claims, reduced for anticipated salvage and subrogation. The liability for unpaid losses on business assumed is based in part on reports received from ceding companies.
- Management believes that the liability for unpaid losses and loss adjustment expenses is adequate to cover ultimate unpaid losses and loss adjustment expenses incurred. However, such liability is necessarily based on estimates, and the ultimate liability may vary significantly from such estimates. In accordance with industry practice, the Company regularly reviews its estimated liability, and any adjustments are reflected in the period in which they become known. In accordance with guidelines established by the NAIC, the liability for unpaid losses at December 31, 2018 is reported net of estimated salvage and subrogation recoverable.
- (12) The Company did not modify its capitalization policy from the prior period.
  - (13) The Company does not have pharmaceutical rebate receivables.
  - (14) The Company does not own any electronic data processing equipment, operating system software, furniture and fixtures, leasehold improvements, or non-operating system computer software.

**D. Going Concern**

Management does not have any substantial doubt about the Company’s ability to continue as a going concern.

**2. Accounting Changes and Corrections of Errors****Accounting Pronouncements**

In November 2018, the NAIC adopted changes to SSAP No. 15, *Debt and Holding Company Obligations* and SSAP No. 25, *Affiliates and Other Related Parties*, which have added additional clarification to reference existing guidance in SSAP No. 72, *Surplus and Quasi-Reorganizations* (“SSAP 72”) when there has been a forgiveness of a debt, surplus note or other obligation of an insurer’s parent or other stockholder. The adoption of these changes did not have an impact on the financial statements.

In November 2018, the NAIC adopted changes to SSAP 72, which updates the pronouncement to include a requirement that entities shall receive domiciliary state approval before providing return of capital to a parent or other stockholder and that these distributions shall be charged directly to the gross paid in and contributed surplus financial statement line. The Company has complied with all new requirements.

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**NOTES TO THE FINANCIAL STATEMENTS**

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In November 2018, the NAIC adopted changes to SSAP No. 21, *Other Admitted Assets* (“SSAP 21”) related to structured settlements. The revision specifies that periodic-certain structured settlement income streams acquired in accordance with all state and Federal laws are an admitted asset and captured within other invested assets, unless they can be aggregated with other structured settlements with similar terms and payout streams. The revision continues to clarify that life contingent structured settlement income streams are nonadmitted assets and captured within other invested assets. The adoption of these changes had an immaterial impact on the Company’s financial statements.

In August 2018, the NAIC adopted changes to SSAP 21. The revisions restrict the guidance when the reporting entity is the owner and beneficiary of a life insurance contract to require that the life insurance policy be in compliance with Internal Revenue Code (“IRC”) §7702 in order to be an admitted asset. Additionally, disclosure of the underlying invested assets, by asset category, supporting the cash surrender value of the insurance policy is required. The Company has provided all required disclosures.

In August 2018, the NAIC adopted INT 18-03, *Additional Elements Under the Tax Cuts and Jobs Act* (“INT 18-03”), to modify the guidance of SSAP No. 101, *Income Taxes* (“SSAP 101”). INT 18-03 provides limited-time interpretive accounting and disclosure guidance for the Alternative Minimum Tax (“AMT”) Credit. The Company has applied the interpretive guidance provided.

In February 2018, the NAIC adopted INT 18-01, *Updated Tax Estimates under the Tax Cuts and Jobs Act* (“INT 18-01”), to modify the guidance of SSAP 101, to require additional disclosures. The Company has provided all required disclosures in Note 9.

In November 2017, the NAIC adopted changes to SSAP No. 100, *Fair Value* (“SSAP 100”), to allow net asset value (“NAV”) per share as a practical expedient to fair value either when specifically named in an SSAP or when specific conditions exist. The adoption of these changes did not have a material impact on the Company’s financial statements.

#### Future Accounting Pronouncements

In November 2018, the NAIC adopted updates to SSAP No. 62, *Revised Property and Casualty Reinsurance*, to clarify the determination of reinsurance credit and incorporate language from Emerging Issue Task Force (“EITF”) No 93-6, *Accounting for Multi-Year Retrospectively Rated Contracts by Ceding and Assuming Enterprises* and EITF Topic D-035, FASB Staff Views on Issue 93-6. These changes are effective January 1, 2019 and the adoption is not expected to have an impact on the Company’s financial statements.

In November 2018, the NAIC adopted updates to SSAP No. 43, *Revised Loan-Backed and Structured Securities* (“SSAP 43”). This revised guidance removes the modified filing exempt (“MFE”) process for determining NAIC designations for credit rating provider rated securities with an effective date of March 31, 2019, with early adoption permitted for year-end 2018. The Company has not elected early adoption and will apply the MFE process to all applicable SSAP 43 securities for the year-end 2018 and will adopt the new guidance on March 31, 2019.

In August 2018, the NAIC adopted changes to SSAP No. 1, *Accounting Policies, Risks & Uncertainties, and Other Disclosures* (“SSAP 1”) and Appendix A-001, *Investments of Reporting Entities*, to align the summary investment schedule more closely to the underlying investment schedules, allowing for cross-checks and less manual allocations. These changes are effective January 1, 2019 and the Company will comply with all required disclosures.

In June 2017, the NAIC adopted updates to SSAP No. 69, *Statement of Cash Flow* (“SSAP 69”), to conform with ASU 2016-18, *Statement of Cash Flow - Restricted Cash*. The adoption clarifies that the flow of restricted cash and cash equivalents shall not be reported as operating, investing or financing activities, but shall be reported with cash and cash equivalents when reconciling beginning and ending amounts on the cash flow statement. The action also incorporated a change to SSAP 1, to ensure information on restricted cash, cash equivalents and short-term investments is reported in the restricted asset disclosure. The changes are effective December 31, 2019 and the Company will comply with all required disclosures.

### 3. Business Combinations and Goodwill

#### A. Statutory Purchase Method

The Company had no transactions that were accounted for as a statutory purchase during 2018 and 2017.

#### B. Statutory Merger

The Company had no statutory mergers during 2018 and 2017.

#### C. Impairment Loss

The Company had no recognized impairment losses during 2018 and 2017.

### 4. Discontinued Operations

The Company had no discontinued operations during 2018 and 2017.

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**NOTES TO THE FINANCIAL STATEMENTS**


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**5. Investments****A. Mortgage Loans, including Mezzanine Real Estate Loans**

The Company did not have any mortgage loans, including Mezzanine real estate loans, in 2018 and 2017.

**B. Debt Restructuring**

The Company did not have any restructured debt in which the Company was a creditor in 2018 and 2017.

**C. Reverse Mortgages**

The Company did not have any reverse mortgages in 2018 and 2017.

**D. Loan-backed Securities**

(1) Prepayment assumptions were obtained from published broker dealer values and internal estimates.

(2) a. The Company did not recognize any OTTI on the basis of the intent to sell during the year ended December 31, 2018.

b. The Company did not recognize any OTTI on the basis of the inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis during the year ended December 31, 2018.

(3) As of December 31, 2018, the Company has not recognized any OTTI on its loan-backed securities based on cash flow analysis.

(4) At December 31, 2018, the estimated fair value and gross unrealized losses for loan-backed securities, aggregated by length of time the securities have been in a continuous loss position were as follows:

|   |    |           |
|---|----|-----------|
| a. The aggregate amount of unrealized losses:                             |    |           |
| 1. Less than 12 Months  | \$ | 110,695   |
| 2. 12 Months or Longer  | \$ | —         |
| b. The aggregate related fair value of securities with unrealized losses: |    |           |
| 1. Less than 12 Months  | \$ | 2,970,131 |
| 2. 12 Months or Longer  | \$ | —         |

(5) The Company performs a regular evaluation, on a security-by-security basis, of its securities holdings in accordance with its OTTI policy in order to evaluate whether such investments are other than temporarily impaired. Management considers a wide range of factors about the security issuer and uses its best judgment in evaluating the cause of the decline in the estimated fair value of the security and in assessing the prospects for near-term recovery. Factors considered include fundamentals of the industry and geographic area in which the security issuer operates, as well as overall macroeconomic conditions. Projected future cash flows are estimated using assumptions derived from management's best estimates of likely scenario-based outcomes after giving consideration to a variety of variables that include, but are not limited to: (i) general payment terms of the security; (ii) the likelihood that the issuer can service the scheduled interest and principal payments; (iii) the quality and amount of any credit enhancements; (iv) the security's position within the capital structure of the issuer; (v) possible corporate restructurings or asset sales by the issuer; and (vi) changes to the rating of the security or the issuer by rating agencies. Additional considerations are made when assessing the unique features that apply to certain loan-backed securities including, but are not limited to: (i) the quality of underlying collateral; (ii) expected prepayment speeds; (iii) current and forecasted loss severity; (iv) consideration of the payment terms of the underlying assets backing the security; and (v) the payment priority within the tranche structure of the security. For loan-backed securities in an unrealized loss position as summarized in the immediately preceding table, the Company does not have the intent to sell the securities, believes it has the intent and ability to retain the security for a period of time sufficient to recover the carrying value of the security and based on the cash flow modeling and other considerations as described above, believes these securities are not other than temporarily impaired.

**E. Dollar Repurchase Agreements and/or Securities Lending Transactions**

The Company did not have any dollar repurchase agreements or securities lending transactions in 2018 and 2017.

**F. Repurchase Agreements Transactions Accounted for as Secured Borrowing**

The Company did not have any repurchase agreements transactions accounted for as secured borrowing in 2018 and 2017.

**G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing**

The Company did not have any reverse repurchase agreements transactions accounted for as secured borrowing in 2018 and 2017.



## NOTES TO THE FINANCIAL STATEMENTS

### H. Repurchase Agreements Transactions Accounted for as a Sale

The Company did not have any repurchase agreements transactions accounted for as a sale in 2018 and 2017.

### I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

The Company did not have any reverse repurchase agreements transactions accounted for as a sale in 2018 and 2017.

### J. Real Estate

The Company did not have real estate investments or real estate held for sale in 2018 and 2017.

### K. Investments in Low-Income Housing Tax Credits (“LIHTC”)

The Company did not have investments in LIHTC in 2018 and 2017.

### L. Restricted Assets

#### (1) Restricted Assets (Including Pledged)

Information on the Company’s investment in restricted assets as of December 31, was as follows:

| Restricted Asset Category   | Gross (Admitted and Nonadmitted) Restricted |  |  |  |                       |                     |                                  |                               | Percentage                            |  |  |
|---|---|--|--|--|-----------------------|---------------------|----------------------------------|-------------------------------|---------------------------------------|--|--|
|   | 2018  |  |  |  |                       | (6)                 | (7)                              | (8)                           | (9)                                   | (10)   | (11)   |
|   | (1)   | (2)  | (3)  | (4)  | (5)                   |                     |                                  |                               |                                       |  |  |
|   | Total General Account (“G/A”)               | G/A Supporting Protected Cell Account Activity (a) | Total Protected Cell Account Restricted Assets | Protected Cell Account Supporting G/A Activity (b) | 2018 Total (1 plus 3) | 2017 Total          | Increase/ (Decrease) (5 minus 6) | Total Non Admitted Restricted | Total Admitted Restricted (5 minus 8) | Gross (Admitted and Non Admitted) Restricted to Total Assets | Admitted Restricted to Total Admitted Assets |
| a. Subject to contractual obligation for which liability is not shown   | \$ —  | \$ —   | \$ —   | \$ —   | \$ —                  | \$ —                | \$ —                             | \$ —                          | \$ —                                  | 0.00%  | 0.00%  |
| b. Collateral held under security lending agreements  | —   | —  | —  | —  | —                     | —                   | —                                | —                             | —                                     | 0.00   | 0.00   |
| c. Subject to repurchase agreements   | —   | —  | —  | —  | —                     | —                   | —                                | —                             | —                                     | 0.00   | 0.00   |
| d. Subject to reverse repurchase agreements   | —   | —  | —  | —  | —                     | —                   | —                                | —                             | —                                     | 0.00   | 0.00   |
| e. Subject to dollar repurchase agreements  | —   | —  | —  | —  | —                     | —                   | —                                | —                             | —                                     | 0.00   | 0.00   |
| f. Subject to dollar reverse repurchase agreements  | —   | —  | —  | —  | —                     | —                   | —                                | —                             | —                                     | 0.00   | 0.00   |
| g. Placed under option contracts  | —   | —  | —  | —  | —                     | —                   | —                                | —                             | —                                     | 0.00   | 0.00   |
| h. Letter stock or securities restricted as to sale - excluding Federal Home Loan Bank (“FHLB”) capital stock | —   | —  | —  | —  | —                     | —                   | —                                | —                             | —                                     | 0.00   | 0.00   |
| i. FHLB capital stock   | —   | —  | —  | —  | —                     | —                   | —                                | —                             | —                                     | 0.00   | 0.00   |
| j. On deposit with states   | 5,230,546                                   | —  | —  | —  | 5,230,546             | 5,132,984           | 97,562                           | —                             | 5,230,546                             | 2.88   | 2.96   |
| k. On deposit with other regulatory bodies  | —   | —  | —  | —  | —                     | —                   | —                                | —                             | —                                     | 0.00   | 0.00   |
| l. Pledged as collateral to FHLB (including assets backing funding agreements)                                | —   | —  | —  | —  | —                     | —                   | —                                | —                             | —                                     | 0.00   | 0.00   |
| m. Pledged as collateral not captured in other categories   | —   | —  | —  | —  | —                     | —                   | —                                | —                             | —                                     | 0.00   | 0.00   |
| n. Other restricted assets  | —   | —  | —  | —  | —                     | —                   | —                                | —                             | —                                     | 0.00   | 0.00   |
| <b>o. Total restricted assets</b>   | <b>\$ 5,230,546</b>                         | <b>\$ —</b>  | <b>\$ —</b>                                    | <b>\$ —</b>  | <b>\$ 5,230,546</b>   | <b>\$ 5,132,984</b> | <b>\$ 97,562</b>                 | <b>\$ —</b>                   | <b>\$ 5,230,546</b>                   | <b>2.88%</b>   | <b>2.96%</b>                                 |

(a) Subset of column 1.

(b) Subset of column 3.

(2-3) The Company did not have any assets pledged as collateral, not captured in other categories, or any other restricted assets in 2018 and 2017.

**NOTES TO THE FINANCIAL STATEMENTS**

(4) The Company did not have any collateral received and reported as assets in 2018 and 2017.

M. Working Capital Finance Investments

The Company had no working capital finance investments in 2018 and 2017.

N. Offsetting and Netting of Assets and Liabilities

The Company had no assets and liabilities which are offset and reported net in accordance with a valid right to offset.

O. Structured Notes

As of December 31, 2018, the Company did not own any structured notes.

P. 5GI(5\*) Securities

The Company did not hold any investments with a 5GI(5\*) NAIC designation in 2018 and 2017.

Q. Short Sales

(1) The Company did not have any unsettled short sale transactions outstanding as of December 31, 2018.

(2) The Company did not have any settled short sale transactions during the year ended December 31, 2018.

R. Prepayment Penalty and Acceleration Fees

The Company did not have any securities sold, redeemed or otherwise disposed of as a result of a callable feature, during the year ended December 31, 2018.

**6. Joint Ventures, Partnerships and Limited Liability Companies**

The Company had no investments in any joint venture, partnership or LLC.

**7. Investment Income**

A. Due and accrued income is excluded from surplus on the following bases:

All investment income due and accrued with amounts over 90 days past due are nonadmitted with the exception of mortgage loan investment income which is nonadmitted after 180 days, or if the underlying loan is in the process of foreclosure.

B. There were no amounts excluded as of 2018 and 2017.

**8. Derivative Instruments**

The Company did not utilize derivative instruments in 2018 and 2017.

**9. Income Taxes**

A. The components of net deferred tax assets (“DTA”) and deferred tax liabilities (“DTL”) consisted of the following:

|   | <b>December 31, 2018</b> |                     |                     |
|---|--------------------------|---------------------|---------------------|
|   | <b>Ordinary</b>          | <b>Capital</b>      | <b>Total</b>        |
| Gross DTA                                 | \$ 1,166,485             | \$ —                | \$ 1,166,485        |
| Statutory valuation allowance adjustments | —                        | —                   | —                   |
| Adjusted gross DTA                        | 1,166,485                | —                   | 1,166,485           |
| DTA nonadmitted                           | —                        | —                   | —                   |
| Subtotal net admitted DTA                 | 1,166,485                | —                   | 1,166,485           |
| DTL                                       | (42,579)                 | (116,521)           | (159,100)           |
| Net admitted DTA/(Net DTL)                | <u>\$ 1,123,906</u>      | <u>\$ (116,521)</u> | <u>\$ 1,007,385</u> |

## NOTES TO THE FINANCIAL STATEMENTS

|   | December 31, 2017 |              |            |
|---|-------------------|--------------|------------|
|   | Ordinary          | Capital      | Total      |
| Gross DTA                                 | \$ 911,911        | \$ —         | \$ 911,911 |
| Statutory valuation allowance adjustments | —                 | —            | —          |
| Adjusted gross DTA                        | 911,911           | —            | 911,911    |
| DTA nonadmitted                           | —                 | —            | —          |
| Subtotal net admitted DTA                 | 911,911           | —            | 911,911    |
| DTL                                       | (37,054)          | (116,521)    | (153,575)  |
| Net admitted DTA/(Net DTL)                | \$ 874,857        | \$ (116,521) | \$ 758,336 |

|   | Change     |         |            |
|---|------------|---------|------------|
|   | Ordinary   | Capital | Total      |
| Gross DTA                                 | \$ 254,574 | \$ —    | \$ 254,574 |
| Statutory valuation allowance adjustments | —          | —       | —          |
| Adjusted gross DTA                        | 254,574    | —       | 254,574    |
| DTA nonadmitted                           | —          | —       | —          |
| Subtotal net admitted DTA                 | 254,574    | —       | 254,574    |
| DTL                                       | (5,525)    | —       | (5,525)    |
| Net admitted DTA/(Net DTL)                | \$ 249,049 | \$ —    | \$ 249,049 |

## Admission calculation components - SSAP 101:

|   | December 31, 2018 |         |              |
|---|-------------------|---------|--------------|
|   | Ordinary          | Capital | Total        |
| Federal income taxes paid in prior years recoverable through loss carrybacks  | \$ 3,000          | \$ —    | \$ 3,000     |
| Adjusted gross DTA expected to be realized (excluding the amount of DTA from above) after application of the threshold limitation (the lesser of 1 and 2 below) | 1,154,196         | —       | 1,154,196    |
| 1. Adjusted gross DTA expected to be realized following the balance sheet date  | 1,154,196         | —       | 1,154,196    |
| 2. Adjusted gross DTA allowed per limitation threshold  | XXX               | XXX     | 6,847,267    |
| Adjusted gross DTA (excluding the amount of DTA from above) offset by gross DTL   | 9,289             | —       | 9,289        |
| DTA admitted as the result of application of SSAP 101 total   | \$ 1,166,485      | \$ —    | \$ 1,166,485 |

|   | December 31, 2017 |         |            |
|---|-------------------|---------|------------|
|   | Ordinary          | Capital | Total      |
| Federal income taxes paid in prior years recoverable through loss carrybacks  | \$ 4,930          | \$ —    | \$ 4,930   |
| Adjusted gross DTA expected to be realized (excluding the amount of DTA from above) after application of the threshold limitation (the lesser of 1 and 2 below) | 869,927           | —       | 869,927    |
| 1. Adjusted gross DTA expected to be realized following the balance sheet date  | —                 | —       | 869,927    |
| 2. Adjusted gross DTA allowed per limitation threshold  | XXX               | XXX     | 6,604,460  |
| Adjusted gross DTA (excluding the amount of DTA from above) offset by gross DTL   | 37,054            | —       | 37,054     |
| DTA admitted as the result of application of SSAP 101 total   | \$ 911,911        | \$ —    | \$ 911,911 |

|   | Change     |         |            |
|---|------------|---------|------------|
|   | Ordinary   | Capital | Total      |
| Federal income taxes paid in prior years recoverable through loss carrybacks  | \$ (1,930) | \$ —    | \$ (1,930) |
| Adjusted gross DTA expected to be realized (excluding the amount of DTA from above) after application of the threshold limitation (the lesser of 1 and 2 below) | 284,269    | —       | 284,269    |
| 1. Adjusted gross DTA expected to be realized following the balance sheet date  | 284,269    | —       | 284,269    |
| 2. Adjusted gross DTA allowed per limitation threshold  | XXX        | XXX     | 242,807    |
| Adjusted gross DTA (excluding the amount of DTA from above) offset by gross DTL   | (27,765)   | —       | (27,765)   |
| DTA admitted as the result of application of SSAP 101 total   | \$ 254,574 | \$ —    | \$ 254,574 |

**NOTES TO THE FINANCIAL STATEMENTS**

|   | <u>2018</u>   | <u>2017</u>   |
|---|---------------|---------------|
| RBC percentage used to determine recovery period and threshold limitation amount            | 21387%        | 21225%        |
| Amount of total adjusted capital used to determine recovery period and threshold limitation | \$ 45,648,447 | \$ 44,029,731 |

Management believes the Company will be able to utilize the DTA in the future without any tax planning strategies.

Do the Company's tax planning strategies include the use of reinsurance? No

B. All DTL were recognized as of December 31, 2018 and 2017.

C. Current income taxes incurred consisted of the following major components:

|  | <u>December 31, 2018</u> | <u>December 31, 2017</u> | <u>Change</u>      |
|--|--------------------------|--------------------------|--------------------|
| Current Income Tax:                              |                          |                          |                    |
| Federal  | \$ 66,303                | \$ 139,272               | \$ (72,969)        |
| Foreign  | —                        | —                        | —                  |
| Subtotal   | 66,303                   | 139,272                  | (72,969)           |
| Federal income tax on net capital gains (losses) | (9,760)                  | (28,464)                 | 18,704             |
| Utilization of capital loss carryforwards        | —                        | —                        | —                  |
| Other  | —                        | —                        | —                  |
| Federal and foreign income taxes incurred        | <u>\$ 56,543</u>         | <u>\$ 110,808</u>        | <u>\$ (54,265)</u> |

The changes in the main components of deferred income tax amounts were as follows:

| DTA:   | <u>December 31, 2018</u> | <u>December 31, 2017</u> | <u>Change</u>     |
|--|--------------------------|--------------------------|-------------------|
| Ordinary:  |                          |                          |                   |
| Discounting of unpaid losses                             | \$ —                     | \$ —                     | \$ —              |
| Unearned premium reserve                                 | —                        | —                        | —                 |
| Policyholder reserves                                    | —                        | —                        | —                 |
| Investments  | —                        | 6,318                    | (6,318)           |
| Deferred acquisition costs                               | —                        | —                        | —                 |
| Policyholder dividends accrual                           | —                        | —                        | —                 |
| Fixed assets   | —                        | —                        | —                 |
| Compensation and benefits accrual                        | —                        | —                        | —                 |
| Pension accrual  | —                        | —                        | —                 |
| Receivables - nonadmitted                                | —                        | —                        | —                 |
| Net operating loss carryforward                          | —                        | —                        | —                 |
| Tax credit carryforwards                                 | 116,683                  | 228,555                  | (111,872)         |
| Other (including items <5% of total ordinary tax assets) | 1,120                    | 1,122                    | (2)               |
| Nonadmitted assets                                       | 1,048,682                | 675,916                  | 372,766           |
| Subtotal   | 1,166,485                | 911,911                  | 254,574           |
| Statutory valuation allowance adjustment                 | —                        | —                        | —                 |
| Nonadmitted  | —                        | —                        | —                 |
| Admitted ordinary DTA                                    | <u>1,166,485</u>         | <u>911,911</u>           | <u>254,574</u>    |
| Capital:   |                          |                          |                   |
| Investments  | —                        | —                        | —                 |
| Net capital loss carryforward                            | —                        | —                        | —                 |
| Real estate  | —                        | —                        | —                 |
| Other (including items <5% of total capital tax assets)  | —                        | —                        | —                 |
| Subtotal   | —                        | —                        | —                 |
| Statutory valuation allowance adjustment                 | —                        | —                        | —                 |
| Nonadmitted  | —                        | —                        | —                 |
| Admitted capital DTA                                     | —                        | —                        | —                 |
| Admitted DTA   | <u>\$ 1,166,485</u>      | <u>\$ 911,911</u>        | <u>\$ 254,574</u> |

## NOTES TO THE FINANCIAL STATEMENTS

|   | December 31, 2018   | December 31, 2017   | Change            |
|---|---------------------|---------------------|-------------------|
| DTL :   |                     |                     |                   |
| Ordinary:   |                     |                     |                   |
| Investments   | \$ (5,526)          | \$ —                | \$ (5,526)        |
| Fixed assets  | —                   | —                   | —                 |
| Deferred and uncollected premiums                             | —                   | —                   | —                 |
| Policyholder reserves   | (29,904)            | (29,904)            | —                 |
| Other (including items <5% of total ordinary tax liabilities) | (7,149)             | (7,150)             | 1                 |
| Subtotal  | <u>(42,579)</u>     | <u>(37,054)</u>     | <u>(5,525)</u>    |
| Capital:  |                     |                     |                   |
| Investments   | (116,521)           | (116,521)           | —                 |
| Real estate   | —                   | —                   | —                 |
| Other (including items <5% of total capital tax liabilities)  | —                   | —                   | —                 |
| Subtotal  | <u>(116,521)</u>    | <u>(116,521)</u>    | <u>—</u>          |
| DTL   | <u>\$ (159,100)</u> | <u>\$ (153,575)</u> | <u>\$ (5,525)</u> |
| Net DTA/(DTL)   | <u>\$ 1,007,385</u> | <u>\$ 758,336</u>   | <u>\$ 249,049</u> |
|   |                     | Change in net DTA   | <u>\$ 249,049</u> |

On December 22, 2017, the Tax Cuts and Jobs Act (“U.S. Tax Reform”) was signed into law, resulting in several corporate tax changes, with a number of provisions specifically impacting the insurance industry. U.S. Tax Reform includes numerous changes in tax law, including a permanent reduction in the Federal corporate income tax rate from 35% to 21%, which took effect for taxable years beginning on or after January 1, 2018.

In accordance with INT 18-01, adopted by the NAIC in February 2018, the Company recorded provisional amounts in 2017 for certain items for which the income tax accounting is not complete. For these items, the Company recorded a reasonable estimate of the tax effects of U.S. Tax Reform. The estimates were reported as provisional amounts during the measurement period, which did not exceed one year from the date of enactment of U.S. Tax Reform. The Company reflected adjustments to its provisional amounts upon obtaining, preparing, or analyzing additional information about facts and circumstances that existed as of the enactment date that, if known, would have affected the income tax effects initially reported as provisional amounts.

As of December 31, 2017, the following item was considered a provisional estimate due to complexities and ambiguities in the U.S. Tax Reform which resulted in incomplete accounting for the tax effects of these provisions. Further guidance, either legislative or interpretive, and analysis was completed during the measurement period. As a result, the following update was made to complete the accounting for this item as of December 31, 2018:

Alternative Minimum Tax Credits - U.S. Tax Reform eliminates the corporate alternative minimum tax and allows for minimum tax credit carryforwards to be used to offset future regular tax or to be refunded 50% each tax year beginning in 2018 with any remaining balance fully refunded in 2021. However, pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments issued for corporations claiming refundable prior year alternative minimum tax liability credits are subject to a sequestration rate of 6.2%. The application of this fee to alternative minimum tax credit refunds in future years is subject to further guidance. Further, the sequestration reduction rate in effect at the time is subject to uncertainty. The Company has recorded a \$8,167 reduction to DTA for this item for the year ended December 31, 2017. For the year ended December 31, 2018, the Company recorded a \$2,471 increase to DTA, and a \$7,145 increase to current tax liabilities for this item as a result of the issuance of additional tax reform guidance. In early 2019, the IRS issued guidance indicating that for years beginning after December 31, 2017, refund payments and credit elect and refund offset transactions due to refundable minimum tax credits will not be subject to sequestration. The Company will incorporate the impacts of this IRS announcement in 2019.

**NOTES TO THE FINANCIAL STATEMENTS**

- D. The provision for Federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to net gain (loss) from operations after dividends to policyholders and before Federal income tax. The significant items causing the difference were as follows:

|  | <b>December 31, 2018</b> |
|--|--------------------------|
| Net income, before net realized capital gains (losses), after dividends to policyholders and before all other Federal and foreign income taxes @ 21% | \$ 315,589               |
| Net realized capital gains (losses) @ 21%  | (11,018)                 |
| Tax effect of:   |                          |
| Nondeductible expenses   | \$ 1,050                 |
| Penalties  | 3                        |
| Other  | (2)                      |
| Prior years adjustments and accruals   | (2,467)                  |
| Tax exempt income  | (122,895)                |
| Change in nonadmitted assets   | (372,766)                |
| Total statutory income taxes (benefit)   | <u>\$ (192,506)</u>      |
|  |                          |
| Federal and foreign income taxes incurred including tax on realized capital gains  | \$ 56,543                |
| Change in net DTA  | (249,049)                |
| Total statutory income taxes (benefit)   | <u>\$ (192,506)</u>      |

- E. (1) As of December 31, 2018, the Company had no net operating loss or net capital loss carryforwards.

The Company had tax credit carryforwards which will expire as follows:

| <u>Year of expiration</u> | <u>Tax credit carryforwards</u> |
|---------------------------|---------------------------------|
| 2021                      | \$ 116,683                      |

- (2) As of December 31, 2018, the Company has Federal income taxes available for recoupment in the event of future net losses:

| <u>Year</u> | <u>Amount</u> | <u>Capital</u> |
|-------------|---------------|----------------|
| 2017        | \$ 3,000      | \$ —           |

- (3) The Company had no deposits under Section 6603 of the IRC during 2018.

- F. (1) The Company joins with MetLife, Inc. ("MetLife"), its ultimate parent, and MetLife's includable affiliates in filing a consolidated Federal life/nonlife tax return.

**NOTES TO THE FINANCIAL STATEMENTS**

The Company's Federal income tax return is consolidated with the following entities:

|   |   |
|---|---|
| 23rd Street Investments, Inc.                       | MetLife Investors Distribution Company                              |
| 334 Madison Euro Investments, Inc.                  | MetLife Reinsurance Company of Charleston                           |
| American Life Insurance Company                     | MetLife Reinsurance Company of Vermont                              |
| Borderland Investments, Ltd.                        | MetLife Services and Solutions, LLC ("MSS")                         |
| Cova Life Management Company                        | MetLife Tower Resources Group, Inc.                                 |
| Delaware American Life Insurance Company            | MetLife   |
| Economy Fire & Casualty Company ("EFAC")            | Metropolitan Casualty Insurance Company ("MCAS")                    |
| Economy Preferred Insurance Company ("EPIC")        | Metropolitan General Insurance Company ("MGEN")                     |
| Economy Premier Assurance Company ("EPAC")          | Metropolitan Group Property and Casualty Insurance Company ("MGPC") |
| General American Life Insurance Company             | Metropolitan Life Insurance Company ("MLIC")                        |
| Hyatt Legal Plans of Florida, Inc.                  | Metropolitan Lloyds Insurance Company of Texas ("MLICT")            |
| Hyatt Legal Plans, Inc.                             | Metropolitan Lloyds, Inc.   |
| International Technical and Advisory Services, Ltd. | Metropolitan Property & Casualty Insurance Company ("MPC")          |
| MetLife Assignment Company, Inc.                    | Metropolitan Tower Life Insurance Company                           |
| MetLife Auto & Home Insurance Agency, Inc.          | Metropolitan Tower Realty Company, Inc.                             |
| MetLife Consumer Services, Inc.                     | Missouri Reinsurance, Inc.  |
| MetLife Credit Corp.                                | Newbury Insurance Company Limited                                   |
| MetLife Digital Ventures, Inc.                      | Park Tower REIT, Inc.   |
| MetLife Funding, Inc.                               | SafeGuard Health Enterprises, Inc.                                  |
| MetLife Global Benefits, Ltd.                       | SafeGuard Health Plans, Inc. (CA)                                   |
| MetLife Global, Inc.                                | SafeGuard Health Plans, Inc. (FL)                                   |
| MetLife Group, Inc. ("MLG")                         | SafeGuard Health Plans, Inc. (NV)                                   |
| MetLife Health Plans, Inc.                          | SafeGuard Health Plans, Inc. (TX)                                   |
| MetLife Holdings, Inc.                              | SafeHealth Life Insurance Company                                   |
| MetLife Home Loans, LLC                             | Transmountain Land & Livestock Company                              |
| MetLife Insurance Brokerage, Inc.                   | White Oak Royalty Company   |
| MetLife Investment Management Holdings, LLC         |   |

- (2) The consolidating companies join with MetLife and its includable subsidiaries in filing a consolidated U.S. life and non-life Federal income tax return in accordance with the provisions of the IRC. Current taxes (and the benefits of tax attributes such as losses) are allocated to MetLife and its subsidiaries under the consolidated tax return regulations and a tax sharing agreement. Under the consolidated tax return regulations, MetLife has elected the "percentage method" (and 100% under such method) of reimbursing companies for tax attributes, e.g., net operating losses. As a result, 100% of tax attributes are reimbursed by MetLife to the extent that consolidated Federal income tax of the consolidated Federal tax return group is reduced in a year by tax attributes. On an annual basis, each of the profitable subsidiaries pays to MetLife the Federal income tax which it would have paid based upon that year's taxable income. If MetLife or the subsidiary has current or prior deductions and credits (including but not limited to losses) which reduce the consolidated tax liability of the consolidated Federal tax return group, the deductions and credits are characterized as realized (or realizable) by MetLife and its subsidiaries when those tax attributes are realized (or realizable) by the consolidated Federal tax return group, even if MetLife or the subsidiary would not have realized the attributes on a stand-alone basis under a "wait and see" method.

G. As of December 31, 2018, the Company had no liability for unrecognized tax benefits.

H. As of December 31, 2018, the Company had no liability for Repatriation Transition Tax.

I. The Company's recognized amount of AMT Credit was as follows:

|  | <b>December 31, 2018</b> |                |
|--|--------------------------|----------------|
| Gross AMT Credit Recognized as:              |                          |                |
| a. Current year recoverable                  | \$                       | 108,090        |
| b. DTA                                       | \$                       | 116,683        |
| Beginning Balance of AMT Credit Carryforward | \$                       | 228,555        |
| Amounts Recovered                            |                          | 108,090        |
| Adjustments                                  |                          | <u>(3,363)</u> |
| Ending Balance of AMT Credit Carryforward    |                          | 123,828        |
| Reduction for Sequestration                  |                          | 7,145          |
| Nonadmitted by Reporting Entity              |                          | —              |
| Reporting Entity Ending Balance              | <u>\$</u>                | <u>116,683</u> |

**10. Information Concerning Parents, Subsidiaries, Affiliates and Other Related Parties**

A-C. The Company received a capital contribution of \$2,000,000 from its parent, Metropolitan Property and Casualty Insurance Company ("MPC"), in the form of cash on June 28, 2018.

**NOTES TO THE FINANCIAL STATEMENTS**

- D. The Company has receivables and payables with affiliates for services necessary to conduct its business. Receivables expected to be settled within 90 days are admitted. Receivables from affiliates totaled \$8,305 and \$0 at December 31, 2018 and 2017, respectively, all of which were nonadmitted. Payables to affiliates totaled \$1,420 and \$50,465 at December 31, 2018 and 2017, respectively.
- E. Except as disclosed in Note 14 below, the Company did not have guarantees or undertakings for the benefit of an affiliate that would result in a material contingent exposure of the Company's or any affiliate's assets or liabilities.
- F. In 2018, the Company and the overall MetLife enterprise created a simpler shared facilities and services structure, to more efficiently share enterprise assets and services and manage related expense allocations. To implement this new structure, effective as of April 1, 2018, the Company entered into a new Investment Management Agreement with its affiliate, MetLife Investment Advisers, LLC ("MLIA"), under which MLIA provides investment management services on a market-based fee basis. Further, effective as of October 1, 2018, the Company entered into a new service agreement with its affiliate, MSS, which provides for personnel, facilities and equipment to be made available and for a broad range of services to be rendered. This agreement, like existing service agreements with the Company's affiliates, MLIC and MLG, provides for a cost allocation arrangement, under which the Company pays for all expenses, direct and indirect, reasonably and equitably determined to be attributable to the services provided. In addition, the Company has other services agreements with MSS and its affiliate, MetLife International Holdings, LLC, ("MIHL") under which these entities on-provide certain services performed by non-U.S. affiliates. Under these agreements, in addition to a cost allocation, the Company may be charged a transfer pricing mark-up. Under all of these agreements, personnel, facilities, equipment and services are requested by the Company as deemed necessary for its business operations. The new MSS and MLIA agreements described above substantially replaced existing service agreements with MLG, MLIC and MIHL.
- G. All outstanding shares of the Company are owned by MPC. Allocated operating expenses are not necessarily indicative of the total cost that would be incurred if the Company operated on a stand-alone basis.
- H. The Company did not own shares of another upstream or intermediate parent, either directly or indirectly, via a downstream SCA company.
- I. The Company had no investment in any applicable SCA company that exceeds 10% of the Company's admitted assets.
- J. The Company did not recognize impairment write-downs on any investments in SCA companies.
- K. The Company did not have investments in a foreign insurance subsidiary.
- L. The Company did not hold investments in a downstream noninsurance holding company.
- M. The Company did not have any SCA investments, as of December 31, 2018.
- N. The Company did not report any investments in an insurance SCA for which the statutory capital and surplus reflects a departure from the NAIC statutory accounting practices and procedures during the year ended December 31, 2018.
- O. The Company has no SCA or SSAP No. 48, *Joint Venture, Partnership and Limited Liability Companies* ("SSAP 48") entities whose share of losses exceeds the investment in an SCA.

**11. Debt**

- A. The Company did not have any debt, including capital notes, outstanding as of December 31, 2018.
- B. The Company has not issued any debt to the FHLB.

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

As of December 31, 2018, the Company did not sponsor any retirement plans, deferred compensation, postemployment benefits and compensated absences and other postretirement plans.

**13. Capital and Surplus, Shareholder's Dividend Restrictions and Quasi Reorganizations**

- (1) The Company's capital is comprised of 1,000 shares of common stock authorized, of which 1,000 shares are issued and outstanding, at \$3,000 per share par value.
- (2) The Company has no preferred stock.
- (3) Under Rhode Island State Insurance Law, the Company is permitted, without prior insurance regulatory clearance, to pay a stockholder dividend to MPC as long as the aggregate amount of all such dividends in any twelve-month period does not exceed the lesser of (i) 10% of its surplus to policyholders as of the immediately preceding calendar year; or (ii) the next preceding two year net income reduced by capital gains and dividends paid to shareholders. The Company will be permitted to pay a stockholder dividend to MPC in excess of the lesser of such two amounts only if it files notice of its intention to declare such a dividend and the amount thereof with the Rhode Island Superintendent of Insurance ("Superintendent") and the Superintendent does not disapprove the distribution within 30 days of its filing. Under Rhode Island State Insurance Law, the Superintendent has broad discretion in determining whether the financial condition of a stock property and casualty insurance company would support the payment of such dividends to its shareholders. The maximum amount of the dividend which the Company may pay to MPC in 2019 without prior regulatory approval is \$3,416,987.



## NOTES TO THE FINANCIAL STATEMENTS

- (4) The Company did not pay a dividend during 2018 and 2017.
- (5) Within the limitation of (3) above, there are no restrictions placed on the portion of the Company profits that may be paid as ordinary dividends to stockholders.
- (6) There were no restrictions on unassigned funds (surplus).
- (7) There were no advances on surplus.
- (8) The Company did not hold any of its own stock or SCA companies for special purposes.
- (9) There were no changes in the balance of special surplus funds from the prior year.
- (10) The Company had no portion of unassigned funds (surplus) represented by cumulative unrealized gains (losses) at December 31, 2018.
- (11) The Company did not issue any surplus debentures or similar obligations.
- (12) There were no restatements due to prior quasi reorganizations.
- (13) There have been no quasi reorganizations in the prior 10 years.

### 14. Liabilities, Contingencies and Assessments

#### A. Contingent Commitments

- (1) At December 31, 2018, the Company did not have any contingent commitments.
- (2) At December 31, 2018, the Company was obligor under the following guarantees, indemnities and support obligations:

| (1)   | (2)  | (3)  | (4)  | (5)  |
|---|--|--|--|--|
| Nature and circumstances of guarantee and key attributes, including date and duration of agreement    | Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP 5R.)(1)                                  | Ultimate financial statement impact if action under the guarantee is required. | Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted.                 | Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted. |
| The Company is obligated to indemnify non-employee directors and officers as provided in its by-laws. | No liability has been established as the indemnification is for future events for which neither a probability of occurrence nor a reasonable estimate can be established at this time. | Expense  | Since this obligation is not subject to limitations, the Company does not believe that it is possible to determine the maximum potential amount that could become due under these indemnities in the future. | The Company has made no payments on the indemnity.   |
| Total   | \$ —   |  | \$ —   |  |

<sup>(1)</sup> SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets* ("SSAP 5R")

- (3) At December 31, 2018, the Company's aggregate compilation of guarantee obligations was \$0.

#### B. Assessments

The Company had no assessments that would materially impact its financial condition during 2018 and 2017.

#### C. Gain Contingencies

The Company did not recognize any gain contingencies during 2018 and 2017.

#### D. Claims Related Extra Contractual Obligations ("ECO") and Bad Faith Losses Stemming From Lawsuits

The Company paid the following amounts in the reporting period to settle claims related ECO or bad faith claims stemming from lawsuits:

|  |          |
|--|----------|
|  | Direct   |
| Claims related ECO and bad faith losses paid during the reporting period | \$35,764 |

Number of claims where amounts were paid to settle claims related ECO or bad faith claims resulting from lawsuits during the reporting period:

| (a)<br>0-25 Claims | (b)<br>26-50 Claims | (c)<br>51-100 Claims | (d)<br>101-500 Claims | (e)<br>More than 500 Claims |
|--------------------|---------------------|----------------------|-----------------------|-----------------------------|
| X                  |                     |                      |                       |                             |

**NOTES TO THE FINANCIAL STATEMENTS**

Indicate whether claim count information is disclosed per claim or per claimant.

( f ) Per Claim [ X ] ( g ) Per Claimant [ ]

E. Product Warranties

The Company did not issue any product warranties.

F. Joint and Several Liability Arrangements

The Company did not have any joint and several liability arrangements accounted for under SSAP 5R.

G. All Other Contingencies

All of the information in this footnote is being reported on a combined basis for the Company and its subsidiaries and affiliates.

In *McNabb v MPC*, a Washington jury determined MPC breached its contract and acted in bad faith while adjusting the insureds' homeowner claim. The jury awarded the plaintiffs \$10,500,000, and they are appealing the trial court's reduction of the award by \$1,300,000.

In *Martin v Miner*, MGPC anticipates a bad faith claim arising from MGPC's alleged failure to timely offer the policy limits to the plaintiff in order to settle his claim against MGPC's insured. MGPC will vigorously defend the underlying claim against its insured and any subsequent bad faith claim.

In *Nunzman v MPC*, MPC anticipates a bad faith claim for refusing to defend the insured in a personal injury lawsuit where it was alleged his negligent operation of a motor vehicle caused the accident. MPC will vigorously defend the matter.

Various litigation, claims and assessments against the Company, in addition to those discussed above and those otherwise provided for in the Company's financial statements, have arisen in the course of the Company's business, including, but not limited to, in connection with its activities as an insurer, employer, investor or taxpayer. Further, state insurance regulatory and other federal and state authorities regularly make inquiries and conduct investigations concerning the Company's compliance with applicable insurance and other laws and regulations.

It is not possible to predict the ultimate outcome of all pending investigations and legal proceedings. In some of the matters, large and/or indeterminate amounts, including punitive and treble damages, may be sought. Although, in light of these considerations, it is possible that an adverse outcome in certain cases could have a material effect upon the Company's financial position, based on information currently known by the Company's management, in its opinion, the outcomes of pending investigations and legal proceedings are not likely to have such an effect. However, given the large and/or indeterminate amounts that may be sought in certain of these matters and the inherent unpredictability of litigation, it is possible that an adverse outcome in certain matters could, from time to time, have a material effect on the Company's net income or cash flows in any particular period.

**15. Leases**

The Company did not participate in leasing arrangements during 2018 and 2017.

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

As of December 31, 2018 and 2017, the Company had no financial instruments with off-balance sheet risk or any financial instruments with concentrations of credit risk.

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

A. Transfers of Receivables Reported as Sales

The Company did not have any transfer of receivables reported as sales during 2018 and 2017.

B. Transfer and Servicing of Financial Assets

The Company did not participate in the transfer or servicing of financial assets during 2018 and 2017.

C. Wash Sales

(1) In the course of the Company's asset management, securities are not sold and reacquired within 30 days of the sale date to enhance the Company's yield on its investment portfolio. There may be occasional isolated incidents where wash sales occur.

(2) The Company had no wash sales with an NAIC designation 3 or below or unrated securities during the year ended December 31, 2018.

**NOTES TO THE FINANCIAL STATEMENTS****18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

The Company does not serve as an Administrative Services Only or Administrative Services Contract administrator for any uninsured accident and health plan or uninsured portions of a partially insured plan.

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

Direct premiums written/produced by managing general agents or third party administrators for the year ended December 31, 2018 were as follows:

| Name and Address of Managing General Agent or Third Party Administrator                    | FEIN Number | Exclusive Contract | Type of Business Written  | Type of Authority Granted                | Total Direct Premiums Written/Produced |
|--|-------------|--------------------|---------------------------|--|--|
| Mercer Health & Benefits Administration LLC<br>12421 Meredith Drive<br>Urbandale, IA 50398 | 20-3640590  | No                 | Automobile/Home/<br>Other | Binding Authority,<br>Premium Collection | \$ 30,432,093                          |

**20. Fair Value Measurement**

- At December 31, 2018, the Company's Statutory Statements of Assets, Liabilities, Surplus and Other Funds had no financial assets and liabilities measured and reported at estimated fair value or NAV.
- The Company provides additional fair value information in Note 5.
- Estimated Fair Value of All Financial Instruments

Information related to the aggregate fair value of financial instruments is shown below at:

| December 31, 2018                 |                      |                      |                      |                      |             |             |                                  |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|-------------|-------------|----------------------------------|
|                                   | Aggregate Fair Value | Admitted Value       | Level 1              | Level 2              | Level 3     | NAV         | Not Practicable (Carrying Value) |
| <b>Assets</b>                     |                      |                      |                      |                      |             |             |                                  |
| Bonds                             | \$ 48,193,547        | \$ 48,318,185        | \$ 22,228,984        | \$ 25,964,563        | \$ —        | \$ —        | \$ —                             |
| Cash and cash equivalents         | 2,100,444            | 2,100,444            | 2,100,444            | —                    | —           | —           | —                                |
| Investment income due and accrued | 279,195              | 279,195              | —                    | 279,195              | —           | —           | —                                |
| Total assets                      | <u>\$ 50,573,186</u> | <u>\$ 50,697,824</u> | <u>\$ 24,329,428</u> | <u>\$ 26,243,758</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u>                      |
| December 31, 2017                 |                      |                      |                      |                      |             |             |                                  |
|                                   | Aggregate Fair Value | Admitted Value       | Level 1              | Level 2              | Level 3     | NAV         | Not Practicable (Carrying Value) |
| <b>Assets</b>                     |                      |                      |                      |                      |             |             |                                  |
| Bonds                             | \$ 46,194,051        | \$ 44,956,876        | \$ 8,900,408         | \$ 37,293,643        | \$ —        | \$ —        | \$ —                             |
| Cash and cash equivalents         | 11,361,390           | 11,361,390           | 11,361,390           | —                    | —           | —           | —                                |
| Investment income due and accrued | 302,055              | 302,055              | —                    | 302,055              | —           | —           | —                                |
| Total assets                      | <u>\$ 57,857,496</u> | <u>\$ 56,620,321</u> | <u>\$ 20,261,798</u> | <u>\$ 37,595,698</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u>                      |

**Assets and Liabilities**

The methods and significant assumptions used to estimate the fair value of all financial instruments are presented below.

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In most cases, the exit price and the transaction (or entry) price will be the same at initial recognition.

When developing estimated fair values, the Company considers two broad valuation techniques: (i) the market approach and (ii) the income approach. The Company determines the most appropriate valuation technique to use, given what is being measured and the availability of sufficient inputs, giving priority to observable inputs.

The Company categorizes its financial assets and liabilities into a three-level hierarchy, based on the significant input with the lowest level in their valuation. The input levels are as follows. Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities. The Company defines active markets based on average trading volume for common stock. The size of the bid/ask spread is used as an indicator of market activity for bonds. Level 2 - Quoted prices in markets that are not active or inputs that are observable either directly or indirectly. These inputs can include quoted prices for similar but not identical assets or liabilities other than quoted prices in Level 1, quoted prices in markets that are not active, or other significant inputs that are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities. Level 3 - Unobservable inputs that are supported by little or no market activity and are significant to the determination of estimated fair value of the assets and liabilities. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

**NOTES TO THE FINANCIAL STATEMENTS**

In general, investments classified within Level 3 use many of the same valuation techniques and inputs as described in the Level 2 discussions below. However, if key inputs are unobservable, or if the investments are less liquid and there is very limited trading activity, the investments are generally classified as Level 3. The use of independent non-binding broker quotations to value investments generally indicates there is a lack of liquidity or the general lack of transparency in the process to develop the valuation estimates generally causing these investments to be classified in Level 3.

**Bonds, Cash and Cash Equivalents**

When available, the estimated fair value for bonds, including loan-backed securities, and cash equivalents, are based on quoted prices in active markets that are readily and regularly obtainable. Generally, these investments are classified in Level 1, are the most liquid of the Company's securities holdings and valuation of these securities does not involve management's judgment.

When quoted prices in active markets are not available, the determination of estimated fair value is based on market standard valuation methodologies, giving priority to observable inputs. The significant inputs to the market standard valuation methodologies for certain types of securities with reasonable levels of price transparency are inputs that are observable in the market or can be derived principally from or corroborated by observable market data. Generally, these investments are classified in Level 2.

When observable inputs are not available, the market standard valuation methodologies rely on inputs that are significant to the estimated fair value that are not observable in the market or cannot be derived principally from or corroborated by observable market data. These unobservable inputs can be based in large part on management's judgment or estimation, and cannot be supported by reference to market activity. Even though these inputs are unobservable, management believes they are consistent with what other market participants would use when pricing such securities and are considered appropriate given the circumstances. Generally, these investments are classified in Level 3.

The estimated fair value for cash approximates carrying value and is classified as Level 1 given the nature of cash.

The use of different methodologies, assumptions and inputs may have a material effect on the estimated fair values of the Company's securities holdings.

**Investment Income Due and Accrued**

Due to the short-term nature of investment income due and accrued, the Company believes there is minimal risk of material changes in interest rates or the credit of the issuer such that estimated fair value approximates carrying value. These amounts are generally classified as Level 2.

- D. At December 31, 2018, the Company had no investments where it was not practicable to estimate fair value.
- E. The Company did not have any investments that were measured using NAV as a practical expedient as of December 31, 2018.

**21. Other Items****A. Unusual or Infrequent Items**

The Company did not have any unusual or infrequent items during 2018 and 2017.

**B. Troubled Debt Restructuring**

The Company did not have troubled debt restructuring during 2018 and 2017.

**C. Other Disclosures**

- (1) Rounding and Truncating - Truncating has generally been used in the investment schedules and rounding (including forced rounding to add to relevant totals) has been used elsewhere in this statement.

The amounts in this statement pertain to the entire Company's business.

- (2) The Company contributed \$5,000 to the political action committee MetLife Political Participation Fund B as of December 31, 2018.
- (3) Supplement to Interrogatory No. 18: As part of a MetLife enterprise-wide Code of Conduct Certification, the Chief Compliance Officer is designated with the responsibility to oversee such disclosures. Following that review, a summary report is sent to the Chairman of the Board of Directors of MetLife.
- (4) The Company is not an owner and beneficiary of any life insurance policies during 2018.

**D. Business Interruption Insurance Recoveries**

The Company did not have any business interruption insurance recoveries during 2018 and 2017.

**E. State Transferable and Non-transferable Tax Credits**

The Company did not have any state transferable and non-transferable tax credits during 2018 and 2017.

## NOTES TO THE FINANCIAL STATEMENTS

### F. Subprime Mortgage Related Risk Exposure

The Company had no direct exposure through investments in subprime loans during 2018 and 2017.

### G. Insurance-Linked Securities Contracts

The Company did not engage in any transactions involving insurance-linked securities during 2018 and 2017.

## 22. Events Subsequent

The Company has evaluated events subsequent to December 31, 2018 through February 15, 2019, which is the date these financial statements were available to be issued, and has determined there are no material subsequent events requiring adjustment to or disclosure in the financial statements.

The Company is not subject to the annual fee imposed under Section 9010 of the Affordable Care Act (“ACA”).

## 23. Reinsurance

### A. Unsecured Reinsurance Recoverables

The Company cedes 100% of its business to its parent, MPC (NAIC # 26298, Federal I.D. #13-2725441), as part of the 100% Restated Quota Share Reinsurance Agreement. Due to this agreement, the Company has unsecured aggregate recoverable losses, paid and unpaid including IBNR, loss adjustment expenses, unearned premiums and contingent commissions in the amount of \$296,285,133.

### B. Reinsurance Recoverable in Dispute

The Company has no reinsurance recoverable in dispute during 2018 and 2017.

### C. Reinsurance Assumed and Ceded

| (1)                                  | Assumed Reinsurance    |                          | Ceded Reinsurance      |                          | Net                    |                          |
|--------------------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|
|                                      | Premium Reserve<br>(1) | Commission Equity<br>(2) | Premium Reserve<br>(3) | Commission Equity<br>(4) | Premium Reserve<br>(5) | Commission Equity<br>(6) |
| a. Affiliates                        | \$ —                   | \$ —                     | \$ 158,747,134         | \$ —                     | \$(158,747,134)        | \$ —                     |
| b. All Other                         | —                      | —                        | —                      | —                        | —                      | —                        |
| c. Total                             | <u>\$ —</u>            | <u>\$ —</u>              | <u>\$ 158,747,134</u>  | <u>\$ —</u>              | <u>\$(158,747,134)</u> | <u>\$ —</u>              |
| d. Direct Unearned Premium Reserves: |                        |                          | \$ 158,747,134         |                          |                        |                          |

(2) The additional or return commission, predicted on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as follows:

|   | Direct            | Assumed     | Ceded             | Net         |
|---|-------------------|-------------|-------------------|-------------|
| a. Contingent Commission                | \$ 832,151        | \$ —        | \$ 832,151        | \$ —        |
| b. Sliding Scale Adjustments            | —                 | —           | —                 | —           |
| c. Other Profit Commission Arrangements | —                 | —           | —                 | —           |
| d. Total                                | <u>\$ 832,151</u> | <u>\$ —</u> | <u>\$ 832,151</u> | <u>\$ —</u> |

### D. Uncollectible Reinsurance

The Company did not write off any uncollectible reinsurance during 2018 and 2017.

### E. Commutation of Ceded Reinsurance

The Company did not commute any ceded reinsurance during 2018 and 2017.

### F. Retroactive Reinsurance

The Company did not have any retroactive reinsurance during 2018 and 2017.

### G. Reinsurance Accounted for as a Deposit

The Company did not have any reinsurance accounted for as a deposit during 2018 and 2017.

**NOTES TO THE FINANCIAL STATEMENTS****H. Transfer of Property and Casualty Run-off Agreements**

The Company did not transfer any property and casualty run-off agreements during 2018 and 2017.

**I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation**

The Company did not have any certified reinsurer's rating downgraded or status subject to revocation during 2018.

**J. Reinsurance Agreements Qualifying for Reinsurer Aggregation**

The Company did not have any reinsurance agreements qualifying for reinsurer aggregation during 2018.

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

The Company had no retrospectively rated contracts nor contracts subject to redetermination as of December 31, 2018. In addition, the Company has no paid or payable medical loss ratio rebates and is not subject to the risk sharing provision of the ACA.

**25. Change in Incurred Losses and Loss Adjustment Expenses**

A. The Company had no change in incurred losses and no loss adjustment expenses in 2018 and 2017.

B. There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses during 2018.

**26. Intercompany Pooling Arrangements**

The Company did not participate in any intercompany pooling arrangements during 2018 and 2017.

***Restated Quota Share Reinsurance Treaty***

Effective January 1, 2001, MPC entered into a 100% Restated Quota Share Reinsurance Agreement with its subsidiary companies, MCAS, NAIC #40169, MGEN, NAIC #39950, the Company, NAIC #25321, MGPC, NAIC #34339, MLICT, NAIC #13938, and EFAC, NAIC #22926.

The Restated Quota Share Reinsurance Treaty provides that the subsidiary companies obligate themselves to cede, and MPC obligates itself to accept, a 100% interest in each of the subsidiaries' gross net liabilities and its premiums, losses, expenses, payment fees, dividends and direct agents balance.

In addition, the Restated Quota Share Reinsurance Agreement provides that EFAC's subsidiary companies, EPIC, NAIC #38067 and EPAC, NAIC #40649 are obligated to cede, and EFAC obligates itself to accept, a 100% interest in each of the subsidiaries' gross net liabilities and its premiums, losses, expenses, payment fees, dividends and direct agents balance.

All lines of business are subject to the reinsurance, except for the run-off of a book of reinsurance business transacted through the arrangement between TIG Insurance Company ("TIG"), successor by merger to Clearwater Insurance Company, formerly known as Odyssey Reinsurance Corporation and Skandia America Reinsurance Corporation) and MGPC.

The lead company, MPC, makes cessions to non-affiliated reinsurers subsequent to the cession of business from the affiliated members to the lead company, except for business transacted through the arrangement between TIG and MGPC.

Cessions to non-affiliated reinsurers of business subject to the reinsurance agreement are as follows:

|                                     |  |
|-------------------------------------|--|
| Property Catastrophe Excess of Loss | All Property Business including but not limited to Homeowners, Dwelling Fire, Inland Marine, Small Commercial Property, and Personal and Small Commercial Automobile Physical Damage   |
| Casualty Excess of Loss             | Personal Liability including Automobile, Homeowners and Personal Umbrella Liability; Small Commercial Liability including Automobile and Business Owners Liability   |
| Property Per Risk                   | Business classified by the Company as Personal Property and Small Commercial Property  |
| Mandatory Pools                     | Business transacted through Massachusetts, New Hampshire, North Carolina and South Carolina Automobile Facilities, various Mine Subsidence programs, Michigan Catastrophic Claims Association and Florida Hurricane Catastrophe Fund |

All members are party to reinsurance agreements with non-affiliated reinsurers covering business subject to the restated quota share reinsurance agreement. All members have a contractual right of direct recovery from the non-affiliated reinsurer.

There are no discrepancies between entries regarding reinsurance business on the assumed and ceded reinsurance schedules of the lead company and corresponding entries on the assumed and ceded reinsurance schedules of other quota share participants.

**NOTES TO THE FINANCIAL STATEMENTS**

The lead company, MPC, discloses all reinsurance related to non-affiliated companies of reinsurance business and therefore, discloses the entire provision for reinsurance in Schedule F Part 3.

**27. Structured Settlements**

- A. The Company has purchased annuities with the claimant as payee for which the Company has a contingent liability. The Company eliminated its loss reserves for these claims at the time the annuities were purchased. A contingent liability exists to the extent that the issuers of the annuity contracts become unable to fulfill their contractual obligations. The present value of all annuity contracts still in force at December 31, 2018 was \$164,915.

| <b>Loss Reserves<br/>Eliminated by<br/>Annuities</b> | <b>Unrecorded Loss<br/>Contingencies</b> |
|--|--|
| \$ 164,915   | \$ —                                     |

- B. The aggregate value of annuities due from any life insurer for which the Company has not obtained a release of liability from the claimant as a result of the purchase of an annuity does not equal or exceed 1% of policyholders' surplus.

**28. Health Care Receivables**

The Company had no health care receivables during the years 2018, 2017 and 2016.

**29. Participating Policies**

The Company had no participating policies as of December 31, 2018 and 2017.

**30. Premium Deficiency Reserves**

As of December 31, 2018, the Company did not have any property/casualty contracts that would require premium deficiency reserves.

**31. High Deductibles**

The Company has recorded no reserve credit for high deductibles on unpaid claims, and has no amounts that have been billed and are recoverable.

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

The Company does not discount liabilities for unpaid losses or unpaid loss adjustment expenses.

**33. Asbestos/Environmental Reserves**

The Company is not exposed to asbestos and/or environmental claims.

**34. Subscriber Savings Accounts**

The Company is not a reciprocal insurance company.

**35. Multiple Peril Crop Insurance**

As of December 31, 2018, the Company did not have any multiple peril crop contracts.

**36. Financial Guaranty Insurance**

As of December 31, 2018, the Company did not have any financial guaranty contracts.

## GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

## GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes  No   
If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes  No  N/A
- 1.3 State regulating? Rhode Island
- 1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes  No
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 1099219
- 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
- 2.2 If yes, date of change: \_\_\_\_\_
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2016
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2016
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 01/11/2018
- 3.4 By what department or departments?  
Rhode Island Insurance Division / Department of Business Regulation
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes  No  N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes  No  N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes  No
- 4.12 renewals? Yes  No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes  No
- 4.22 renewals? Yes  No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes  No   
If the answer is YES, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1<br>Name of Entity | 2<br>NAIC<br>Company<br>Code | 3<br>State of<br>Domicile |
|---------------------|------------------------------|---------------------------|
| Not Applicable      |                              |                           |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes  No
- 6.2 If yes, give full information:  
Not Applicable
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes  No
- 7.2 If yes,
- 7.21 State the percentage of foreign control \_\_\_\_\_ %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
|                  |                     |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes  No
- 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
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1<br>Affiliate Name                    | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|--|-----------------------------|----------|----------|-----------|----------|
| MetLife Investment Advisors, LLC       | Whippany, NJ                |          |          |           | YES      |
| MetLife Investors Distribution Company | New York, NY                |          |          |           | YES      |
| MetLife Investments Securities, LLC    | Whippany, NJ                |          |          |           | YES      |
| Logan Circle Partners, L.P.            | Philadelphia, PA            |          |          |           | YES      |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Deloitte & Touche, LLP 185 Asyum Avenue, 33rd Floor, Hartford, CT 06103
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes  No
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes  No
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:



**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes  No  N/A
- 10.6 If the response to 10.5 is no or n/a, please explain:  
Not Applicable
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Lise Hasegawa, Vice President, 700 Quaker Lane, Warwick, RI 02886
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes  No
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved 0
- 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes  No
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes  No
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes  No  N/A
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes  No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes  No
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes  No
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes  No
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.
- | 1<br>American Bankers Association (ABA)<br>Routing Number | 2<br>Issuing or Confirming Bank Name | 3<br>Circumstances That Can Trigger<br>the Letter of Credit | 4<br>Amount |
|---|--------------------------------------|---|-------------|
|   |                                      |   | \$          |
- BOARD OF DIRECTORS**
16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes  No
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes  No
18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes  No
- FINANCIAL**
19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes  No
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 0
- 20.12 To stockholders not officers \$ 0
- 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ 0
- 20.22 To stockholders not officers 0
- 20.23 Trustees, supreme or grand (Fraternal only) 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes  No
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ 0
- 21.22 Borrowed from others \$ 0
- 21.23 Leased from others \$ 0
- 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes  No
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 0
- 22.22 Amount paid as expenses \$ 0
- 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes  No
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

#### INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes  No
- 24.02 If no, give full and complete information, relating thereto:
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).  
The Company does not have a security lending program.
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes  No  N/A
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes  No  N/A
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes  No  N/A
- 24.09. Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes  No  N/A
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 24.103 Total payable for securities lending reported on the liability page: \$ 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes  No
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Placed under option agreements \$ 0
- 25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0
- 25.27 FHLB Capital Stock \$ 0
- 25.28 On deposit with states \$ 5,230,546
- 25.29 On deposit with other regulatory bodies \$ 0
- 25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 0
- 25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ 0
- 25.32 Other \$ 0
- 25.3 For category (25.26) provide the following:
- | 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
|                            |                  | \$          |
- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes  No
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes  No  N/A   
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes  No
- 27.2 If yes, state the amount thereof at December 31 of the current year: \$ 0
28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes  No
- 28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:
- | 1<br>Name of Custodian(s) | 2<br>Custodian's Address                           |
|---------------------------|--|
| JPMorgan Chase & Co       | 4 New York Plaza - 12th Floor, New York, NY, 10004 |
- 28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation
- | 1<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|--------------|------------------|------------------------------|
|              |                  |                              |
- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes  No
- 28.04 If yes, give full and complete information relating thereto:
- | 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
|                    |                    |                     |             |
- 28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "... handle securities"].
- | 1<br>Name of Firm or Individual  | 2<br>Affiliation |
|----------------------------------|------------------|
| MetLife Investment Advisors, LLC | A                |
- 28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes  No

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

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

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

| 1                                      | 2                                | 3                             | 4               | 5   |
|--|----------------------------------|-------------------------------|-----------------|---|
| Central Registration Depository Number | Name of Firm or Individual       | Legal Entity Identifier (LEI) | Registered With | Investment Management Agreement (IMA) Filed |
| 142463                                 | MetLife Investment Advisors, LLC | EAU072Q8FCR1S0XGYJ21          | SEC             | DS  |

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

29.2 If yes, complete the following schedule:

| 1<br>CUSIP    | 2<br>Name of Mutual Fund | 3<br>Book/Adjusted Carrying Value |
|---------------|--------------------------|-----------------------------------|
|               |                          | \$                                |
| 29.2999 TOTAL |                          | \$                                |

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

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

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

|      |                  | 1<br>Statement (Admitted) Value | 2<br>Fair Value | 3<br>Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
|------|------------------|---------------------------------|-----------------|--|
| 30.1 | Bonds            | \$ 50,317,246                   | \$ 50,192,797   | \$ (124,449)   |
| 30.2 | Preferred Stocks | \$ 0                            | \$ 0            | \$ 0   |
| 30.3 | Totals           | \$ 50,317,246                   | \$ 50,192,797   | \$ (124,449)   |

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

Per Part 5, Section 1 of the Purposes and Procedures Manual of the NAIC Investment Analysis Office. Insurance companies can elect to not use prices provided by the NAIC. They can select any of 5 price sources, as defined in this section, and identify them in their appropriate schedule. MetLife and its affiliate insurance companies have chosen to not use market prices obtained from the NAIC. First an external quoted price is sought. In cases where an external quoted price is not available, the fair value is internally estimated using present value or valuation techniques. Factors considered in estimating fair value include: coupon rate, maturity, estimated duration, call provisions, sinking fund requirements, credit rating, industry sector and issuer curves, as well as quoted market prices of comparable securities.

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

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

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

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

32.2 If no, list exceptions:

33. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designation 5GI security:  
 a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.  
 b. Issuer or obligor is current on all contracted interest and principal payments.  
 c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.  
 Has the reporting entity self-designated 5GI securities? Yes [ ] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
 a. The security was purchased prior to January 1, 2018.  
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
 c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
 d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
 Has the reporting entity self-designated PLGI securities? Yes [ ] No [X]

#### OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 0

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

| 1<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | \$               |

36.1 Amount of payments for legal expenses, if any? \$ 0

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

| 1<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | \$               |

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

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

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

| 1<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | \$               |

## GENERAL INTERROGATORIES

## PART 2 – PROPERTY &amp; CASUALTY INTERROGATORIES

|      |  |    |              |            |                |
|------|--|----|--------------|------------|----------------|
| 1.1  | Does the reporting entity have any direct Medicare Supplement Insurance in force?  |    |              | Yes [ ]    | No [ X ]       |
| 1.2  | If yes, indicate premium earned on U.S. business only.   | \$ |              |            | 0              |
| 1.3  | What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?  | \$ |              |            | 0              |
| 1.31 | Reason for excluding:  |    |              |            |                |
| 1.4  | Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.  | \$ |              |            | 0              |
| 1.5  | Indicate total incurred claims on all Medicare Supplement insurance.   | \$ |              |            | 0              |
| 1.6  | Individual policies:   |    |              |            |                |
|      | Most current three years:  |    |              |            |                |
| 1.61 | Total premium earned   | \$ |              |            | 0              |
| 1.62 | Total incurred claims  | \$ |              |            | 0              |
| 1.63 | Number of covered lives  |    |              |            | 0              |
|      | All years prior to most current three years:   |    |              |            |                |
| 1.64 | Total premium earned   | \$ |              |            | 0              |
| 1.65 | Total incurred claims  | \$ |              |            | 0              |
| 1.66 | Number of covered lives  |    |              |            | 0              |
| 1.7  | Group policies:  |    |              |            |                |
|      | Most current three years:  |    |              |            |                |
| 1.71 | Total premium earned   | \$ |              |            | 0              |
| 1.72 | Total incurred claims  | \$ |              |            | 0              |
| 1.73 | Number of covered lives  |    |              |            | 0              |
|      | All years prior to most current three years:   |    |              |            |                |
| 1.74 | Total premium earned   | \$ |              |            | 0              |
| 1.75 | Total incurred claims  | \$ |              |            | 0              |
| 1.76 | Number of covered lives  |    |              |            | 0              |
| 2.   | Health Test:   |    |              |            |                |
|      |  |    | 1            | 2          |                |
|      |  |    | Current Year | Prior Year |                |
| 2.1  | Premium Numerator  | \$ | 0            | \$         | 0              |
| 2.2  | Premium Denominator  | \$ | 0            | \$         | 0              |
| 2.3  | Premium Ratio (2.1/2.2)  |    | 0.0%         |            | 0.0%           |
| 2.4  | Reserve Numerator  | \$ | 0            | \$         | 0              |
| 2.5  | Reserve Denominator  | \$ | 0            | \$         | 0              |
| 2.6  | Reserve Ratio (2.4/2.5)  |    | 0.0%         |            | 0.0%           |
| 3.1  | Does the reporting entity issue both participating and non-participating policies?   |    |              | Yes [ ]    | No [ X ]       |
| 3.2  | If yes, state the amount of calendar year premiums written on:   |    |              |            |                |
| 3.21 | Participating policies   | \$ |              |            | 0              |
| 3.22 | Non-participating policies   | \$ |              |            | 0              |
| 4.   | FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:   |    |              |            |                |
| 4.1  | Does the reporting entity issue assessable policies?   |    |              | Yes [ ]    | No [ ]         |
| 4.2  | Does the reporting entity issue non-assessable policies?   |    |              | Yes [ ]    | No [ ]         |
| 4.3  | If assessable policies are issued, what is the extent of the contingent liability of the policyholders?  |    |              |            | %              |
| 4.4  | Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.  | \$ |              |            | 0              |
| 5.   | FOR RECIPROCAL EXCHANGES ONLY:   |    |              |            |                |
| 5.1  | Does the exchange appoint local agents?  |    |              | Yes [ ]    | No [ ]         |
| 5.2  | If yes, is the commission paid:  |    |              |            |                |
| 5.21 | Out of Attorney's-in-fact compensation   |    |              | Yes [ ]    | No [ ] N/A [ ] |
| 5.22 | As a direct expense of the exchange  |    |              | Yes [ ]    | No [ ] N/A [ ] |
| 5.3  | What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?  |    |              |            |                |
| 5.4  | Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?   |    |              | Yes [ ]    | No [ ]         |
| 5.5  | If yes, give full information:   |    |              |            |                |
| 6.1  | What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?<br><u>Not Applicable</u>   |    |              |            |                |
| 6.2  | Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:<br><u>The Company's evaluation of the hurricane peril (property business only) is based on EQECAT, Risk Management Solutions (RMS) and Applied Insurance Research (AIR) computer models. The Company's evaluation of the earthquake peril (property business only) is based on the EQECAT and RMS computer models. The Company's largest Probable Maximum Loss would result from a hurricane in the Northeast region of the United States.</u> |    |              |            |                |
| 6.3  | What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?<br><u>The Company is protected from this loss through the purchase of Property Catastrophe Excess of Loss reinsurance treaties.</u>  |    |              |            |                |
| 6.4  | Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?   |    |              | Yes [ X ]  | No [ ]         |
| 6.5  | If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:   |    |              |            |                |
| 7.1  | Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?  |    |              | Yes [ ]    | No [ X ]       |

## GENERAL INTERROGATORIES

## PART 2 – PROPERTY &amp; CASUALTY INTERROGATORIES

|      |   |  |
|------|---|--|
| 7.2  | If yes, indicate the number of reinsurance contracts containing such provisions.  | 0  |
| 7.3  | If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?   | Yes [ ] No [ ]   |
| 8.1  | Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?   | Yes [ ] No [ X ]   |
| 8.2  | If yes, give full information   |  |
| 9.1  | Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:<br>(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;<br>(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;<br>(c) Aggregate stop loss reinsurance coverage;<br>(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;<br>(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or<br>(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? | Yes [ ] No [ X ]   |
| 9.2  | Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:<br>(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or<br>(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.  | Yes [ ] No [ X ]   |
| 9.3  | If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:<br>(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;<br>(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and<br>(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.  |  |
| 9.4  | Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, <i>Property and Casualty Reinsurance</i> , has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:<br>(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or<br>(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?   | Yes [ ] No [ X ]   |
| 9.5  | If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.  |  |
| 9.6  | The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:<br>(a) The entity does not utilize reinsurance; or,<br>(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or<br>(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.   | Yes [ ] No [ X ]<br>Yes [ ] No [ X ]<br>Yes [ ] No [ X ] |
| 10.  | If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?  | Yes [ ] No [ ] N/A [ X ]                                 |
| 11.1 | Has the reporting entity guaranteed policies issued by any other entity and now in force?   | Yes [ ] No [ X ]   |
| 11.2 | If yes, give full information   |  |
| 12.1 | If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:<br>12.11 Unpaid losses<br>12.12 Unpaid underwriting expenses (including loss adjustment expenses)   | \$ 0<br>\$ 0   |
| 12.2 | Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?  | \$ 0   |
| 12.3 | If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?  | Yes [ ] No [ X ] N/A [ ]                                 |
| 12.4 | If yes, provide the range of interest rates charged under such notes during the period covered by this statement:<br>12.41 From<br>12.42 To   | %<br>%   |
| 12.5 | Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?  | Yes [ ] No [ X ]   |
| 12.6 | If yes, state the amount thereof at December 31 of current year:<br>12.61 Letters of Credit<br>12.62 Collateral and other funds   | \$ 0<br>\$ 0   |
| 13.1 | Largest net aggregate amount insured in any one risk (excluding workers' compensation):   | \$ 0   |
| 13.2 | Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?   | Yes [ ] No [ X ]   |
| 13.3 | State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.   | 2  |
| 14.1 | Is the reporting entity a cedant in a multiple cedant reinsurance contract?   | Yes [ ] No [ X ]   |

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [ ]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [ ]
- 14.5 If the answer to 14.4 is no, please explain:
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]
- 15.2 If yes, give full information
- 16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]
- If yes, disclose the following information for each of the following types of warranty coverage:
- |                  | 1                      | 2                    | 3                      | 4                       | 5                     |
|------------------|------------------------|----------------------|------------------------|-------------------------|-----------------------|
|                  | Direct Losses Incurred | Direct Losses Unpaid | Direct Written Premium | Direct Premium Unearned | Direct Premium Earned |
| 16.11 Home       | \$ 0                   | \$ 0                 | \$ 0                   | \$ 0                    | \$ 0                  |
| 16.12 Products   | \$ 0                   | \$ 0                 | \$ 0                   | \$ 0                    | \$ 0                  |
| 16.13 Automobile | \$ 0                   | \$ 0                 | \$ 0                   | \$ 0                    | \$ 0                  |
| 16.14 Other*     | \$ 0                   | \$ 0                 | \$ 0                   | \$ 0                    | \$ 0                  |
- \* Disclose type of coverage:
- 17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that is exempt from the statutory provision for unauthorized reinsurance? Yes [ ] No [X]
- Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:
- |  |      |
|--|------|
| 17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 exempt from the statutory provision for unauthorized reinsurance | \$ 0 |
| 17.12 Unfunded portion of Interrogatory 17.11  | \$ 0 |
| 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11  | \$ 0 |
| 17.14 Case reserves portion of Interrogatory 17.11   | \$ 0 |
| 17.15 Incurred but not reported portion of Interrogatory 17.11   | \$ 0 |
| 17.16 Unearned premium portion of Interrogatory 17.11  | \$ 0 |
| 17.17 Contingent commission portion of Interrogatory 17.11   | \$ 0 |
- 18.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]
- 18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0
- 18.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]
- 18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0
19. Is the reporting entity licensed or chartered, registered, qualified, eligible, or writing business in at least 2 states? Yes [X] No [ ]
- 19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [ ] No [ ]

## FIVE-YEAR HISTORICAL DATA

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

|   | 1<br>2018   | 2<br>2017   | 3<br>2016   | 4<br>2015   | 5<br>2014   |
|---|-------------|-------------|-------------|-------------|-------------|
| <b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>   |             |             |             |             |             |
| 1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....   | 177,985,052 | 167,574,004 | 157,675,012 | 149,713,301 | 153,558,690 |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....   | 128,266,664 | 118,636,143 | 124,376,479 | 113,905,660 | 109,762,358 |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....   | 58,122,834  | 55,535,411  | 54,033,088  | 50,998,178  | 46,418,102  |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....  |             |             |             |             |             |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....   |             |             |             |             |             |
| 6. Total (Line 35).....   | 364,374,550 | 341,745,558 | 336,084,579 | 314,617,139 | 309,739,150 |
| <b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>   |             |             |             |             |             |
| 7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....   |             |             |             |             |             |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....   |             |             |             |             |             |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....   |             |             |             |             |             |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....   |             |             |             |             |             |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....  |             |             |             |             |             |
| 12. Total (Line 35).....  | 0           | 0           | 0           | 0           | 0           |
| <b>Statement of Income (Page 4)</b>   |             |             |             |             |             |
| 13. Net underwriting gain (loss) (Line 8).....  |             |             |             |             |             |
| 14. Net investment gain (loss) (Line 11).....   | 1,460,094   | 1,046,072   | 1,338,961   | 1,297,877   | 1,306,393   |
| 15. Total other income (Line 15).....   |             | (215)       | (1,834)     | 51,022      | 63,957      |
| 16. Dividends to policyholders (Line 17).....   |             |             |             | 51,066      | 63,892      |
| 17. Federal and foreign income taxes incurred (Line 19).....  | 66,303      | 139,272     | 168,688     | 345,976     | 146,469     |
| 18. Net income (Line 20).....   | 1,393,791   | 906,585     | 1,168,439   | 951,857     | 1,159,989   |
| <b>Balance Sheet Lines (Pages 2 and 3)</b>  |             |             |             |             |             |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....  | 176,721,486 | 173,800,180 | 142,688,452 | 129,389,428 | 119,779,735 |
| 20. Premiums and considerations (Page 2, Col. 3):   |             |             |             |             |             |
| 20.1 In course of collection (Line 15.1).....   | 2,771,319   | 3,414,060   | 3,143,896   | 3,570,625   | 3,471,011   |
| 20.2 Deferred and not yet due (Line 15.2).....  | 122,244,958 | 113,007,463 | 106,337,068 | 93,914,287  | 83,087,059  |
| 20.3 Accrued retrospective premiums (Line 15.3).....  |             |             |             |             |             |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26).....  | 130,065,654 | 129,012,113 | 110,130,819 | 98,172,815  | 88,780,388  |
| 22. Losses (Page 3, Line 1).....  |             |             |             |             |             |
| 23. Loss adjustment expenses (Page 3, Line 3).....  |             |             |             |             |             |
| 24. Unearned premiums (Page 3, Line 9).....   |             |             |             |             |             |
| 25. Capital paid up (Page 3, Lines 30 & 31).....  | 3,000,000   | 3,000,000   | 3,000,000   | 3,000,000   | 3,000,000   |
| 26. Surplus as regards policyholders (Page 3, Line 37).....   | 46,655,832  | 44,788,067  | 32,557,633  | 31,216,616  | 30,999,347  |
| <b>Cash Flow (Page 5)</b>   |             |             |             |             |             |
| 27. Net cash from operations (Line 11).....   | 1,460,283   | 1,008,279   | 41,621      | 398,156     | 1,628,218   |
| <b>Risk-Based Capital Analysis</b>  |             |             |             |             |             |
| 28. Total adjusted capital.....   | 46,655,832  | 44,788,067  | 32,557,633  | 31,216,616  | 30,999,347  |
| 29. Authorized control level risk-based capital.....  | 213,438     | 207,438     | 137,086     | 121,490     | 513,594     |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b><br>(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0                          |             |             |             |             |             |
| 30. Bonds (Line 1).....   | 95.8        | 79.8        | 80.9        | 95.3        | 89.9        |
| 31. Stocks (Lines 2.1 & 2.2).....   |             |             |             |             |             |
| 32. Mortgage loans on real estate (Lines 3.1 & 3.2).....  |             |             |             |             |             |
| 33. Real estate (Lines 4.1, 4.2 & 4.3).....   |             |             |             |             |             |
| 34. Cash, cash equivalents and short-term investments (Line 5).....   | 4.2         | 20.2        | 17.8        | 4.6         | 0.3         |
| 35. Contract loans (Line 6).....  |             |             |             |             |             |
| 36. Derivatives (Line 7).....   |             |             |             |             |             |
| 37. Other invested assets (Line 8).....   |             |             |             |             | 9.8         |
| 38. Receivables for securities (Line 9).....  |             |             | 1.3         | 0.1         |             |
| 39. Securities lending reinvested collateral assets (Line 10).....  |             |             |             |             |             |
| 40. Aggregate write-ins for invested assets (Line 11).....  |             |             |             |             |             |
| 41. Cash, cash equivalents and invested assets (Line 12).....   | 100.0       | 100.0       | 100.0       | 100.0       | 100.0       |
| <b>Investments in Parent, Subsidiaries and Affiliates</b>   |             |             |             |             |             |
| 42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....  |             |             |             |             |             |
| 43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....   |             |             |             |             |             |
| 44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....  |             |             |             |             |             |
| 45. Affiliated short-term investments<br>(subtotals included in Schedule DA, Verification, Column 5, Line 10).....  |             |             |             |             |             |
| 46. Affiliated mortgage loans on real estate.....   |             |             |             |             |             |
| 47. All other affiliated.....   |             |             |             |             |             |
| 48. Total of above lines 42 to 47.....  | 0           | 0           | 0           | 0           | 0           |
| 49. Total investment in parent included in Lines 42 to 47 above.....  |             |             |             |             |             |
| 50. Percentage of investments in parent, subsidiaries and affiliates to surplus<br>as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)..... | 0.0         |             |             |             |             |



## FIVE-YEAR HISTORICAL DATA

(Continued)

|   | 1           | 2           | 3           | 4           | 5           |
|---|-------------|-------------|-------------|-------------|-------------|
|   | 2018        | 2017        | 2016        | 2015        | 2014        |
| <b>Capital and Surplus Accounts (Page 4)</b>  |             |             |             |             |             |
| 51. Net unrealized capital gains (losses) (Line 24).....  |             |             |             |             |             |
| 52. Dividends to stockholders (Line 35).....  |             |             |             |             |             |
| 53. Change in surplus as regards policyholders for the year (Line 38).....  | 1,867,765   | 12,230,434  | 1,341,015   | 217,270     | 1,444,477   |
| <b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>  |             |             |             |             |             |
| 54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)...  | 110,026,901 | 112,936,312 | 99,339,556  | 95,977,858  | 88,485,236  |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....  | 72,666,084  | 68,989,296  | 70,082,320  | 61,535,939  | 57,811,094  |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....  | 39,883,180  | 38,755,259  | 37,269,287  | 30,654,822  | 34,365,578  |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....   |             |             |             |             |             |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....  |             |             |             |             |             |
| 59. Total (Line 35).....  | 222,576,165 | 220,680,867 | 206,691,163 | 188,168,619 | 180,661,908 |
| <b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>   |             |             |             |             |             |
| 60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)...  |             |             |             |             |             |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....  |             |             |             |             |             |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....  |             |             |             |             |             |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....   |             |             |             |             |             |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....  |             |             |             |             |             |
| 65. Total (Line 35).....  | 0           | 0           | 0           | 0           | 0           |
| <b>Operating Percentages (Page 4)</b><br>(Item divided by Page 4, Line 1) x 100.0   |             |             |             |             |             |
| 66. Premiums earned (Line 1).....   | 100.0       | 100.0       | 100.0       | 100.0       | 100.0       |
| 67. Losses incurred (Line 2).....   |             |             |             |             |             |
| 68. Loss expenses incurred (Line 3).....  |             |             |             |             |             |
| 69. Other underwriting expenses incurred (Line 4).....  |             |             |             |             |             |
| 70. Net underwriting gain (loss) (Line 8).....  |             |             |             |             |             |
| <b>Other Percentages</b>  |             |             |             |             |             |
| 71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15<br>divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....  |             |             |             |             |             |
| 72. Losses and loss expenses incurred to premiums earned<br>(Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....  |             |             |             |             |             |
| 73. Net premiums written to policyholders' surplus (Page 8, Part 1B,<br>Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....   |             |             |             |             |             |
| <b>One Year Loss Development (\$000 omitted)</b>  |             |             |             |             |             |
| 74. Development in estimated losses and loss expenses incurred prior<br>to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....   |             |             |             |             |             |
| 75. Percent of development of losses and loss expenses incurred to policyholders' surplus<br>of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....                      |             |             |             |             |             |
| <b>Two Year Loss Development (\$000 omitted)</b>  |             |             |             |             |             |
| 76. Development in estimated losses and loss expenses incurred 2 years before the<br>current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....                              |             |             |             |             |             |
| 77. Percent of development of losses and loss expenses incurred to<br>reported policyholders' surplus of second prior-year end<br>(Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)..... |             |             |             |             |             |

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

Yes [ ] No [ ]

If no, please explain:

## SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

### SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 12<br>Number of Claims Reported-Direct and Assumed |  |  |
|--|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|--|--|--|
|  | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |  | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) |
|  |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |  |  |  |
| 1. Prior.....  | XXX                     | XXX        | XXX                    | 408                            | 408        | 22                                    | 22         | 3                            | 3          |  | 0                                      | XXX  |
| 2. 2009.....   | 218,141                 | 218,141    | 0                      | 133,803                        | 133,803    | 4,820                                 | 4,820      | 2,318                        | 2,318      |  | 0                                      | XXX  |
| 3. 2010.....   | 228,941                 | 228,941    | 0                      | 133,102                        | 133,102    | 4,099                                 | 4,099      | 2,235                        | 2,235      |  | 0                                      | XXX  |
| 4. 2011.....   | 246,806                 | 246,806    | 0                      | 148,202                        | 148,202    | 4,536                                 | 4,536      | 2,924                        | 2,924      |  | 0                                      | XXX  |
| 5. 2012.....   | 258,801                 | 258,801    | 0                      | 169,505                        | 169,505    | 5,224                                 | 5,224      | 3,340                        | 3,340      |  | 0                                      | XXX  |
| 6. 2013.....   | 280,388                 | 280,388    | 0                      | 166,405                        | 166,405    | 5,371                                 | 5,371      | 3,562                        | 3,562      |  | 0                                      | XXX  |
| 7. 2014.....   | 301,462                 | 301,462    | 0                      | 190,792                        | 190,792    | 6,369                                 | 6,369      | 4,438                        | 4,438      |  | 0                                      | XXX  |
| 8. 2015.....   | 305,233                 | 305,233    | 0                      | 185,642                        | 185,642    | 5,026                                 | 5,026      | 3,908                        | 3,908      |  | 0                                      | XXX  |
| 9. 2016.....   | 324,025                 | 324,025    | 0                      | 203,717                        | 203,717    | 3,601                                 | 3,601      | 3,443                        | 3,443      |  | 0                                      | XXX  |
| 10. 2017.....  | 335,945                 | 335,945    | 0                      | 191,236                        | 191,236    | 1,571                                 | 1,571      | 3,264                        | 3,264      |  | 0                                      | XXX  |
| 11. 2018.....  | 353,472                 | 353,472    | 0                      | 153,516                        | 153,516    | 345                                   | 345        | 2,521                        | 2,521      |  | 0                                      | XXX  |
| 12. Totals.....  | XXX                     | XXX        | XXX                    | 1,676,329                      | 1,676,329  | 40,982                                | 40,982     | 31,956                       | 31,956     | 0  | 0                                      | XXX  |

|                 | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|-----------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|---|--|---|
|                 | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |   |  |   |
|                 | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |   |  |   |
| 1. Prior.....   | 2,941                    | 2,941       | 1,354                    | 1,354       | 534                                 | 534         | 256                      | 256         | 261                        | 261         |   | 0  | XXX   |
| 2. 2009.....    | 55                       | 55          | 9                        | 9           | 2                                   | 2           | 1                        | 1           | (0)                        | (0)         |   | 0  | XXX   |
| 3. 2010.....    | 49                       | 49          | 4                        | 4           | 5                                   | 5           | 1                        | 1           | 2                          | 2           |   | 0  | XXX   |
| 4. 2011.....    | 67                       | 67          | 14                       | 14          | 2                                   | 2           | 1                        | 1           | 2                          | 2           |   | 0  | XXX   |
| 5. 2012.....    | 177                      | 177         | 86                       | 86          | 29                                  | 29          | 10                       | 10          | 18                         | 18          |   | 0  | XXX   |
| 6. 2013.....    | 1,435                    | 1,435       | 204                      | 204         | 185                                 | 185         | 28                       | 28          | 75                         | 75          |   | 0  | XXX   |
| 7. 2014.....    | 1,584                    | 1,584       | 561                      | 561         | 165                                 | 165         | 79                       | 79          | 134                        | 134         |   | 0  | XXX   |
| 8. 2015.....    | 4,836                    | 4,836       | 1,389                    | 1,389       | 526                                 | 526         | 174                      | 174         | 260                        | 260         |   | 0  | XXX   |
| 9. 2016.....    | 10,089                   | 10,089      | 2,631                    | 2,631       | 914                                 | 914         | 269                      | 269         | 536                        | 536         |   | 0  | XXX   |
| 10. 2017.....   | 18,726                   | 18,726      | 7,235                    | 7,235       | 1,809                               | 1,809       | 677                      | 677         | 995                        | 995         |   | 0  | XXX   |
| 11. 2018.....   | 55,524                   | 55,524      | 16,783                   | 16,783      | 3,171                               | 3,171       | 2,110                    | 2,110       | 3,113                      | 3,113       |   | 0  | XXX   |
| 12. Totals..... | 95,484                   | 95,484      | 30,270                   | 30,270      | 7,343                               | 7,343       | 3,607                    | 3,607       | 5,396                      | 5,396       | 0   | 0  | XXX   |

|                 | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|-----------------|---|-------------|-----------|---|-------------|-----------|---------------------|--------------------|--|---|----------------------------|
|                 | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |  | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
| 1. Prior.....   | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       |                     |                    | XXX  | 0   | 0                          |
| 2. 2009.....    | 141,008                                 | 141,008     | 0         | 64.6  | 64.6        | 0.0       |                     |                    |  | 0   | 0                          |
| 3. 2010.....    | 139,497                                 | 139,497     | 0         | 60.9  | 60.9        | 0.0       |                     |                    |  | 0   | 0                          |
| 4. 2011.....    | 155,749                                 | 155,749     | 0         | 63.1  | 63.1        | 0.0       |                     |                    |  | 0   | 0                          |
| 5. 2012.....    | 178,389                                 | 178,389     | 0         | 68.9  | 68.9        | 0.0       |                     |                    |  | 0   | 0                          |
| 6. 2013.....    | 177,265                                 | 177,265     | 0         | 63.2  | 63.2        | 0.0       |                     |                    |  | 0   | 0                          |
| 7. 2014.....    | 204,123                                 | 204,123     | 0         | 67.7  | 67.7        | 0.0       |                     |                    |  | 0   | 0                          |
| 8. 2015.....    | 201,759                                 | 201,759     | 0         | 66.1  | 66.1        | 0.0       |                     |                    |  | 0   | 0                          |
| 9. 2016.....    | 225,200                                 | 225,200     | 0         | 69.5  | 69.5        | 0.0       |                     |                    |  | 0   | 0                          |
| 10. 2017.....   | 225,514                                 | 225,514     | 0         | 67.1  | 67.1        | 0.0       |                     |                    |  | 0   | 0                          |
| 11. 2018.....   | 237,083                                 | 237,083     | 0         | 67.1  | 67.1        | 0.0       |                     |                    |  | 0   | 0                          |
| 12. Totals..... | XXX                                     | XXX         | XXX       | XXX   | XXX         | XXX       | 0                   | 0                  | XXX  | 0   | 0                          |

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

**SCHEDULE P - PART 2 - SUMMARY**

| Years in Which Losses Were Incurred | Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |      |      |      |      |      |      |      |      |      | DEVELOPMENT |          |
|-------------------------------------|--|------|------|------|------|------|------|------|------|------|-------------|----------|
|                                     | 1  | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   | 11          | 12       |
|                                     | 2009   | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | One Year    | Two Year |
| 1. Prior.....                       |  |      |      |      |      |      |      |      |      |      | .....0      | .....0   |
| 2. 2009.....                        |  |      |      |      |      |      |      |      |      |      | .....0      | .....0   |
| 3. 2010.....                        | XXX  |      |      |      |      |      |      |      |      |      | .....0      | .....0   |
| 4. 2011.....                        | XXX  | XXX  |      |      |      |      |      |      |      |      | .....0      | .....0   |
| 5. 2012.....                        | XXX  | XXX  | XXX  |      |      |      |      |      |      |      | .....0      | .....0   |
| 6. 2013.....                        | XXX  | XXX  | XXX  | XXX  |      |      |      |      |      |      | .....0      | .....0   |
| 7. 2014.....                        | XXX  | XXX  | XXX  | XXX  | XXX  |      |      |      |      |      | .....0      | .....0   |
| 8. 2015.....                        | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |      |      |      | .....0      | .....0   |
| 9. 2016.....                        | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |      |      | .....0      | .....0   |
| 10. 2017.....                       | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |      | .....0      | XXX      |
| 11. 2018.....                       | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      | XXX         | XXX      |
| 12. Totals.....                     |  |      |      |      |      |      |      |      |      |      | .....0      | .....0   |

**SCHEDULE P - PART 3 - SUMMARY**

| Years in Which Losses Were Incurred | Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |      |      |      |      |      |      |      |      |      | 11  | 12   |
|-------------------------------------|---|------|------|------|------|------|------|------|------|------|---|--|
|                                     | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   | Number of Claims Closed With Loss Payment | Number of Claims Closed Without Loss Payment |
|                                     | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |   |  |
| 1. Prior.....                       | 000   |      |      |      |      |      |      |      |      |      | XXX                                       | XXX  |
| 2. 2009.....                        |   |      |      |      |      |      |      |      |      |      | XXX                                       | XXX  |
| 3. 2010.....                        | XXX   |      |      |      |      |      |      |      |      |      | XXX                                       | XXX  |
| 4. 2011.....                        | XXX   | XXX  |      |      |      |      |      |      |      |      | XXX                                       | XXX  |
| 5. 2012.....                        | XXX   | XXX  | XXX  |      |      |      |      |      |      |      | XXX                                       | XXX  |
| 6. 2013.....                        | XXX   | XXX  | XXX  | XXX  |      |      |      |      |      |      | XXX                                       | XXX  |
| 7. 2014.....                        | XXX   | XXX  | XXX  | XXX  | XXX  |      |      |      |      |      | XXX                                       | XXX  |
| 8. 2015.....                        | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  |      |      |      |      | XXX                                       | XXX  |
| 9. 2016.....                        | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |      |      | XXX                                       | XXX  |
| 10. 2017.....                       | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |      | XXX                                       | XXX  |
| 11. 2018.....                       | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      | XXX                                       | XXX  |

**SCHEDULE P - PART 4 - SUMMARY**

| Years in Which Losses Were Incurred | Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |      |      |      |      |      |      |      |      |      |
|-------------------------------------|---|------|------|------|------|------|------|------|------|------|
|                                     | 1   | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|                                     | 2009  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| 1. Prior.....                       |   |      |      |      |      |      |      |      |      |      |
| 2. 2009.....                        |   |      |      |      |      |      |      |      |      |      |
| 3. 2010.....                        | XXX   |      |      |      |      |      |      |      |      |      |
| 4. 2011.....                        | XXX   | XXX  |      |      |      |      |      |      |      |      |
| 5. 2012.....                        | XXX   | XXX  | XXX  |      |      |      |      |      |      |      |
| 6. 2013.....                        | XXX   | XXX  | XXX  | XXX  |      |      |      |      |      |      |
| 7. 2014.....                        | XXX   | XXX  | XXX  | XXX  | XXX  |      |      |      |      |      |
| 8. 2015.....                        | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  |      |      |      |      |
| 9. 2016.....                        | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |      |      |
| 10. 2017.....                       | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |      |
| 11. 2018.....                       | XXX   | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  | XXX  |      |

# Metropolitan Direct Property and Casualty Insurance Company

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

### Allocated by States and Territories

| States, Etc.                        | 1<br>Active Status (a) | Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken |                             | 4<br>Dividends Paid or Credited to Policyholders on Direct Business | 5<br>Direct Losses Paid (Deducting Salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Finance and Service Charges not Included in Premiums | 9<br>Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2) |
|-------------------------------------|------------------------|--|-----------------------------|---|---|-----------------------------|---------------------------|---|--|
|                                     |                        | 2<br>Direct Premiums Written   | 3<br>Direct Premiums Earned |   |   |                             |                           |   |  |
| 1. Alabama.....AL                   | L                      | 1,353,845  | 1,280,048                   |   | 812,223                                     | 935,681                     | 401,613                   | 14,241  |  |
| 2. Alaska.....AK                    | L                      |  |                             |   |   |                             |                           |   |  |
| 3. Arizona.....AZ                   | L                      | 354,196  | 360,290                     |   | 131,059                                     | 81,649                      | 32,902                    | 1,070   |  |
| 4. Arkansas.....AR                  | L                      | 204,695  | 181,350                     |   | 152,489                                     | 157,587                     | 43,380                    | 4,143   |  |
| 5. California.....CA                | L                      | 185,696,050  | 181,289,753                 | 8,251   | 121,434,885                                 | 122,208,430                 | 63,148,920                | 401,083   |  |
| 6. Colorado.....CO                  | L                      | 9,586,922  | 9,665,503                   | 2,932   | 9,549,087                                   | 9,934,704                   | 1,979,732                 | 5,497   |  |
| 7. Connecticut.....CT               | L                      | 1,108,498  | 900,002                     |   | 475,193                                     | 885,322                     | 519,034                   | 14,174  |  |
| 8. Delaware.....DE                  | L                      | 7,539  | 6,937                       |   |   | 44                          | 47                        |   |  |
| 9. District of Columbia.....DC      | L                      |  |                             |   |   |                             |                           |   |  |
| 10. Florida.....FL                  | L                      |  |                             |   |   |                             |                           |   |  |
| 11. Georgia.....GA                  | L                      | 241,651  | 244,020                     |   | 191,115                                     | 99,285                      | 78,573                    | 1,535   |  |
| 12. Hawaii.....HI                   | L                      |  |                             |   |   |                             |                           |   |  |
| 13. Idaho.....ID                    | L                      | 336,797  | 271,927                     |   | 126,398                                     | 203,428                     | 98,208                    | 8,133   |  |
| 14. Illinois.....IL                 | L                      | 881,666  | 755,710                     |   | 520,849                                     | 502,136                     | 87,068                    | 8,030   |  |
| 15. Indiana.....IN                  | L                      | 650,500  | 563,506                     |   | 371,603                                     | 560,702                     | 232,000                   | 10,991  |  |
| 16. Iowa.....IA                     | L                      | 164,801  | 126,301                     |   | 99,534                                      | 37,696                      | 8,752                     | 2,414   |  |
| 17. Kansas.....KS                   | L                      |  |                             |   |   |                             |                           |   |  |
| 18. Kentucky.....KY                 | L                      | 22,494,737   | 21,274,807                  | 324   | 11,891,511                                  | 12,794,371                  | 7,451,036                 |   |  |
| 19. Louisiana.....LA                | L                      |  |                             |   |   |                             |                           |   |  |
| 20. Maine.....ME                    | L                      |  |                             |   |   |                             |                           |   |  |
| 21. Maryland.....MD                 | L                      | 3,172,713  | 3,251,153                   |   | 2,206,945                                   | 2,026,484                   | 966,214                   | 5,760   |  |
| 22. Massachusetts.....MA            | N                      |  |                             |   |   |                             |                           |   |  |
| 23. Michigan.....MI                 | L                      | 4,278,322  | 4,420,631                   |   | 3,489,470                                   | 3,426,878                   | 9,788,149                 | 12,383  |  |
| 24. Minnesota.....MN                | N                      |  |                             |   |   |                             |                           |   |  |
| 25. Mississippi.....MS              | L                      | 10,599,683   | 9,928,297                   |   | 5,956,111                                   | 6,067,311                   | 3,190,138                 | 4,625   |  |
| 26. Missouri.....MO                 | L                      | 261,276  | 265,762                     |   | 115,804                                     | 149,459                     | 181,186                   |   |  |
| 27. Montana.....MT                  | L                      |  |                             |   |   |                             |                           |   |  |
| 28. Nebraska.....NE                 | L                      | 1,261,844  | 1,169,123                   | 276   | 605,035                                     | 459,917                     | 113,953                   | 375   |  |
| 29. Nevada.....NV                   | L                      | 6,663  | 8,044                       |   | 21,061                                      | 21,057                      | 40                        |   |  |
| 30. New Hampshire.....NH            | L                      |  |                             |   |   |                             |                           |   |  |
| 31. New Jersey.....NJ               | L                      | 14,870,653   | 15,085,953                  | 986   | 7,823,112                                   | 8,687,136                   | 10,120,473                | 38,835  |  |
| 32. New Mexico.....NM               | L                      | 6,114,564  | 5,761,338                   | 1,617   | 3,675,311                                   | 3,234,309                   | 2,830,123                 | 6,723   |  |
| 33. New York.....NY                 | L                      |  |                             |   |   |                             |                           |   |  |
| 34. North Carolina.....NC           | L                      | 8,917,441  | 8,944,273                   | 374   | 5,411,820                                   | 5,238,767                   | 2,456,397                 | 16,550  |  |
| 35. North Dakota.....ND             | L                      | 5,798  | 4,472                       |   |   | 129                         | 136                       |   |  |
| 36. Ohio.....OH                     | L                      | 56,703   | 56,089                      |   | 18,683                                      | (22,130)                    | 2,510                     | 610   |  |
| 37. Oklahoma.....OK                 | L                      | 403,312  | 337,876                     |   | 201,987                                     | 274,296                     | 97,546                    |   |  |
| 38. Oregon.....OR                   | L                      | 15,431,591   | 14,480,590                  | 2,911   | 6,445,685                                   | 7,515,013                   | 4,059,777                 | 9,295   |  |
| 39. Pennsylvania.....PA             | L                      | 10,746,341   | 10,602,458                  | 298   | 4,966,110                                   | 5,171,540                   | 1,590,123                 | 26,061  |  |
| 40. Rhode Island.....RI             | L                      |  |                             |   |   |                             |                           |   |  |
| 41. South Carolina.....SC           | L                      | 22,514,283   | 20,734,478                  | 1,269   | 12,179,055                                  | 13,275,153                  | 7,486,335                 | 12,680  |  |
| 42. South Dakota.....SD             | L                      | 29,869   | 23,080                      |   | 6,054                                       | 7,403                       | 1,602                     | 526   |  |
| 43. Tennessee.....TN                | L                      | 471,004  | 412,605                     |   | 361,457                                     | 463,473                     | 169,139                   | 8,146   |  |
| 44. Texas.....TX                    | L                      | 2,913,753  | 3,015,226                   |   | 1,794,160                                   | 1,217,136                   | 650,053                   | 18,334  |  |
| 45. Utah.....UT                     | L                      | 1,881,022  | 1,869,505                   |   | 1,491,906                                   | 1,870,983                   | 663,930                   | 51,936  |  |
| 46. Vermont.....VT                  | N                      |  |                             |   |   |                             |                           |   |  |
| 47. Virginia.....VA                 | L                      | 26,972,822   | 25,924,596                  | 952   | 14,173,397                                  | 13,893,247                  | 5,873,200                 | 34,761  |  |
| 48. Washington.....WA               | L                      |  |                             |   |   |                             |                           |   |  |
| 49. West Virginia.....WV            | L                      | 5,197,393  | 5,055,252                   | 65  | 3,377,465                                   | 3,289,060                   | 971,345                   | 3,318   |  |
| 50. Wisconsin.....WI                | L                      | 5,185,604  | 5,201,471                   |   | 2,499,592                                   | 2,097,148                   | 461,960                   | 9,605   |  |
| 51. Wyoming.....WY                  | N                      |  |                             |   |   |                             |                           |   |  |
| 52. American Samoa.....AS           | N                      |  |                             |   |   |                             |                           |   |  |
| 53. Guam.....GU                     | N                      |  |                             |   |   |                             |                           |   |  |
| 54. Puerto Rico.....PR              | N                      |  |                             |   |   |                             |                           |   |  |
| 55. US Virgin Islands.....VI        | N                      |  |                             |   |   |                             |                           |   |  |
| 56. Northern Mariana Islands.....MP | N                      |  |                             |   |   |                             |                           |   |  |
| 57. Canada.....CAN                  | N                      |  |                             |   |   |                             |                           |   |  |
| 58. Aggregate Other Alien.....OT    | XXX                    | 0  | 0                           | 0   | 0   | 0                           | 0                         | 0   | 0  |
| 59. Totals.....XXX                  |                        | 364,374,551  | 353,472,426                 | 20,255  | 222,576,166                                 | 226,764,804                 | 125,755,594               | 731,834   | 0  |

#### 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 | 0 | 0 |
| 58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)   | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

HOMEOWNERS, INLAND MARINE, EARTHQUAKE, WORKERS' COMPENSATION - LOCATION OF PROPERTY INSURED  
 AUTOMOBILE LIABILITY, AUTOMOBILE PHYSICAL DAMAGE - STATE WHERE VEHICLE IS GARAGED

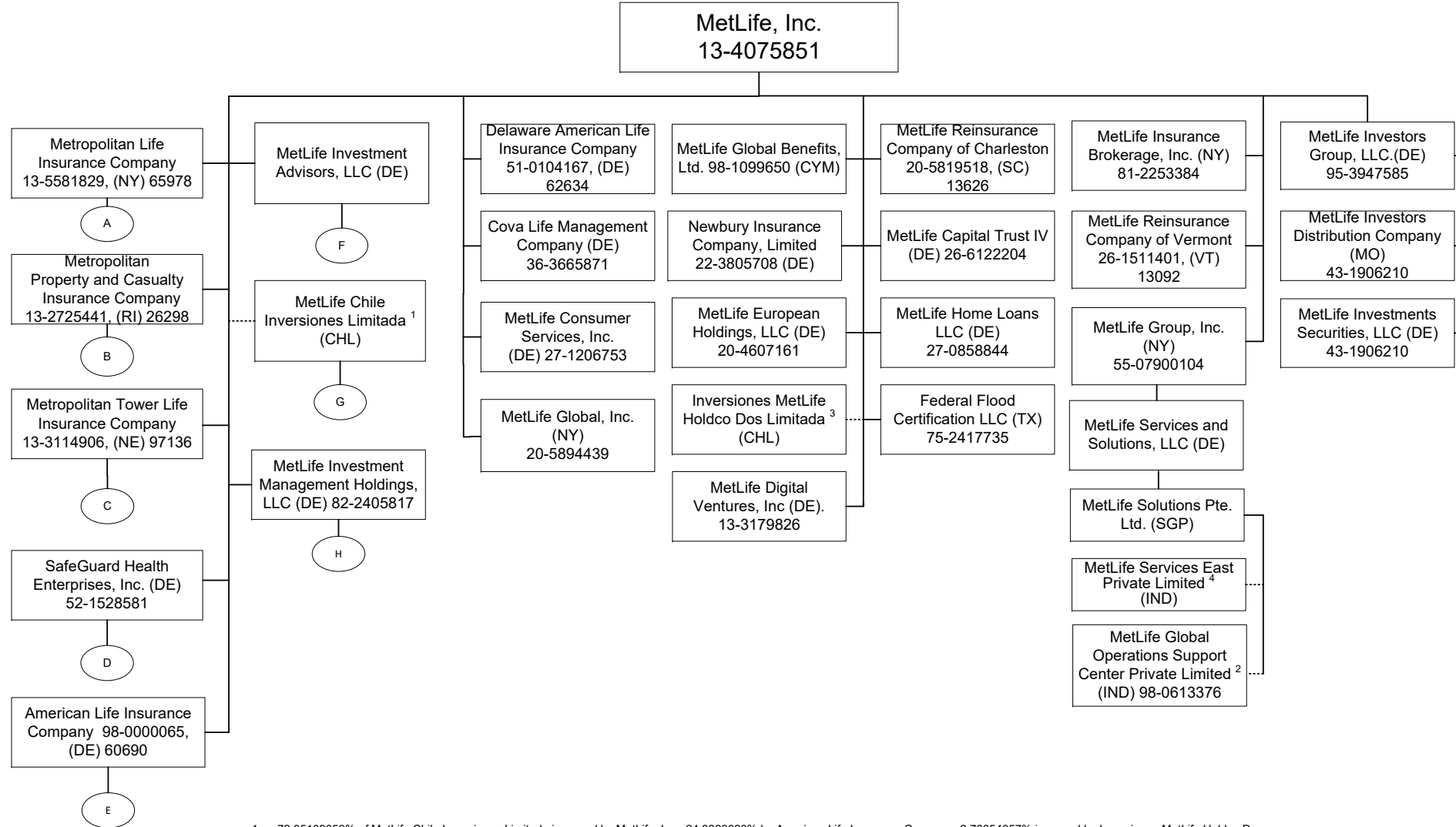
(a) Active Status Counts:

|   |    |
|---|----|
| L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....  | 47 |
| E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI)..... | 0  |
| D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile.....                  | 0  |

|   |    |
|---|----|
| R - Registered - Non-domiciled RRGs.....                                | 0  |
| Q - Qualified - Qualified or accredited reinsurer.....                  | 0  |
| N - None of the above - Not allowed to write business in the state..... | 10 |

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

PART 1 - ORGANIZATIONAL CHART



1 72.35109659% of MetLife Chile Inversiones Limitada is owned by MetLife, Inc., 24.8823628% by American Life Insurance Company, 2.76654057% is owned by Inversiones MetLife Holdco Dos Limitada and 0.00000004% is owned by Natiloportem Holdings, LLC.

2 99.99999% of MetLife Global Operations Support Center Private Limited is owned by MetLife Solutions Pte. Ltd. and 0.00001% is owned by Natiloportem Holdings, LLC.

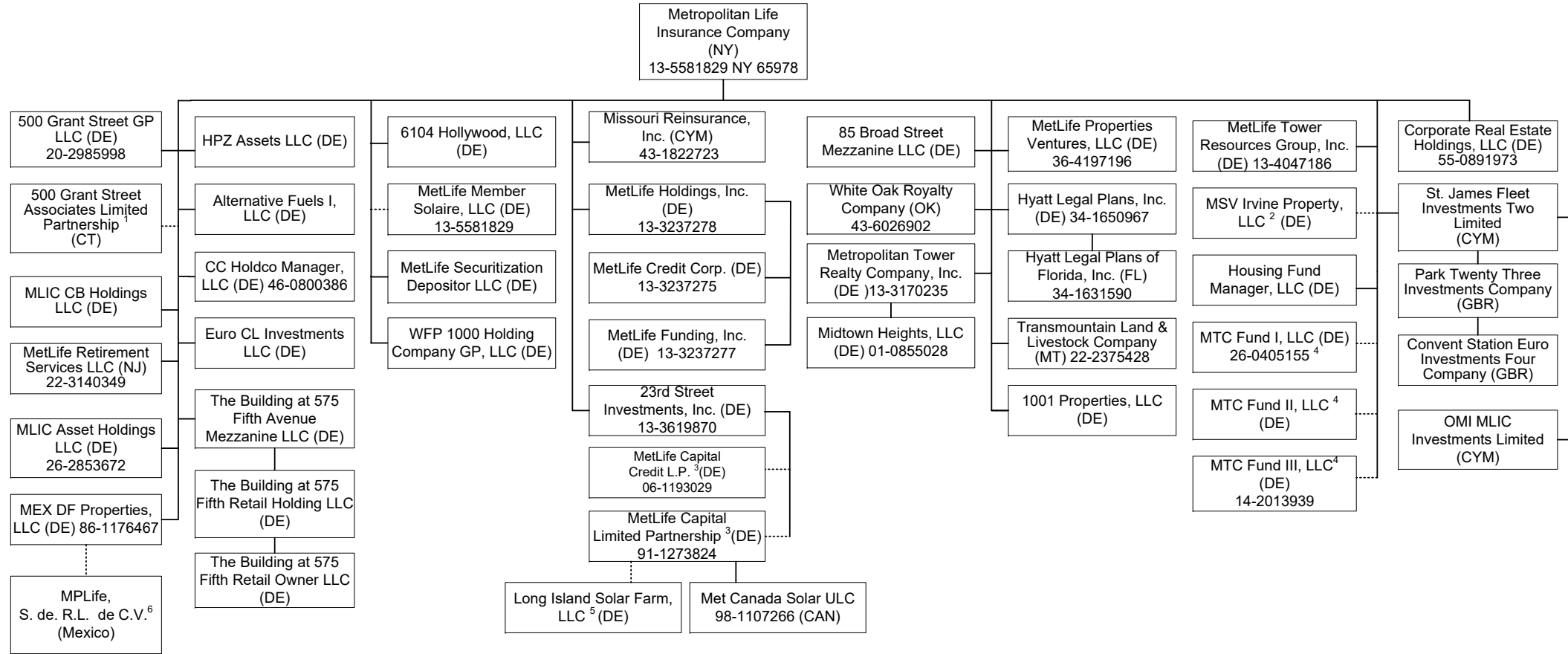
3 99.99946% of Inversiones MetLife Holdco Dos Limitada is owned by MetLife, Inc., 0.000535% is owned by MetLife International Holdings, LLC. and 0.0000054% is owned by Natiloportem Holdings, LLC.

4 99.99% of MetLife Services East Private Limited is owned by MetLife Solutions Pte. Ltd and .01% is owned by Natiloportem Holdings, LLC.

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

PART 1 - ORGANIZATIONAL CHART

A



1 99% of 500 Grant Street Associates Limited Partnership is held by Metropolitan Life Insurance Company and 1% by 500 Grant Street GP LLC.

2 96% of MSV Irvine Property, LLC is owned by Metropolitan Life Insurance Company and 4% is owned by Metropolitan Tower Realty Company, Inc.

3 1% General Partnership interest is held by 23<sup>rd</sup> Street Investment, Inc. and 99% Limited Partnership interest is held by Metropolitan Life Insurance Company.

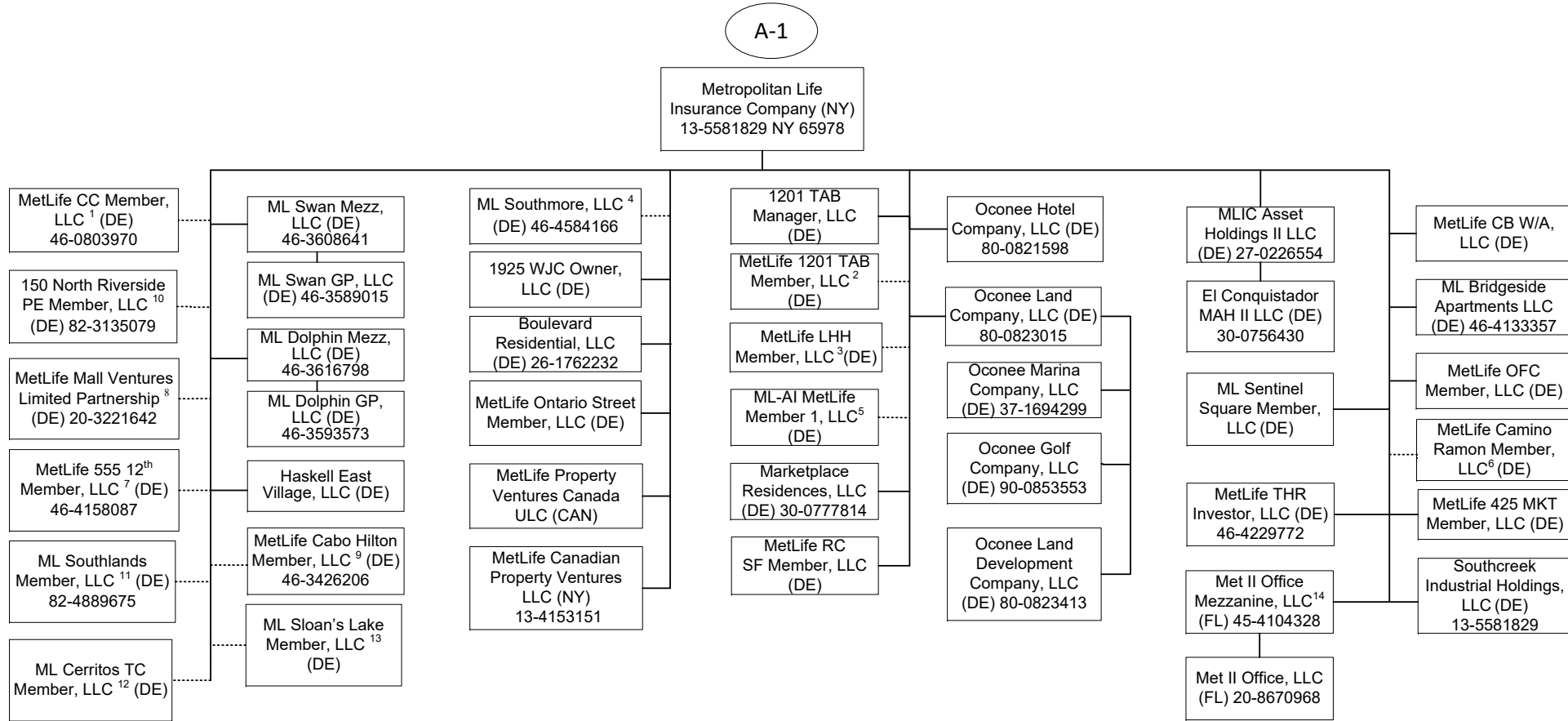
4 Housing Fund Manager, LLC is the managing member and owns .01% and the remaining interests are held by a third party member.

5 90.39% membership interest is held by LISF Solar Trust in which MetLife Capital Limited Partnership has a 100% beneficial interest and the rest is owned by a third party.

6 99% of MPLife, S. de. R.L. de C.V. is owned by MEX DF Properties, LLC and .01% is owned by Euro CL Investments, LLC.

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

PART 1 - ORGANIZATIONAL CHART



96.2

1 95.122% of MetLife CC Member, LLC is held by Metropolitan Life Insurance Company and 4.878% by Metropolitan Tower Life Insurance Company.

2 96.9% of MetLife 1201 TAB Member, LLC is owned by Metropolitan Life Insurance Company and 3.10% is owned by Metropolitan Property and Casualty Insurance Company.

3 99% of MetLife LHH Member, LLC is owned by Metropolitan Life Insurance Company and 1% by Metropolitan Tower Life Insurance Company.

4 99% of ML Southmore, LLC is owned by Metropolitan Life Insurance Company and 1% by Metropolitan Tower Life Insurance Company.

5 95.199% of the membership interest is owned by Metropolitan Life Insurance Company and 4.801% by Metropolitan Property and Casualty Insurance Company.

6 99% of MetLife Camino Ramon Member, LLC is owned by Metropolitan Life Insurance Company and 1% by Metropolitan Tower Life Insurance Company.

7 94.6% of MetLife 555 12th Member, LLC is owned by Metropolitan Life Insurance Company and 5.4% is owned by Metropolitan Tower Life Insurance Company.

8 99% LP interest of MetLife Mall Ventures Limited Partnership is owned by Metropolitan Life Insurance Company and 1% GP interest is owned by Metropolitan Tower Realty Company, Inc.

9 83.1% of MetLife Cabo Hilton Member, LLC is owned by Metropolitan Life Insurance Company and 16.9% by Metropolitan Tower Life Insurance Company.

10 81.45% of 150 North Riverside PE Member, LLC is owned by Metropolitan Life Insurance Company, 18.55% is owned by Metropolitan Tower Life Insurance Company.

11 60% of ML Southlands Member, LLC is owned by Metropolitan Life Insurance Company and 40% is owned by Metropolitan Tower Life Insurance Company.

12 60% of ML Cerritos TC Member, LLC is owned by Metropolitan Life Insurance Company and 40% is owned by Metropolitan Tower Life Insurance Company.

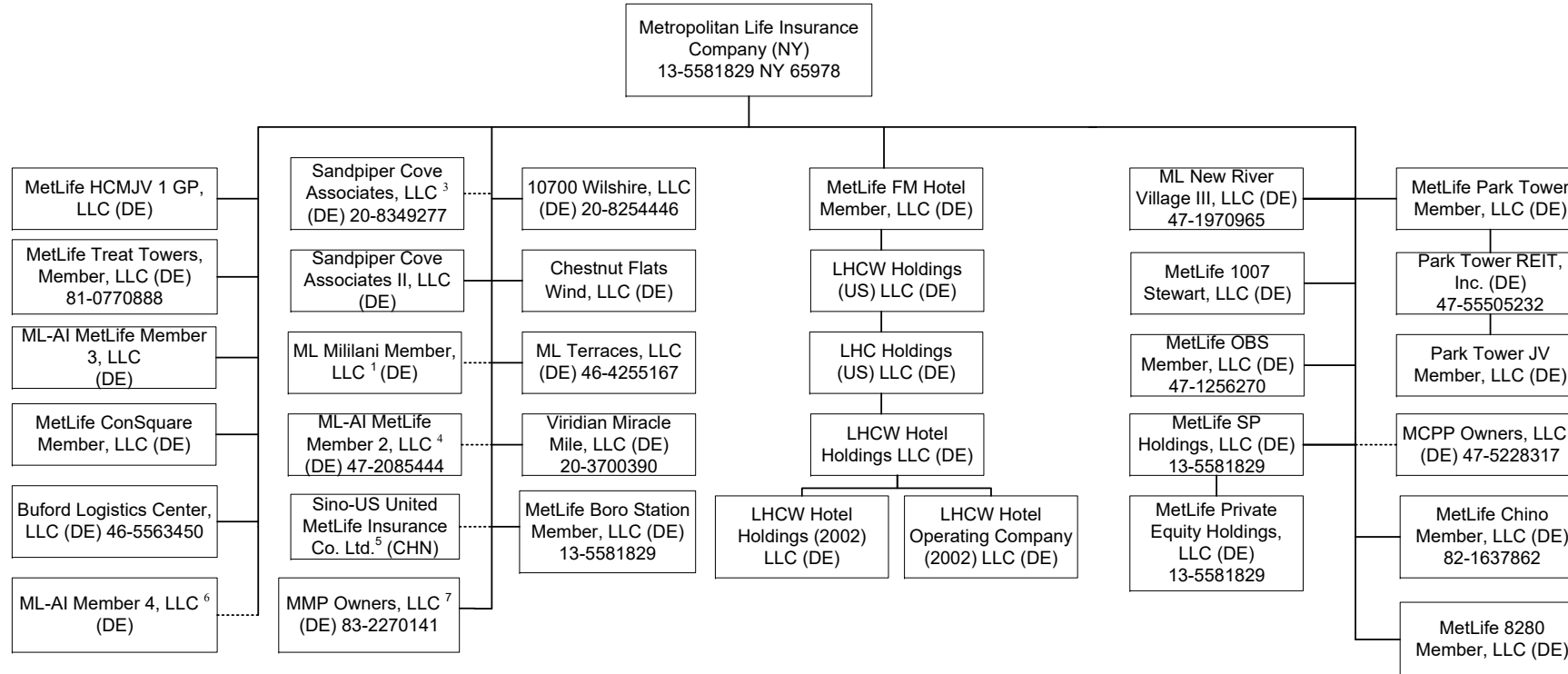
13 55% of ML Sloan's Lake Member, LLC is owned by Metropolitan Life Insurance Company and 45% is owned by Metropolitan Tower Life Insurance Company.

14 89.5833% of the membership interest of Met II Office Mezzanine, LLC is owned by Metropolitan Life Insurance Company and 10.4167% is owned by Metropolitan Tower Life Insurance Company.

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

PART 1 - ORGANIZATIONAL CHART

A-2

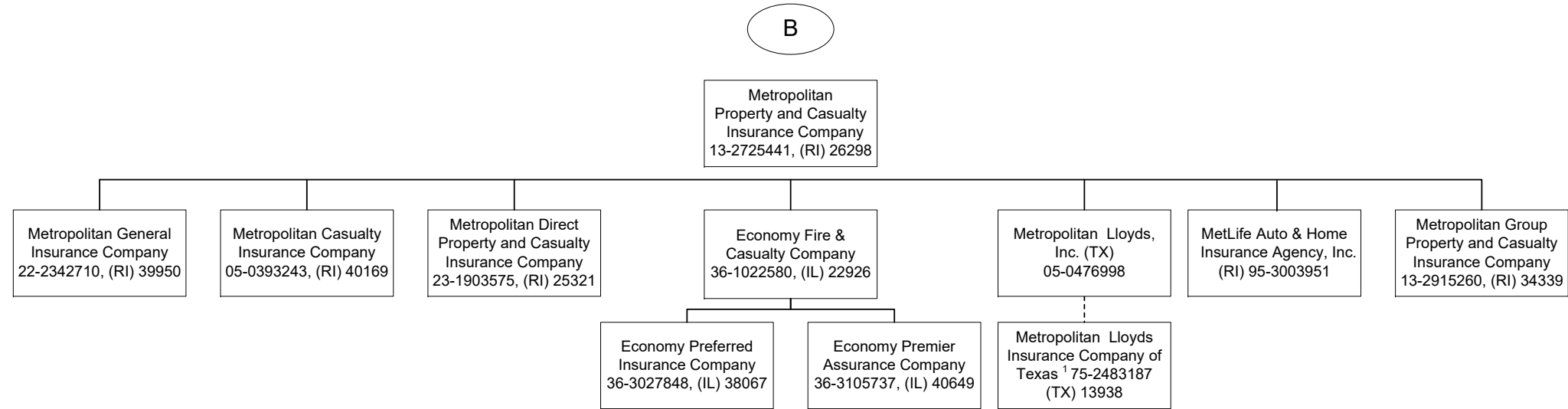


- 1 95% of ML Mililani Member, LLC is owned by Metropolitan Life Insurance Company and 5% is owned by Metropolitan Tower Life Insurance Company.
- 2 87.34% of MCPP Owners, LLC is owned by Metropolitan Life Insurance Company, 1.81% by Metropolitan Tower Life Insurance Company and 10.85% by MTL Leasing, LLC.
- 3 90.59% of the membership interest is owned by Metropolitan Life Insurance Company and 9.41% of the membership interest is owned by Metropolitan Tower Realty Company, Inc.
- 4 98.97% of ML-AI MetLife Member 2, LLC is owned by Metropolitan Life Insurance Company and 1.03% by Metropolitan Tower Life Insurance Company.
- 5 50% of Sino-US United MetLife Insurance Co. Ltd. is owned by Metropolitan Life Insurance Company and 50% is owned by a third party.
- 6 60% of ML-AI Member 4, LLC is owned by Metropolitan Life Insurance Company and 40% is owned by Metropolitan Tower Life Insurance Company.
- 7 98.82% of MMP Owners, LLC is owned by Metropolitan Life Insurance Company and 1.18% is owned by Metropolitan Property and Casualty Insurance Company.



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

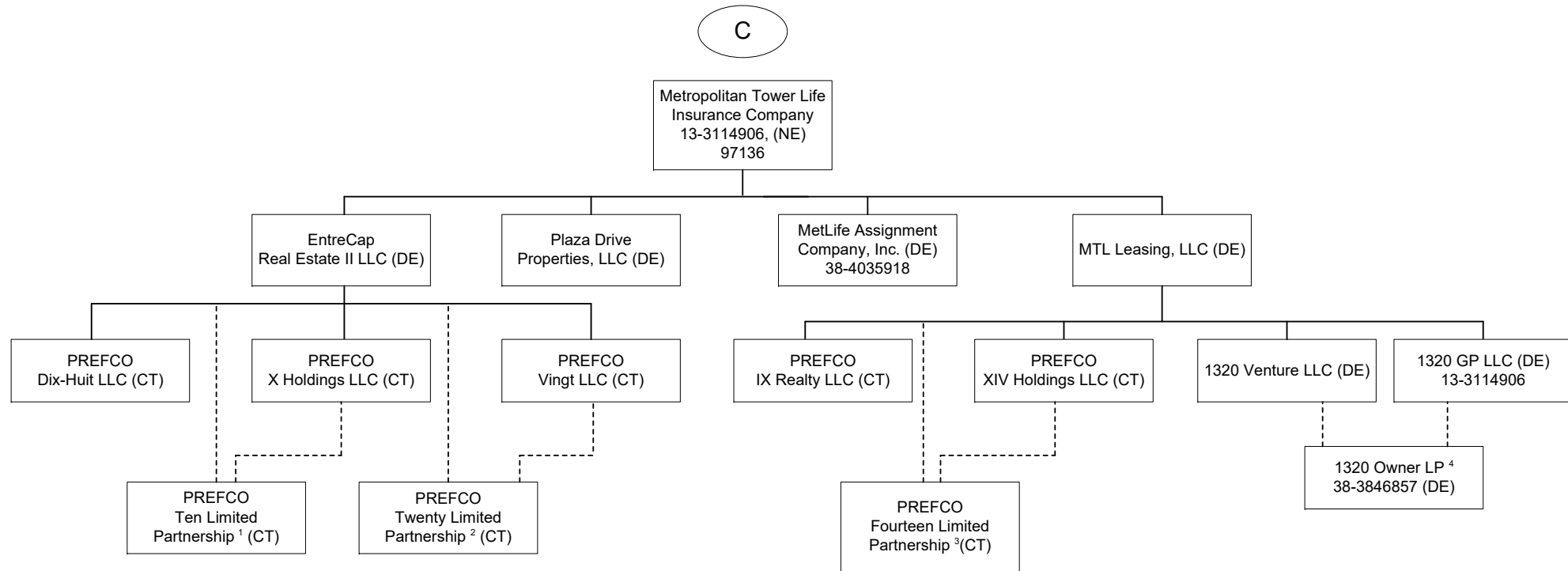
PART 1 - ORGANIZATIONAL CHART



<sup>1</sup> Metropolitan Lloyds Insurance Company of Texas, an affiliated association, provides automobile, homeowner and related insurance for the Texas market. It is an association of individuals designated as underwriters. Metropolitan Lloyds, Inc., a subsidiary of Metropolitan Property and Casualty Insurance Company, serves as the attorney-in-fact and manages the association.

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

PART 1 - ORGANIZATIONAL CHART



1 99.9% of PREFCO Ten Limited Partnership is owned by EntreCap Real Estate II, LLC and .10% is owned by PREFCO X Holdings LLC.

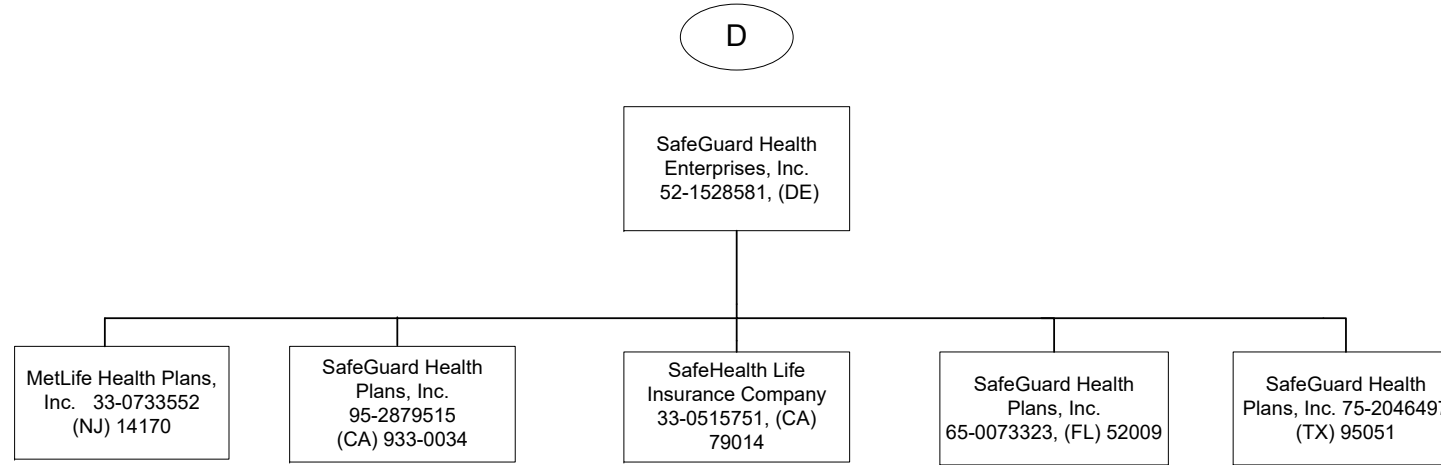
2 99% of PREFCO Twenty Limited Partnership is owned by EntreCap Real Estate II, LLC and 1% is owned by PREFCO Vingt LLC.

3 99.9% of PREFCO Fourteen Limited Partnership is owned by MTL Leasing, LLC and .10% is owned by PREFCO XIV Holdings LLC.

4 99.9% of 1320 Owner LP is owned by 1320 Venture LLC and .10% is owned by 1320 GP LLC.

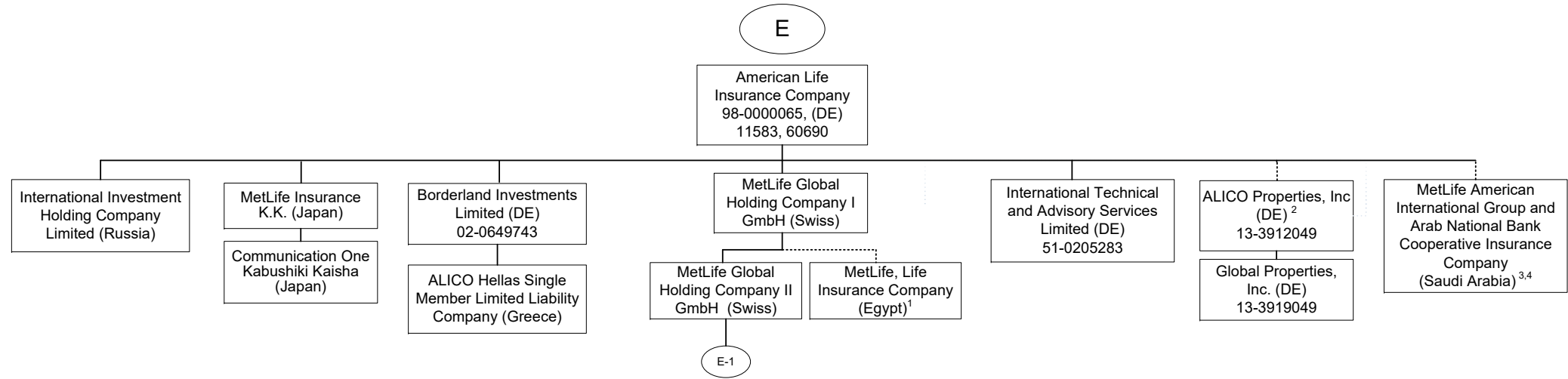
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART

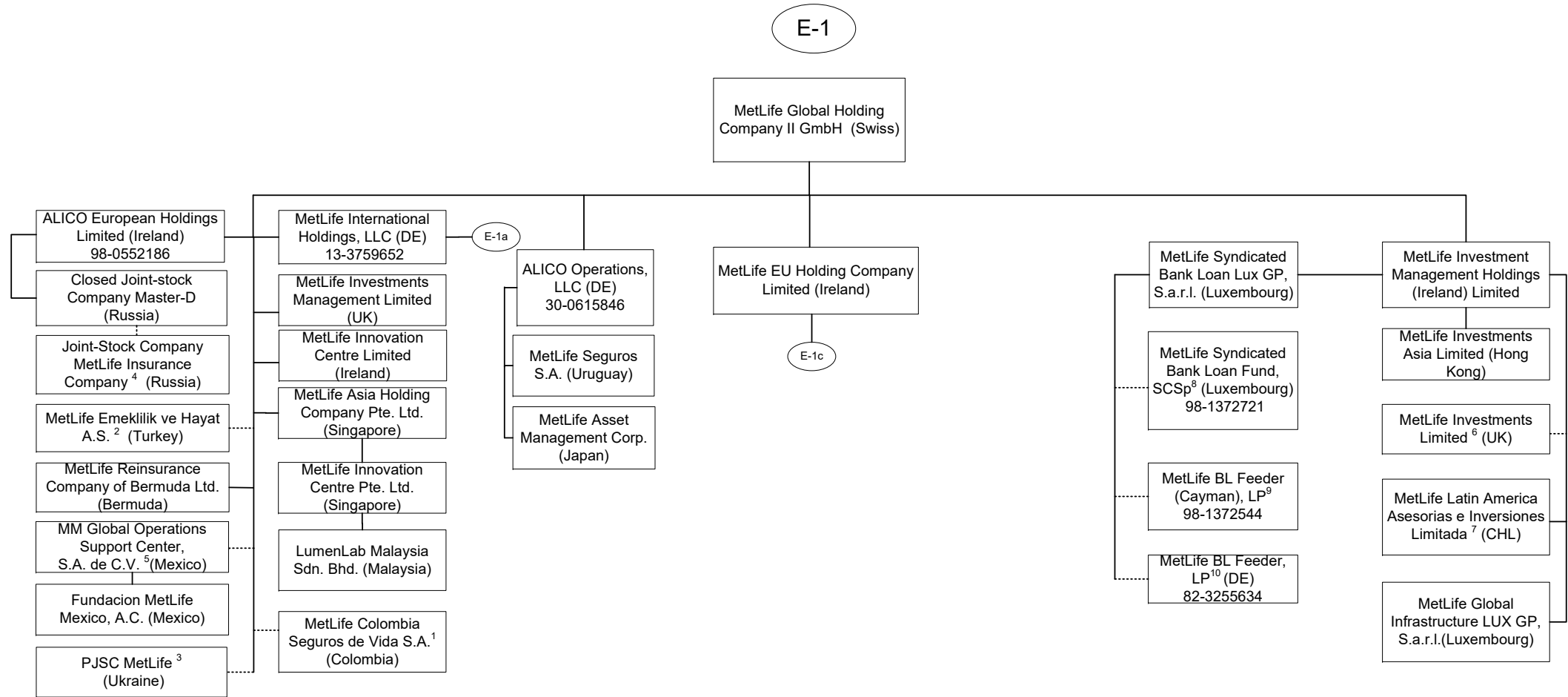


1 84.125% of MetLife, Life Insurance Company (Egypt) is owned by MetLife Global Holding Company I GmbH and the remaining interest by third parties.  
 2 51% of ALICO Properties, Inc. is owned by American Life Insurance Company and the remaining interest by third parties.  
 3 The Delaware Department of Insurance approved a disclaimer of affiliation and therefore, this company is not considered an affiliate under Delaware Law.  
 4 30% of MetLife American International Group and Arab National Bank Cooperative Insurance Company is owned by American Life Insurance Company and the remaining interest by third parties.

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

PART 1 - ORGANIZATIONAL CHART

96.8



1 89.9999657134583% of MetLife Colombia Seguros de Vida S.A. is owned by MetLife Global Holding Company II GmbH, 10.0000315938813% is owned by MetLife Global Holding Company I GmbH, International Technical and Advisory Services Limited, Borderland Investments Limited and Natlioportem Holdings, LLC each own 0.00000897553447019009%.

2 99.98% of MetLife Emeklilik ve Hayat A.S. is owned by MetLife Global Holding Company II GmbH (Swiss) and the remaining by third parties.

3 99.9988% of PJSC MetLife is owned by MetLife Global Holding Company II GmbH, .0006% is owned by International Technical and Advisory Services Limited and the remaining .0006% is owned by Borderland Investments Limited

4 51% of Joint-stock Company MetLife Insurance Company is owned by ZAO Master D and 49% is owned by MetLife Global Holding Company II GmbH.

5 99.999509% of MM Global Operations Support Center S.A. de C.V. (Mexico) is held by MetLife Global Holding Company II GmbH (Swiss) and 0.000491% is held by MetLife Global Holding Company I GmbH (Swiss).

6 99.9% of MetLife Investments Limited (UK) is held by MetLife Investment Management Holdings (Ireland) Limited and .1% is owned by MetLife Global Holding Company II GmbH (Swiss).

7 99.99% of MetLife Latin American Asesorias e Inversiones Limitada is owned by MetLife Investment Management Holdings (Ireland) Limited and .01% is owned by MetLife Global Holding Company II GmbH (Swiss).

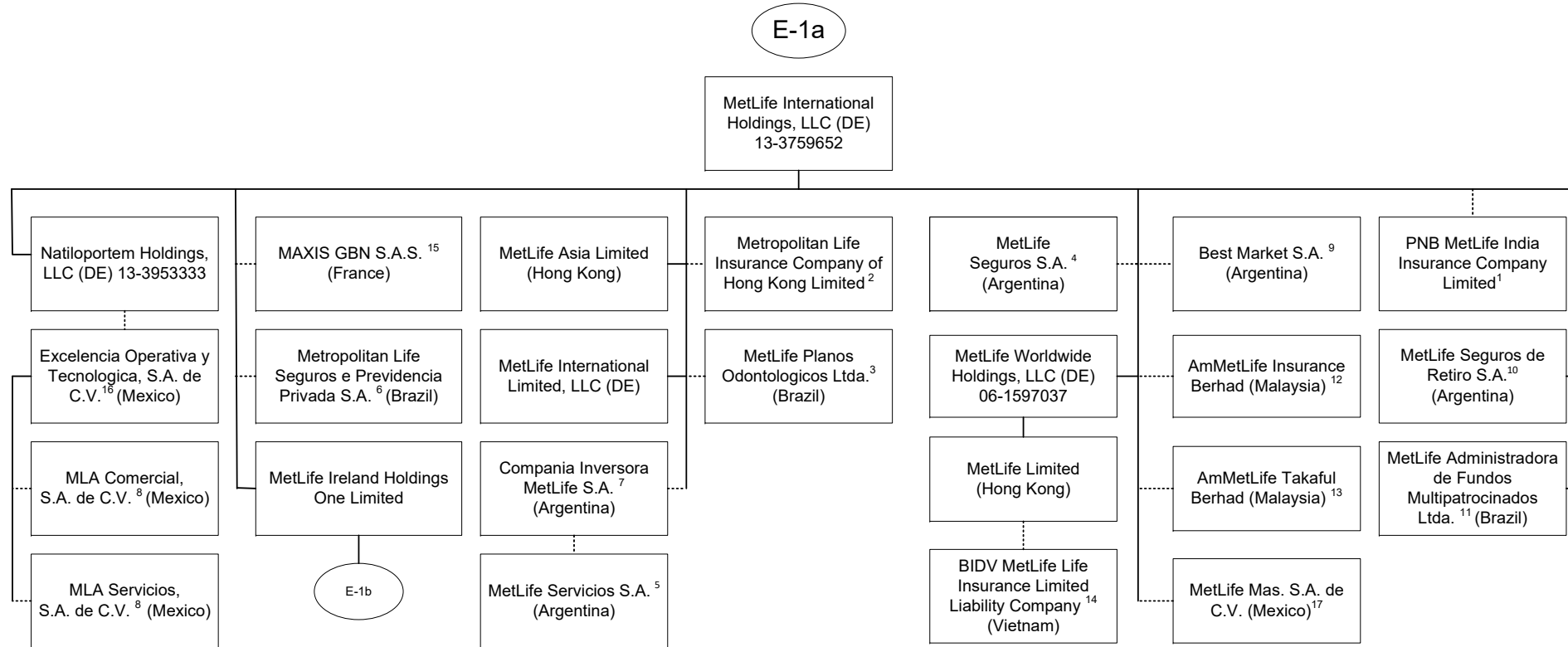
8 MetLife Syndicated Bank Loan Lux GP, S.a.r.l. is the general partner of MetLife Syndicated Bank Loan Fund, SCSp (the "Fund"). The only investors in the Fund are MetLife BL Feeder (Cayman), LP and MetLife BL Feeder, LP.

9 MetLife Syndicated Bank Loan Lux GP, S.a.r.l. is the general partner of MetLife BL Feeder (Cayman), LP (the "Fund"). MetLife BL Feeder (Cayman), LP is an investor in the Fund. The following affiliates hold limited partnership interests in the feeder: MetLife Limited (3.14%), MetLife Insurance K.K. (93.72%) and MetLife Insurance Company of Korea Limited (3.14%).

10 MetLife Syndicated Bank Loan Lux GP, S.a.r.l. is the general partner of MetLife BL Feeder, LP (the "Fund"). MetLife BL Feeder, LP is an investor in the Fund. The following affiliate holds a limited partnership interest in the feeder: Metropolitan Life Insurance Company (49.26%). The remaining 50.74% is owned by one third party investor.

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

PART 1 - ORGANIZATIONAL CHART

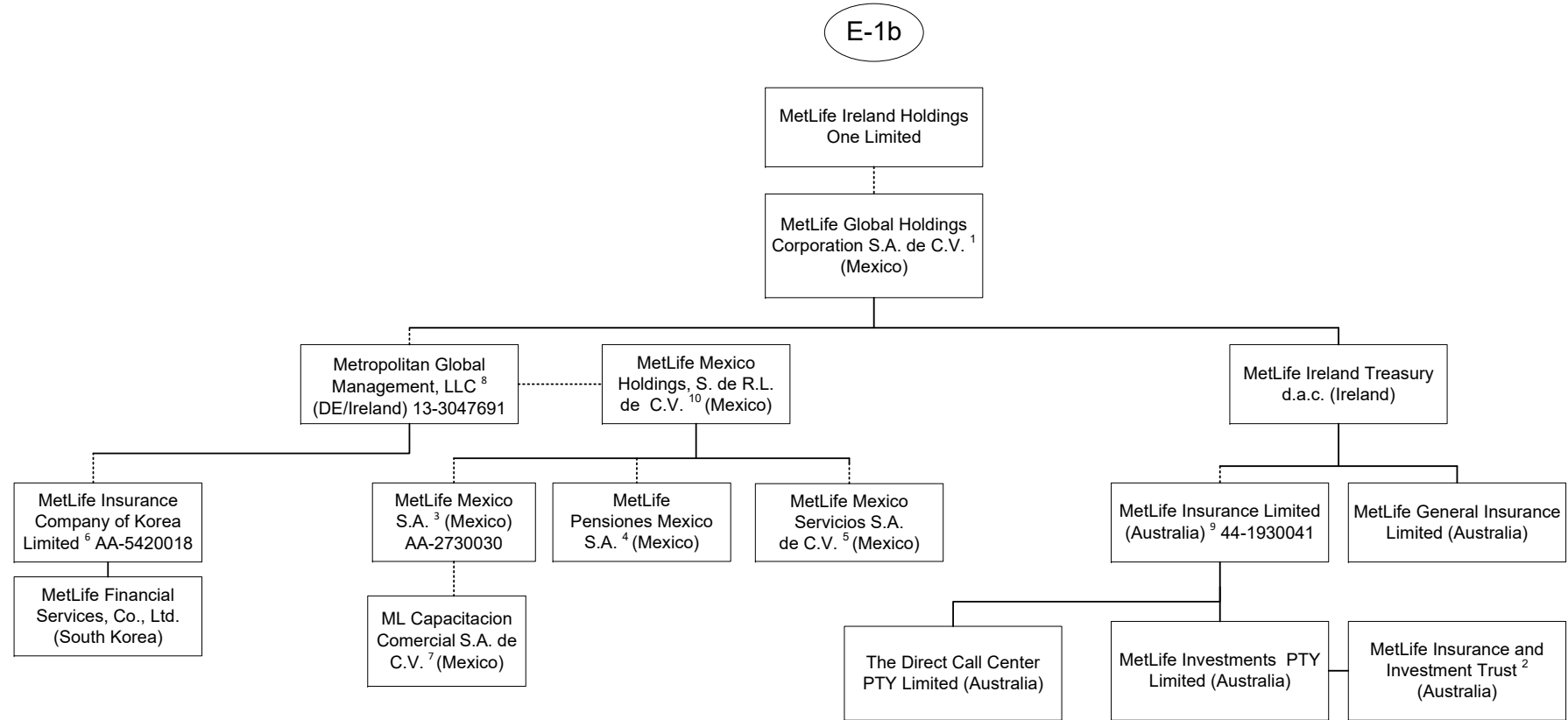


1 32.05% of PNB MetLife India Insurance Company Limited is owned by MetLife International Holdings, LLC and 67.95% is owned by third parties.  
 2 99.99935% of Metropolitan Life Insurance Company of Hong Kong Limited is owned by MetLife International Holdings, LLC and 0.00065% is owned by Natiloportem Holdings, LLC.  
 3 99.999% of MetLife Planos Odontologicos Ltda. is owned by MetLife International Holdings, LLC and .001% is owned by Natiloportem Holdings, LLC.  
 4 95.5242% of MetLife Seguros S.A. is owned by MetLife International Holdings, LLC and 2.6753% is owned by Natiloportem Holdings, LLC and 1.8005% is owned by International Technical and Advisory Services Limited.  
 5 18.87% of the shares of MetLife Servicios S.A. are held by Compania Inversora MetLife S.A., 79.88% is owned by MetLife Seguros S.A., .99% is held by Natiloportem Holdings, LLC and .26% is held by MetLife Seguros de Retiro S.A.  
 6 66.662% is owned by MetLife International Holdings, LLC, 33.337% is owned by MetLife Worldwide Holdings, LLC and 0.001% is owned by Natiloportem Holdings, LLC.  
 7 95.46% is owned by MetLife International Holdings, LLC and 4.54% is owned by Natiloportem Holdings, LLC.  
 8 99% is owned by Excelencia Operativa y Tecnologica, S.A. de C.V. and 1% is owned by MetLife Mexico Servicios S.A. de C.V.

9 5% of the shares are held by Natiloportem Holdings, LLC and 95% is owned by MetLife International Holdings, LLC.  
 10 96.8897% is owned by MetLife International Holdings, LLC, 3.1102% is owned by Natiloportem Holdings, and .0001% is owned by International Technical and Advisory Services Limited.  
 11 99.99998% of MetLife Administradora de Fondos Multipatrocিনados Ltda. is owned by MetLife International Holdings, LLC and .00002% by Natiloportem Holdings, LLC.  
 12 50.000002% of AmMetLife Insurance Berhad is owned by MetLife International Holdings, LLC and the remainder by a third party.  
 13 49.9999997% of AmMetLife Takaful Berhad is owned by MetLife International Holdings, LLC and the remainder by a third party.  
 14 60% of BIDV MetLife Life Insurance Limited Liability Company is held by MetLife Limited (Hong Kong) and the remainder by third parties.  
 15 50% of MAXIS GBN S.A.S. is held by MetLife International Holdings, LLC and the remainder by third parties.  
 16 99% of Excelencia Operativa y Tecnologica, S.A. de C.V. is held by Natiloportem Holdings, LLC and 1% by MetLife Mexico Servicios S.A. de C.V.  
 17 99.99964399% MetLife Mas, SA de C.V. is owned by MetLife International Holdings, LLC and .00035601% is owned by International Technical and Advisory Services Limited.

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

PART 1 - ORGANIZATIONAL CHART



1 98.9% is owned by MetLife Ireland Holdings One Limited and 1.1% is owned by MetLife International Limited, LLC.

2 MetLife Insurance and Investment Trust is a trust vehicle, the trustee of which is MetLife Investments PTY Limited ("MIPL").

MIPL is a wholly owned subsidiary of MetLife Insurance PTY Limited.

3 99.050271% is owned by MetLife Mexico Holdings, S. de R.L. de C.V. and .949729% is owned by MetLife International Holdings, LLC.

4 97.5125% is owned by MetLife Mexico Holdings, S. de R.L. de C.V. and 2.4875% is owned by MetLife International Holdings, LLC.

5 98% is owned by MetLife Mexico Holdings, S. de R.L. de C.V. and 2% is owned by MetLife International Holdings, LLC.

6 14.64% is owned by MetLife Mexico, S.A. and 85.36% is owned by Metropolitan Global Management, LLC.

7 99% is owned by MetLife Mexico S.A. and 1% is owned by MetLife Mexico Servicios, S.A. de C.V.

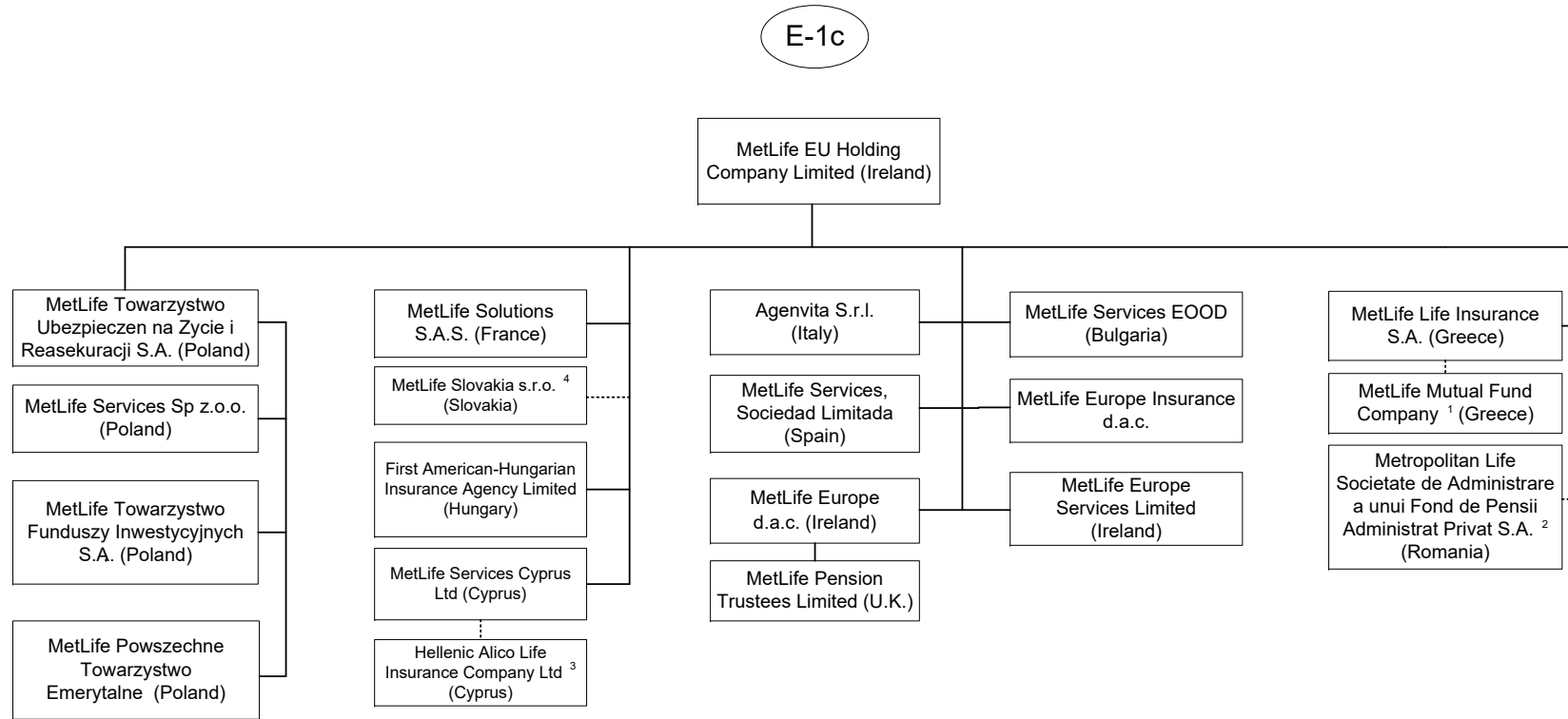
8 99.7% is owned by MetLife Global Holdings Corporation S.A. de C.V. and 0.3% is owned by MetLife International Holdings, LLC.

9 91.16468% of MetLife Insurance Limited (Australia) is owned by MetLife Ireland Treasury d.a.c. and 8.83532% by MetLife Global Holdings Corp. S.A. de C.V..

10 99.99995% is owned by Metropolitan Global Management, LLC and .00005% is owned by Exelencia Operativa y Tecnologica, S.A. de C.V.

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

PART 1 - ORGANIZATIONAL CHART



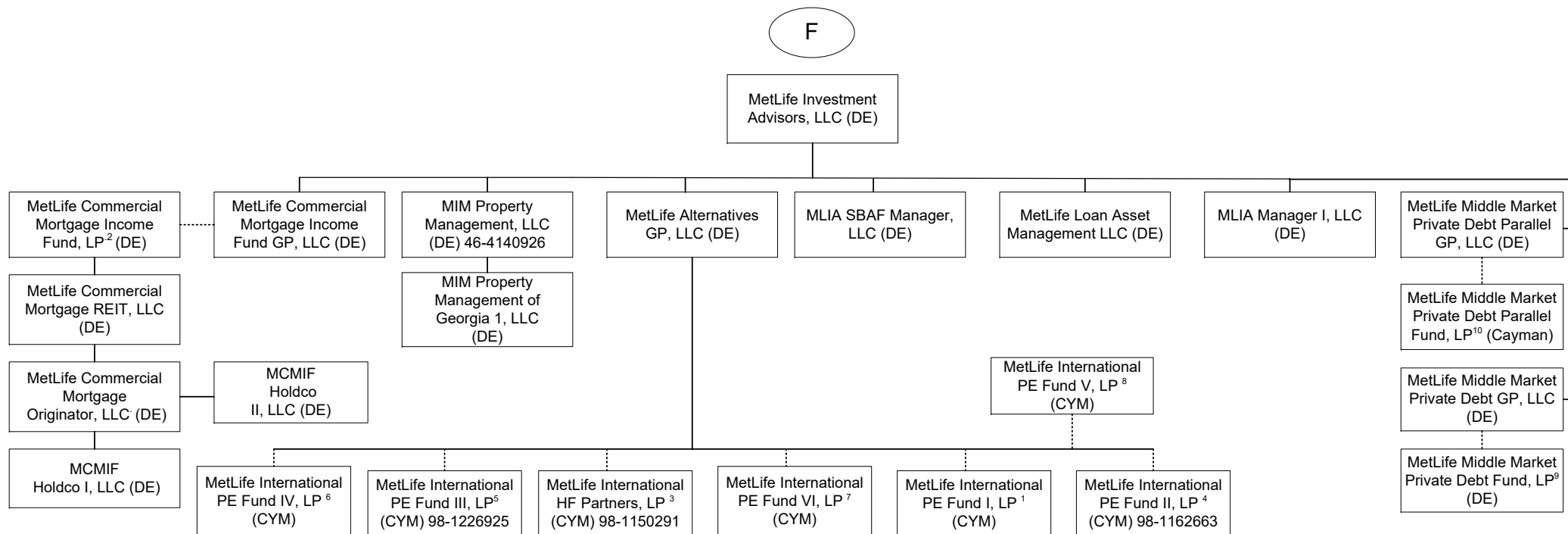
1 90% of MetLife Mutual Fund Company is owned by MetLife Life Insurance S.A. and the remaining interest by a third party.  
 2 99.9836% of Metropolitan Life Societate de Administrare a unui Fond de Pensii Administrat Privat S.A. is owned by MetLife EU Holding Company Limited and 0.0164% by MetLife Services Sp z.o.o.

3 27.5% of Hellenic Alico Life Insurance Company Ltd. is owned by MetLife Services Cyprus Ltd (Cyprus) and the remaining by a third party.  
 4 99.956% of MetLife Slovakia s.r.o. (Slovakia) is owned by MetLife EU Holding Company Limited and 0.044% is owned by International Technical and Advisory Services Limited.



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

PART 1 - ORGANIZATIONAL CHART



96.12

1 92.593% of the Limited Partnership interests of this entity is owned by MetLife Insurance K.K, 4.115% is owned by MetLife Mexico S.A., 2.716% by MetLife Limited (Hong Kong) and the remaining 0.576% is owned by Metropolitan Life Insurance Company of Hong Kong Limited.

2 MetLife Commercial Mortgage Income Fund GP, LLC is the general partner of MetLife Commercial Mortgage Income Fund, LP (the "Fund"). A majority of the limited partnership interests in the Fund are held by third parties. The following affiliates hold limited partnership interests in the Fund: Metropolitan Life Insurance Company owns 26.6%, MetLife Insurance Company of Korea, Limited. owns 2.1%, MetLife Limited owns 2.7%, Metropolitan Life Insurance Company of Hong Kong Limited owns 0.03% and Metropolitan Tower Life Insurance Company owns 2.7% (the remainder is held by third party investors).

3 88.22% of the Limited partnership interests of this entity is owned by MetLife Insurance K.K (Japan), 9.47% is owned by MetLife Insurance Company of Korea Limited, 2.29% is owned by MetLife Limited (Hong Kong) and 0.02% is owned by MetLife Alternatives, GP.

4 94.54% of the limited partnership interest of MetLife International PE Fund II, LP is owned by MetLife Insurance K.K. (Japan), 2.77% is owned by MetLife Limited (Hong Kong), 2.1% is owned by MetLife Mexico, S.A. and 0.59% is owned by Metropolitan Life Insurance Company Hong Kong Limited.

5 88.93% of the limited partnership interest of MetLife International PE Fund III, LP is owned by MetLife Insurance K.K. (Japan), 7.91% is owned by MetLife Insurance Company of Korea Limited, 2.61% is owned by MetLife Limited (Hong Kong) and 0.55% is owned by Metropolitan Life Insurance Company Hong Kong Limited.

6 94.70% of the Limited Partnership interests of MetLife International PE Fund IV, LP is owned by MetLife Insurance K.K, 3.79% is owned by MetLife Insurance Company of Korea Limited, 1.51% is owned by MetLife Limited (Hong Kong).

7 76.323% of the Limited Partnership interests of MetLife International PE Fund VI, LP is owned by MetLife Insurance K.K., 20.208% is owned by MetLife Limited and 3.469% is owned by MetLife Insurance Company of Korea.

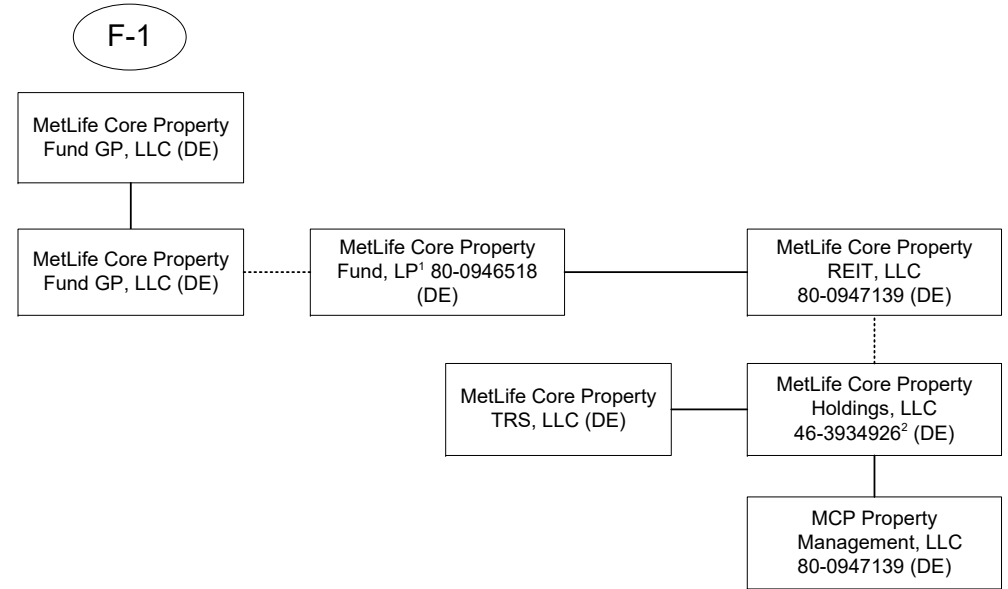
8 81.699% of the Limited Partnership interests of MetLife International PE Fund V, LP entity is owned by MetLife Insurance K.K., 15.033% is owned by MetLife Limited (Hong Kong) and 3.268% is owned by MetLife Insurance Company of Korea, Limited.

9 MetLife Middle Market Private Debt, GP, LLC is the general partner of MetLife Middle Market Private Debt Fund, L.P (the "Fund"). The following affiliates hold limited partnership interests in the Fund: 31.15% is held by MetLife Private Equity Holdings, 31.15% is held by Metropolitan Life Insurance Company, .35% is held by MetLife Middle Market Private Debt, GP, LLC. The remainder is held by a third party.

10 MetLife Middle Market Private Debt Parallel GP is the general partner of MetLife Middle Market Private Debt Parallel Fund, LP. The following affiliate holds a limited partnership interest in the Fund: MetLife Insurance K.K. (100%).

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

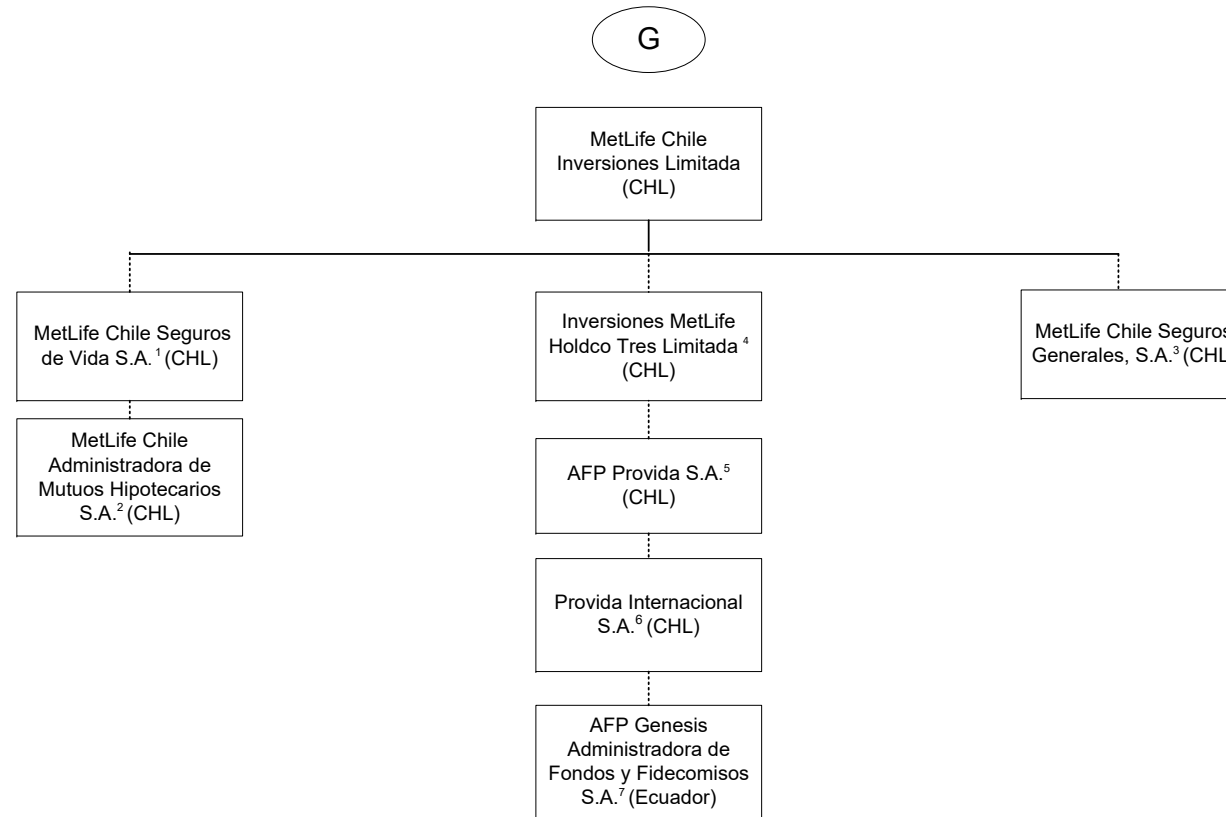
PART 1 - ORGANIZATIONAL CHART



- 1 MetLife Core Property Fund GP, LLC is the general partner of MetLife Core Property Fund, LP (the "Fund"). A substantial majority of the limited partnership interests in the Fund are held by third parties. The following affiliates hold limited partnership interests in the Fund: Metropolitan Life Insurance Company owns 15.60%, Metropolitan Life Insurance Company (on behalf of Separate Account 746) owns 2.52%, MetLife Insurance Company of Korea Limited owns 2.04%, MetLife Insurance KK owns 6.94%, Metropolitan Property and Casualty Insurance Company owns 1.76% and Metropolitan Tower Life Insurance Company owns 0.05%.
- 2 MetLife Core Property Holdings, LLC also holds, directly or indirectly, the following limited liability companies (indirect ownership indicated in parenthesis): MCP Alley24 East, LLC; MCP Property Management, LLC; MCP One Westside, LLC; MCP 7 Riverway, LLC; MCPF Acquisition, LLC; MCP SoCal Industrial – Springdale, LLC; MCP SoCal Industrial – Concourse, LLC; MCP SoCal Industrial – Kellwood, LLC; MCP SoCal Industrial – Redondo, LLC; MCP SoCal Industrial – Fullerton, LLC; MCP SoCal Industrial – Loker, LLC; MCP Paragon Point, LLC; MCP 4600 South Syracuse, LLC; MCP The Palms at Doral, LLC; MCP Waterford Atrium, LLC; MCP EnV Chicago, LLC; MCP 1900 McKinney, LLC; MCP 550 West Washington, LLC; MCP 3040 Post Oak, LLC; MCP Plaza at Legacy, LLC; MetLife Core Property TRS, LLC; MCP SoCal Industrial – LAX, LLC; MCP SoCal Industrial - Anaheim, LLC; MCP SoCal Industrial - Canyon, LLC; MCP SoCal Industrial – Bernardo, LLC; MCP Ashton South End, LLC; MCP Lodge At Lakecrest, LLC; MCP Main Street Village, LLC; MCP Trimble Campus, LLC; MCP Highland Park Lender, LLC; MCP Buford Logistics Center Bldg B, LLC; MCP 22745 & 22755 Relocation Drive, LLC; MCP 9020 Murphy Road, LLC; MCP Atlanta Gateway, LLC; MCP Northyards Holdco, LLC; MCP Northyards Owner, LLC (100%); MCP Northyards Master Lessee, LLC (100%); MCP VOA Holdings, LLC; MCP VOA I & III, LLC (100%); MCP VOA II, LLC (100%); MCP West Broad Marketplace, LLC; MCP Union Row, LLC; MCP Fife Enterprise Center, LLC; MCP 2 Ames, LLC; MCP 2 Ames Two, LLC (100%); MCP 2 Ames One, LLC (100%); MCP 2 Ames Owner, LLC (89%); MCP 350 Rohlwing, LLC; MCP – Wellington, LLC; MCP Onyx, LLC; MCP Valley Forge, LLC; MCP Valley Forge Two, LLC (100%); MCP Valley Forge One, LLC (100%); MCP Valley Forge Owner, LLC (89%); MCP MA Property REIT, LLC; MCPF – Needham, LLC (100%); MCP 60 11th Street Member, LLC; 60 11th Street, LLC (100%); MCP Fife Enterprise Member, LLC; Fife Enterprise Center Venture, LLC (100%); MCP-English Village, LLC; MCP 100 Congress Member, LLC; 100 Congress Venture, LLC (55%); 100 Congress REIT, LLC (55%); 100 Congress Owner, LLC (55%); MCP DMCBP Phase II Member, LLC; DMCBP Phase II Venture, LLC (95%); Des Moines Creek Business Park Phase II, LLC (95%); MCP Magnolia Park Member, LLC; Magnolia Park Greenville Venture, LLC (90%); Magnolia Park Greenville, LLC (90%); MCP Denver Pavilions Member, LLC; Denver Pavilions Venture, LLC (80%); Denver Pavilions OwnerCo, LLC (80%); MCP Buford Logistics Center 2 Member, LLC; Buford Logistics Center 2 Venture, LLC (95%); Buford Logistics Center Bldg A Venture, LLC (95%); MCP Seattle Gateway I Member, LLC; Seattle Gateway I Venture, LLC (95%); Seattle Gateway Industrial I, LLC (95%); MCP 249 Industrial Business Park Member, LLC; 249 Industrial Business Park Venture, LLC (95%); 249 Industrial Business Park, LLC (95%); MCP Seattle Gateway II Member, LLC; Seattle Gateway II Venture, LLC (95%); Seattle Gateway Industrial II, LLC (95%); MCP Seventh and Osborn Retail Member, LLC; Seventh and Osborn Retail Venture, LLC (92.5%); Seventh and Osborn Retail, LLC (92.5%); MCP Seventh and Osborn MF Member, LLC; Seventh and Osborn MF Venture, LLC (92.5%); High Street Seventh and Osborn Apartments, LLC (92.5%); MCP Block 23 Member, LLC; Block 23 Residential Investors, LLC (90%); SLR Block 23 Residential Owner, LLC (90%); MCP Burnside Member, LLC; Alta Burnside Venture, LLC (92.5%); Alta Burnside, LLC (92.5%); MCP Mountain Technology Center Member TRS, LLC; Mountain Technology Center Venture, LLC (95%); Mountain Technology Center Venture Sub A, LLC (95%); Mountain Technology Center Venture Sub B, LLC (95%); Mountain Technology Center Venture Sub C, LLC (95%); Mountain Technology Center Venture Sub D, LLC (95%); Mountain Technology Center Venture Sub E, LLC (95%).

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

PART 1 - ORGANIZATIONAL CHART

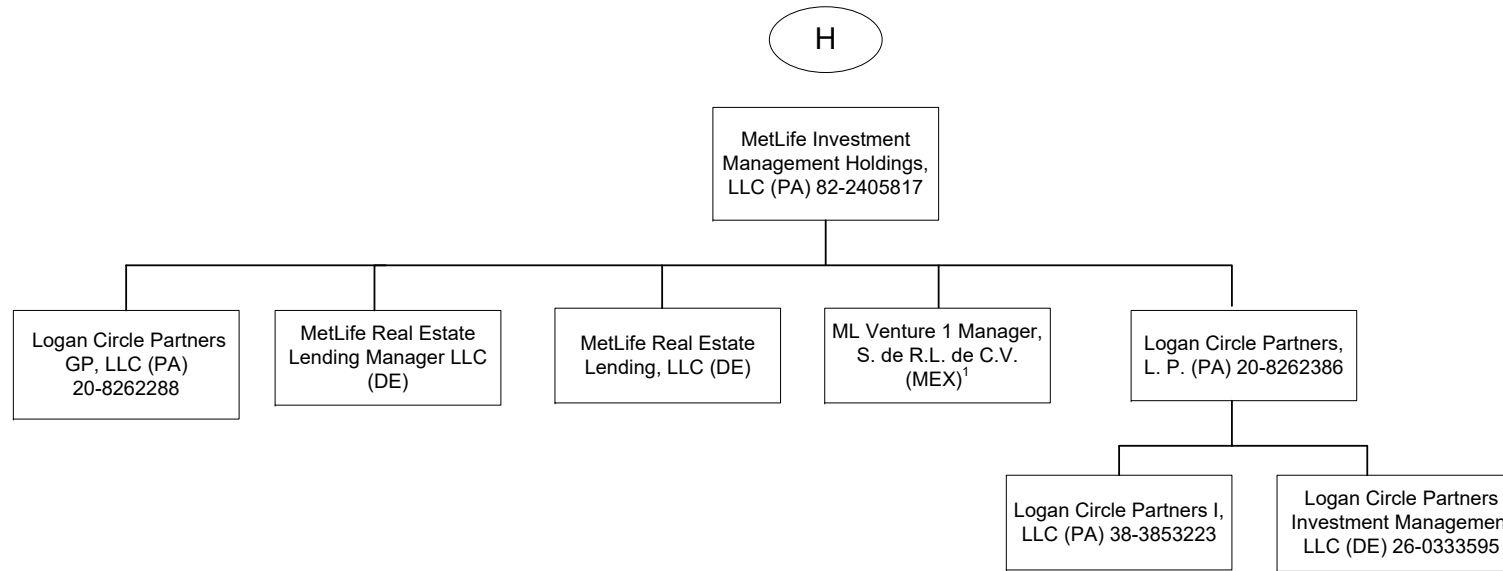


1 99.997% is held by MetLife Chile Inversiones Limitada and .003% by International Technical and Advisory Services Limited.  
 2 99.9% is held by MetLife Chile Seguros de Vida S.A. and 0.1% by MetLife Chile Inversiones Limitada.  
 3 99.98% of MetLife Chile Seguros Generales, S.A. is owned by MetLife Chile Inversiones Limitada and 0.02% by Inversiones MetLife Holdco Dos Limitada.  
 4 97.13% of Inversiones MetLife Holdco Tres Limitada is owned by MetLife Chile Inversiones Limitada and 2.87% is owned by Inversiones MetLife Holdco Dos Limitada.

5 42.3815% of AFP Provida S.A. is owned by Inversiones MetLife Holdco Dos Limitada, 42.3815% owned by Inversiones MetLife Holdco Tres Limitada and 10.9224% by MetLife Chile Inversiones Limitada and the remainder is owned by the public.  
 6 99.99% of Provida Internacional S.A. is owned by AFP Provida S.A. and .01% by MetLife Chile Inversiones Limitada.  
 7 99.9% of AFP Genesis Administradora de Fondos y Fidecomisos S.A. is owned by Provida Internacional S.A. and 0.1% by AFP Provida S.A.

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

PART 1 - ORGANIZATIONAL CHART



1. 99.9% of ML Venture1 Manager, S. de R.L. de C.V. is owned by MetLife Investment Management Holdings, LLC and 0.1% is owned by MetLife Investment Management Holdings (Ireland) Limited.

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

PART 1 - ORGANIZATIONAL CHART

- 1) The voting securities (excluding directors' qualifying shares, if any) of each subsidiary shown on the organizational chart are 100% owned by their respective parent corporation, unless otherwise indicated.
- 2) The Metropolitan Money Market Pool and MetLife Intermediate Income Pool are pass-through investments pools, of which Metropolitan Life Insurance Company and/or its subsidiaries and/or affiliates are general partners.
- 3) The MetLife, Inc. organizational chart does not include real estate joint ventures and partnerships of which MetLife, Inc. and/or its subsidiaries is an investment partner. In addition, certain inactive subsidiaries have also been omitted.
- 4) MetLife Services EEIG is a cost-sharing mechanism used in European Union for European Union-affiliated members.

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