



ANNUAL STATEMENT

For the Year Ended December 31, 2019
of the Condition and Affairs of the

AFFILIATED FM INSURANCE COMPANY

NAIC Group Code.....	0065, 0065 (Current Period) (Prior Period)	NAIC Company Code.....	10014	Employer's ID Number.....	05-0254496
Organized under the Laws of RI		State of Domicile or Port of Entry	RI	Country of Domicile	US
Incorporated/Organized.....	May 6, 1949	Commenced Business.....	June 1, 1950		
Statutory Home Office	270 Central Avenue .. Johnston .. RI .. US .. 02919-4949 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>				
Main Administrative Office	270 Central Avenue .. Johnston .. RI .. US .. 02919-4949 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>			401-275-3000 <i>(Area Code) (Telephone Number)</i>	
Mail Address	P.O. Box 7500 .. Johnston .. RI .. US .. 02919-0750 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>				
Primary Location of Books and Records	270 Central Avenue .. Johnston .. RI .. US .. 02919-4949 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>			401-275-3000 <i>(Area Code) (Telephone Number)</i>	
Internet Web Site Address	www.fmglobal.com				
Statutory Statement Contact	Michael Gariglio <i>(Name)</i> michael.gariglio@fmglobal.com <i>(E-Mail Address)</i>			401-415-1892 <i>(Area Code) (Telephone Number) (Extension)</i> 401-946-8306 <i>(Fax Number)</i>	

OFFICERS

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

OTHER	
Bret Nils Ahnell	Executive Vice President
Malcolm Craig Roberts	Executive Vice President
Deanna Ruth Fidler	Senior Vice President
Kevin Scott Ingram	Executive Vice President
Sanjay Chawla	Senior Vice President

DIRECTORS OR TRUSTEES

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

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

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

_____ (Signature) Thomas Alan Lawson _____ 1. (Printed Name) Chairman & Chief Executive Officer _____ (Title)	_____ (Signature) Jonathan Irving Mishara _____ 2. (Printed Name) Senior Vice President & Secretary _____ (Title)	_____ (Signature) Rachel Cope _____ 3. (Printed Name) Vice President & Controller _____ (Title)
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Subscribed and sworn to before me
This 24th day of February 2020
John A. Soares III Notary Public
Expires July 5, 2021

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	1,732,993,592		1,732,993,592	1,629,263,887
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....	1,406,861,546		1,406,861,546	1,067,658,842
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....50,801,567, Schedule E-Part 1), cash equivalents (\$.....237,319,472, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	288,121,039		288,121,039	322,646,328
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	16,999
10. Securities lending reinvested collateral assets (Schedule DL).....	39,211,085		39,211,085	38,740,220
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	3,467,187,262	.0	3,467,187,262	3,058,326,276
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	12,833,319		12,833,319	12,169,496
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	186,886,052	9,946,442	176,939,610	147,347,961
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	19,017,888		19,017,888	239,804,397
16.2 Funds held by or deposited with reinsured companies.....	13,398		13,398	913,398
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
18.2 Net deferred tax asset.....			.0	
19. Guaranty funds receivable or on deposit.....	54,237		54,237	52,896
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other-than-invested assets.....	10,208,732	.0	10,208,732	62,126,521
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	3,696,200,888	9,946,442	3,686,254,446	3,520,740,945
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTAL (Lines 26 and 27).....	3,696,200,888	9,946,442	3,686,254,446	3,520,740,945

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. Equities and deposits in pools and associations.....	1,000,000		1,000,000	1,000,000
2502. Cash clearing accounts.....	7,408,636		7,408,636	60,086,534
2503. Miscellaneous receivable.....	1,800,096		1,800,096	1,039,987
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).....	10,208,732	.0	10,208,732	62,126,521

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	537,869,342	819,740,310
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	409,239	460,426
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	58,387,747	79,125,883
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	365,847	360,712
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	7,081,965	7,550,596
7.1 Current federal and foreign income taxes (including \$.....20,953,510 on realized capital gains (losses)).....	80,828,491	19,831,091
7.2 Net deferred tax liability.....	79,212,854	35,345,854
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 \$.....75,334,000 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	427,143,699	398,557,612
10. Advance premium.....	1,520,410	
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....	261,999	251,038
12. Ceded reinsurance premiums payable (net of ceding commissions).....	107,628,028	109,615,679
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.....	589,448	508,930
15. Remittances and items not allocated.....	745,300	1,782,856
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 3, Column 78).....	4,046,000	3,573,800
17. Net adjustments in assets and liabilities due to foreign exchange rates.....	120,620,401	123,633,321
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	156,594,299	164,470,929
20. Derivatives.....		
21. Payable for securities.....	1,172,363	
22. Payable for securities lending.....	39,211,085	38,740,220
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	24,581,047	50,458,817
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,648,269,564	1,854,008,074
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	1,648,269,564	1,854,008,074
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	4,000,000	4,000,000
31. Preferred capital stock.....	7,250,000	7,250,000
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	270,210,661	270,210,661
35. Unassigned funds (surplus).....	1,756,524,221	1,385,272,210
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).....	2,037,984,882	1,666,732,871
38. TOTAL (Page 2, Line 28, Col. 3).....	3,686,254,446	3,520,740,945

DETAILS OF WRITE-INS

2501. Miscellaneous accounts payable.....	19,969,326	42,066,123
2502. Deferred ceding commissions.....	4,611,721	8,392,694
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	24,581,047	50,458,817
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	472,658,904	432,634,124
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	254,566,748	416,999,114
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	7,293,035	17,170,273
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	131,478,495	125,039,880
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	393,338,278	559,209,267
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	79,320,626	(126,575,143)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	78,073,507	61,753,130
10. Net realized capital gains (losses) less capital gains tax of \$.....20,026,000 (Exhibit of Capital Gains (Losses)).....	75,337,617	145,134,531
11. Net investment gain (loss) (Lines 9 + 10).....	153,411,124	206,887,661
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....(68,240) amount charged off \$.....0).....	(68,240)	(4,061)
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	(163,433)	744,682
15. Total other income (Lines 12 through 14).....	(231,673)	740,621
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	232,500,077	81,053,139
17. Dividends to policyholders.....	516,471	499,363
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).....	231,983,606	80,553,776
19. Federal and foreign income taxes incurred.....	30,398,925	(10,361,197)
20. Net income (Line 18 minus Line 19) (to Line 22).....	201,584,681	90,914,973
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	1,666,732,871	1,779,872,466
22. Net income (from Line 20).....	201,584,681	90,914,973
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....42,065,000.....	158,654,795	(199,379,277)
25. Change in net unrealized foreign exchange capital gain (loss).....	18,213,692	(7,502,537)
26. Change in net deferred income tax.....	(1,802,000)	4,362,146
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(4,419,457)	(1,093,941)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(472,200)	66,541
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from Protected Cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....	(507,500)	(507,500)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	371,252,011	(113,139,595)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	2,037,984,882	1,666,732,871
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0
1401. Miscellaneous (expense) income.....	(33)	138
1402. Balances recovered.....	2,345	8,745
1403. (Loss) gain on foreign exchange.....	(165,745)	735,799
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).....	(163,433)	744,682
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	466,766,644	444,469,846
2. Net investment income.....	96,833,635	135,909,189
3. Miscellaneous income.....	(231,673)	740,621
4. Total (Lines 1 through 3).....	563,368,606	581,119,656
5. Benefit and loss related payments.....	286,545,403	465,956,928
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	159,974,503	126,425,489
8. Dividends paid to policyholders.....	505,510	488,776
9. Federal and foreign income taxes paid (recovered) net of \$.....35,630,368 tax on capital gains (losses).....	(10,572,475)	(12,056,871)
10. Total (Lines 5 through 9).....	436,452,941	580,814,322
11. Net cash from operations (Line 4 minus Line 10).....	126,915,665	305,334
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	517,110,202	337,251,059
12.2 Stocks.....	470,779,071	579,064,667
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.....	11,548	(7,784)
12.7 Miscellaneous proceeds.....	1,189,362	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	989,090,183	916,307,942
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	623,214,930	605,939,486
13.2 Stocks.....	515,758,064	355,677,210
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	0	16,999
13.7 Total investments acquired (Lines 13.1 to 13.6).....	1,138,972,994	961,633,695
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).....	(149,882,811)	(45,325,753)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	507,500	507,500
16.6 Other cash provided (applied).....	(11,050,643)	173,501,258
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(11,558,143)	172,993,758
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(34,525,289)	127,973,339
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	322,646,328	194,672,989
19.2 End of year (Line 18 plus Line 19.1).....	288,121,039	322,646,328

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....	246,667,302	145,228,310	150,119,663	241,775,949
2.	Allied lines.....	176,671,546	97,034,239	100,194,772	173,511,013
3.	Farmowners multiple peril.....	0		0	0
4.	Homeowners multiple peril.....	2,168,031	1,076,109	1,131,421	2,112,719
5.	Commercial multiple peril.....	80,901,862	36,325,270	43,015,408	74,211,724
6.	Mortgage guaranty.....	0		0	0
8.	Ocean marine.....	16,312,541	10,144,749	9,967,561	16,489,729
9.	Inland marine.....	172,336,769	78,247,968	93,458,840	157,125,897
10.	Financial guaranty.....	0		0	0
11.1	Medical professional liability - occurrence.....	0		0	0
11.2	Medical professional liability - claims-made.....	0		0	0
12.	Earthquake.....	0		0	0
13.	Group accident and health.....	0		0	0
14.	Credit accident and health (group and individual).....	0		0	0
15.	Other accident and health.....	0		0	0
16.	Workers' compensation.....	113	57	63	107
17.1	Other liability - occurrence.....	0		0	0
17.2	Other liability - claims-made.....	0		0	0
17.3	Excess workers' compensation.....	0		0	0
18.1	Products liability - occurrence.....	0		0	0
18.2	Products liability - claims-made.....	0		0	0
19.1, 19.2	Private passenger auto liability.....	0		0	0
19.3, 19.4	Commercial auto liability.....	0		0	0
21.	Auto physical damage.....	0		0	0
22.	Aircraft (all perils).....	0		0	0
23.	Fidelity.....	0		0	0
24.	Surety.....	0		0	0
26.	Burglary and theft.....	0		0	0
27.	Boiler and machinery.....	64,798,527	30,500,910	29,255,971	66,043,466
28.	Credit.....	0		0	0
29.	International.....	0		0	0
30.	Warranty.....	0		0	0
31.	Reinsurance - nonproportional assumed property.....	(258,611,710)		0	(258,611,710)
32.	Reinsurance - nonproportional assumed liability.....	11		0	11
33.	Reinsurance - nonproportional assumed financial lines.....	0		0	0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0
35.	TOTALS.....	501,244,991	398,557,612	427,143,699	472,658,904

DETAILS OF WRITE-INS

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	150,119,663				150,119,663
2.	Allied lines.....	100,194,772				100,194,772
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....	1,131,421				1,131,421
5.	Commercial multiple peril.....	43,015,408				43,015,408
6.	Mortgage guaranty.....					0
8.	Ocean marine.....	9,967,561				9,967,561
9.	Inland marine.....	93,458,840				93,458,840
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....					0
11.2	Medical professional liability - claims-made.....					0
12.	Earthquake.....					0
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....					0
16.	Workers' compensation.....	63				63
17.1	Other liability - occurrence.....					0
17.2	Other liability - claims-made.....					0
17.3	Excess workers' compensation.....					0
18.1	Products liability - occurrence.....					0
18.2	Products liability - claims-made.....					0
19.1, 19.2	Private passenger auto liability.....					0
19.3, 19.4	Commercial auto liability.....					0
21.	Auto physical damage.....					0
22.	Aircraft (all perils).....					0
23.	Fidelity.....					0
24.	Surety.....					0
26.	Burglary and theft.....					0
27.	Boiler and machinery.....	29,255,971				29,255,971
28.	Credit.....					0
29.	International.....					0
30.	Warranty.....					0
31.	Reinsurance - nonproportional assumed property.....					0
32.	Reinsurance - nonproportional assumed liability.....					0
33.	Reinsurance - nonproportional assumed financial lines.....					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	427,143,699	0	0	0	427,143,699
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					427,143,699

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
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0

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

Annual Statement for the year 2019 of the **AFFILIATED FM INSURANCE COMPANY**
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	343,998,702	7,231,420	168,194	17,814,390	86,916,624	246,667,302
2. Allied lines.....	233,900,582	12,022,965		11,458,268	57,793,733	176,671,546
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....	2,186,773				18,742	2,168,031
5. Commercial multiple peril.....	105,558,977	255,782			24,912,897	80,901,862
6. Mortgage guaranty.....						0
8. Ocean marine.....	18,643,052	578,678			2,909,189	16,312,541
9. Inland marine.....	211,063,527	9,068,786		6,385,294	41,410,250	172,336,769
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....						0
11.2 Medical professional liability - claims-made.....						0
12. Earthquake.....						0
13. Group accident and health.....						0
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....						0
16. Workers' compensation.....	113					113
17.1 Other liability - occurrence.....						0
17.2 Other liability - claims-made.....						0
17.3 Excess workers' compensation.....						0
18.1 Products liability - occurrence.....						0
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....						0
19.3, 19.4 Commercial auto liability.....						0
21. Auto physical damage.....						0
22. Aircraft (all perils).....						0
23. Fidelity.....						0
24. Surety.....						0
26. Burglary and theft.....						0
27. Boiler and machinery.....	58,696,384	7,465,736			1,363,593	64,798,527
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX			258,611,710		(258,611,710)
32. Reinsurance - nonproportional assumed liability.....	XXX		11			11
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.....	974,048,110	36,623,367	168,205	294,269,662	215,325,029	501,244,991

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 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire.....	232,858,763	1,545,563	30,320,569	204,083,757	135,603,648	222,915,002	116,772,403	48.3
2. Allied lines.....	276,034,755		19,912,781	256,121,974	129,503,440	225,683,309	159,942,105	92.2
3. Farmowners multiple peril.....				0	0	0	0	0.0
4. Homeowners multiple peril.....	991,277			991,277	196,173	142,546	1,044,905	49.5
5. Commercial multiple peril.....	63,270,877	6,700,000	2,598,380	67,372,497	84,337,264	117,485,287	34,224,473	46.1
6. Mortgage guaranty.....				0	0	0	0	0.0
8. Ocean marine.....	69,468,467	607,270	18,866,941	51,208,796	41,121,019	31,839,748	60,490,068	366.8
9. Inland marine.....	63,448,584	13,223	837,591	62,624,216	25,132,654	69,623,607	18,133,263	11.5
10. Financial guaranty.....				0	0	0	0	0.0
11.1 Medical professional liability - occurrence.....				0	0	0	0	0.0
11.2 Medical professional liability - claims-made.....				0	0	0	0	0.0
12. Earthquake.....				0	0	0	0	0.0
13. Group accident and health.....				0	0	0	0	0.0
14. Credit accident and health (group and individual).....				0	0	0	0	0.0
15. Other accident and health.....				0	0	0	0	0.0
16. Workers' compensation.....	473,804	11,915	423,959	61,759	3,003,221	2,424,110	640,871	598,944.7
17.1 Other liability - occurrence.....	258,250	6,094	152,058	112,286	73,518,549	73,180,799	450,036	0.0
17.2 Other liability - claims-made.....				0	0	0	0	0.0
17.3 Excess workers' compensation.....				0	0	0	0	0.0
18.1 Products liability - occurrence.....	8,172,394		4,208,181	3,964,213	30,156,192	34,643,458	(523,053)	0.0
18.2 Products liability - claims-made.....				0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability.....				0	0	0	0	0.0
19.3, 19.4 Commercial auto liability.....				0	0	0	0	0.0
21. Auto physical damage.....				0	0	0	0	0.0
22. Aircraft (all perils).....				0	0	0	0	0.0
23. Fidelity.....	(9,591)			(9,591)	0	0	(9,591)	0.0
24. Surety.....				0	0	0	0	0.0
26. Burglary and theft.....				0	0	0	0	0.0
27. Boiler and machinery.....	42,298,946	30,568	180,828	42,148,686	13,998,169	39,901,657	16,245,199	24.6
28. Credit.....				0	0	0	0	0.0
29. International.....				0	0	0	0	0.0
30. Warranty.....				0	0	0	0	0.0
31. Reinsurance - nonproportional assumed property.....	XXX		152,245,520	(152,245,520)	0	0	(152,245,520)	58.9
32. Reinsurance - nonproportional assumed liability.....	XXX	3,365		3,365	1,299,013	1,900,788	(598,411)	(5,440,095.8)
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0	0	0	0	0.0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35. TOTALS.....	757,266,526	8,917,997	229,746,808	536,437,715	537,869,343	819,740,310	254,566,748	53.9
DETAILS OF WRITE-INS								
3401.				0	0	0	0	0.0
3402.				0	0	0	0	0.0
3403.				0	0	0	0	0.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0.0

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

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	144,838,327	1,932,902	43,743,694	103,027,535	37,641,995	13,118	5,079,000	135,603,648	10,296,569
2. Allied lines.....	135,702,995		26,684,554	109,018,440	22,953,000		2,468,000	129,503,440	11,761,000
3. Farmowners multiple peril.....				0				0	
4. Homeowners multiple peril.....	196,173			196,173				196,173	
5. Commercial multiple peril.....	72,082,846	650,000	2,373,582	70,359,264	14,376,000		398,000	84,337,264	7,980,000
6. Mortgage guaranty.....				0				0	
8. Ocean marine.....	35,756,500	198,905	1,367,385	34,588,019	6,563,000		30,000	41,121,019	3,724,000
9. Inland marine.....	36,157,950	50,000	15,764,295	20,443,655	4,867,000		178,000	25,132,654	2,679,000
10. Financial guaranty.....				0				0	
11.1 Medical professional liability - occurrence.....				0				0	
11.2 Medical professional liability - claims-made.....				0				0	
12. Earthquake.....				0				0	
13. Group accident and health.....				0				(a) 0	
14. Credit accident and health (group and individual).....				0				0	
15. Other accident and health.....				0				(a) 0	
16. Workers' compensation.....	1,432,056	138,268	797,015	773,308	70,317	2,358,144	198,549	3,003,221	21,926
17.1 Other liability - occurrence.....	7,118,652	66,293	3,077,933	4,107,012	85,093,743	765,685	16,447,890	73,518,549	8,463,544
17.2 Other liability - claims-made.....				0				0	
17.3 Excess workers' compensation.....				0				0	
18.1 Products liability - occurrence.....	45,162,795		24,618,891	20,543,904	97,469,927		87,857,639	30,156,192	11,839,709
18.2 Products liability - claims-made.....				0				0	
19.1, 19.2 Private passenger auto liability.....				0				0	
19.3, 19.4 Commercial auto liability.....				0				0	
21. Auto physical damage.....				0				0	
22. Aircraft (all perils).....				0				0	
23. Fidelity.....				0				0	
24. Surety.....				0				0	
26. Burglary and theft.....				0				0	
27. Boiler and machinery.....	14,439,721		3,286,551	11,153,169	2,849,000		4,000	13,998,169	1,622,000
28. Credit.....				0				0	
29. International.....				0				0	
30. Warranty.....				0				0	
31. Reinsurance - nonproportional assumed property.....	XXX			0	XXX			0	
32. Reinsurance - nonproportional assumed liability.....	XXX	74,354	1	74,354	XXX	1,224,659		1,229,013	
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.....	492,888,015	3,110,721	121,713,903	374,284,833	271,883,982	4,361,606	112,661,078	537,869,343	58,387,747
DETAILS OF WRITE-INS									
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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	15,293,132			15,293,132
1.2 Reinsurance assumed.....	9,841			9,841
1.3 Reinsurance ceded.....	14,980,485			14,980,485
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	322,488	0	0	322,488
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		103,773,461		103,773,461
2.2 Reinsurance assumed, excluding contingent.....		353,297		353,297
2.3 Reinsurance ceded, excluding contingent.....		113,008,423		113,008,423
2.4 Contingent - direct.....				0
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	(8,881,665)	0	(8,881,665)
3. Allowances to manager and agents.....				0
4. Advertising.....		1,491,470	147	1,491,617
5. Boards, bureaus and associations.....		(2,736)		(2,736)
6. Surveys and underwriting reports.....		68,310		68,310
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	4,529,261	69,969,017	716,161	75,214,439
8.2 Payroll taxes.....	250,706	4,424,621	31,299	4,706,626
9. Employee relations and welfare.....	866,730	15,866,675	257,752	16,991,157
10. Insurance.....	15,076	987,021	906	1,003,003
11. Directors' fees.....		49,166		49,166
12. Travel and travel items.....	655,736	8,486,874	53,037	9,195,647
13. Rent and rent items.....	408,197	7,205,309	80,524	7,694,030
14. Equipment.....	168,162	6,460,464	10,442	6,639,068
15. Cost or depreciation of EDP equipment and software.....				0
16. Printing and stationery.....	33,611	430,384	8,870	472,865
17. Postage, telephone and telegraph, exchange and express.....	33,917	3,961,741	182,312	4,177,970
18. Legal and auditing.....	8,767	236,430		245,197
19. Totals (Lines 3 to 18).....	6,970,163	119,634,748	1,341,450	127,946,361
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....10,379.....		24,534,707	97,026	24,631,733
20.2 Insurance department licenses and fees.....		399,519	2,980	402,499
20.3 Gross guaranty association assessments.....		46,051		46,051
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	24,980,276	100,006	25,080,282
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	384	(4,254,864)	847,736	(3,406,744)
25. Total expenses incurred.....	7,293,035	131,478,495	2,289,192	(a).....141,060,722
26. Less unpaid expenses - current year.....	58,387,747	7,447,813		65,835,560
27. Add unpaid expenses - prior year.....	79,125,883	7,911,308		87,037,191
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).....	28,031,171	131,941,990	2,289,192	162,262,353

DETAILS OF WRITE-INS

2401. Bank Activity Fee.....		9,767	79,347	89,114
2402. Consultants.....		129,017		129,017
2403. Intercompany Service Charge.....		3,356,993		3,356,993
2498. Summary of remaining write-ins for Line 24 from overflow page.....	384	(7,750,641)	768,389	(6,981,868)
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	384	(4,254,864)	847,736	(3,406,744)

(a) Includes management fees of \$.....135,283,711 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....4,649,591	4,881,189
1.1 Bonds exempt from U.S. tax.....	(a).....5,667,740	5,733,414
1.2 Other bonds (unaffiliated).....	(a).....38,006,505	38,483,671
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....27,412,739	27,307,906
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).....6,265,861	6,265,862
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....402,072	402,072
10. Total gross investment income.....	82,404,508	83,074,114
11. Investment expenses.....	.....	(g).....2,189,186
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....100,006
13. Interest expense.....	.....	(h).....2,711,415
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).....	.....	5,000,607
17. Net investment income (Line 10 minus Line 16).....	.....	78,073,507

DETAILS OF WRITE-INS

0901. Security Lending Income.....	50,086	50,086
0902. Miscellaneous Income.....	229,366	229,366
0903. Fair Plan Income.....	122,620	122,620
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).....	402,072	402,072
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 \$.....2,163,277 accrual of discount less \$.....6,386,456 amortization of premium and less \$.....1,774,610 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 \$.....1,167 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	(262,871)	.....	(262,871)	.....	.....
1.1 Bonds exempt from U.S. tax.....	185,260	.....	185,260	.....	.....
1.2 Other bonds (unaffiliated).....	1,893,769	.....	1,893,769	31,995	.....
1.3 Bonds of affiliates.....	.....	.....	0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	0	.....	.....
2.2 Common stocks (unaffiliated).....	96,280,612	(2,725,327)	93,555,285	200,668,426	.....
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.....	(7,826)	.....	(7,826)	19,374	.....
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).....	98,088,944	(2,725,327)	95,363,617	200,719,795	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 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	9,946,442	5,526,985	(4,419,457)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	9,946,442	5,526,985	(4,419,457)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	9,946,442	5,526,985	(4,419,457)

DETAILS OF WRITE-INS

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

NOTES TO FINANCIAL STATEMENTS**Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

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

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

The Company applies paragraph 5(a) of SSAP 23, rather than paragraph 5(b) of SSAP 23, with respect to the methodology applied in translating the Company's Canadian branch to USD. This is consistent with the methodology used in prior years, and a permitted practice has been approved by the State of Rhode Island. The total adjustment to convert the balance sheet to USD is \$120,620,401 which appears on line 17 – "Net adjustment in assets and liabilities due to foreign exchange rates", on page 3 - "Liabilities" of the 2019 annual statement. There is no net impact on surplus, and the effect on 2019 net income would be a decrease to net income in the amount of \$273,254 (which would be offset by a corresponding increase to surplus).

	SSAP #	F/S Page	F/S Line #	2019	2018
NET INCOME					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 201,584,681	\$ 90,914,973
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$ -	\$ -
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$ -	\$ -
Application of SSAP 23 regarding translating the Canadian branch to USD	23	3	17	\$ 273,254	\$ (22,975,012)
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 201,311,427	\$ 113,889,985
SURPLUS					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 2,037,984,882	\$ 1,666,732,871
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$ -	\$ -
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$ -	\$ -
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 2,037,984,882	\$ 1,666,732,871

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

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

C. Accounting Policies

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

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

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

In addition, the Company utilizes the following accounting policies:

(1) Basis for Short-Term Investments

Short-term debt securities are stated at amortized cost using the interest method.

(2) Basis for Bonds and Amortization Schedule

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

(3) Basis for Common Stocks

Common stocks are stated at fair value.

(4) Basis for Preferred Stocks

The Company has no preferred stocks.

(5) Basis for Mortgage Loans

The Company has no mortgage loans.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

The Company has no interest in subsidiaries.

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

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

(9) Accounting Policies for Derivatives

The Company has no derivatives.

(10) Anticipated Investment Income Used in Premium Deficiency Calculation

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

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

Liabilities for unpaid losses and loss adjustment expenses (including Asbestos and Environmental reserves) are based on case estimates or reports from ceding companies. Estimates of incurred-but-not-reported (IBNR) reserves are based on historical experience and management analysis. Although the above-described amounts are based on estimates, management believes recorded liabilities for unpaid losses and loss adjustment expenses are reasonable to cover the ultimate settlement cost of losses incurred. These estimates are continually reviewed and adjustments to such estimates are reflected in current operations.

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

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

(13) Method Used to Estimate Pharmaceutical Rebate Receivables

The Company has no "pharmaceutical rebate receivables".

D. Going Concern

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

Note 2 – Accounting Changes and Correction of Errors

Not Applicable

Note 3 – Business Combinations and Goodwill

Not Applicable

Note 4 – Discontinued Operations

Not Applicable

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not Applicable

B. Debt Restructuring

Not Applicable

C. Reverse Mortgages

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 5 – Investments (continued from preceding page)****D. Loan-Backed Securities****(1) Description of Sources Used to Determine Prepayment Assumptions**

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

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

Not Applicable

(3) Recognized OTTI Securities

Not Applicable

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

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$	30,436
	2. 12 Months or Longer	\$	155,166
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$	15,119,502
	2. 12 Months or Longer	\$	33,112,804

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

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

E. Dollar Repurchase Agreements and/or Securities Lending Transactions**(1) Policy for Requiring Collateral or Other Security**

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

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

Not Applicable

(3) Collateral Received

a. Aggregate Amount Collateral Received	Fair Value
1. Securities Lending	
(a) Open	\$ -
(b) 30 Days or Less	27,726,990
(c) 31 to 60 Days	4,500,000
(d) 61 to 90 Days	5,000,000
(e) Greater Than 90 Days	1,984,095
(f) Sub-Total	39,211,085
(g) Securities Received	-
(h) Total Collateral Received	\$ 39,211,085
2. Dollar Repurchase Agreement	
(a) Open	\$ -
(b) 30 Days or Less	-
(c) 31 to 60 Days	-
(d) 61 to 90 Days	-
(e) Greater Than 90 Days	-
(f) Sub-Total	-
(g) Securities Received	-
(h) Total Collateral Received	\$ -
b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged	\$ 39,211,085

c. Information about Sources and Uses of Collateral

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

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

(4) Aggregate Value of the Reinvested Collateral

The Company has no collateral administered by an affiliated agent.

(5) Collateral Reinvestment

a. Aggregate Amount Collateral Reinvested	Amortized Cost	Fair Value
1. Securities Lending		
(a) Open	\$ -	\$ -
(b) 30 Days or Less	27,726,990	27,726,990
(c) 31 to 60 Days	4,500,000	4,500,000
(d) 61 to 90 Days	5,000,000	5,000,000
(e) 91 to 120 Days	1,984,095	1,984,095
(f) 121 to 180 Days	-	-
(g) 181 to 365 Days	-	-
(h) 1 to 2 Years	-	-
(i) 2 to 3 Years	-	-
(j) Greater Than 3 Years	-	-
(k) Sub-Total	\$ 39,211,085	\$ 39,211,085
(l) Securities Received	-	-
(m) Total Collateral Reinvested	\$ 39,211,085	\$ 39,211,085
2. Dollar Repurchase Agreement		
(a) Open	\$ -	\$ -
(b) 30 Days or Less	-	-
(c) 31 to 60 Days	-	-
(d) 61 to 90 Days	-	-
(e) 91 to 120 Days	-	-
(f) 121 to 180 Days	-	-
(g) 181 to 365 Days	-	-
(h) 1 to 2 Years	-	-
(i) 2 to 3 Years	-	-
(j) Greater Than 3 Years	-	-
(k) Sub-Total	\$ -	\$ -
(l) Securities Received	-	-
(m) Total Collateral Reinvested	\$ -	\$ -

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

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

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

In addition to the cash collateral, the Company also received collateral in the form of government securities. These securities are held by the agent and are not traded or repledged. The current fair value of the securities collateral is \$33,993,566.

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

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

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

J. Real Estate

Not Applicable

K. Low-Income Housing Tax Credits (LIHTC)

Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 5 – Investments (continued from preceding page)

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)
	Current Year						
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Call Account (S/A) Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)		
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Collateral held under security lending arrangements	39,211,085	-	-	-	39,211,085	38,740,220	470,865
c. Subject to repurchase agreements	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	-	-	-	-	-	-	-
i. FHLB capital stock	-	-	-	-	-	-	-
j. On deposit with states	5,147,653	-	-	-	5,147,653	5,151,723	(4,070)
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-	-
o. Total Restricted Assets	\$ 44,358,738	\$ -	\$ -	\$ -	\$ 44,358,738	\$ 43,891,943	\$ 466,795

Restricted Asset Category	Current Year			
	8 Total Nonadmitted Restricted	9 Total Admitted Restricted (5 minus 8)	Percentage	
			10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	- %	- %
b. Collateral held under security lending arrangements	-	39,211,085	1.1%	1.1%
c. Subject to repurchase agreements	-	-	- %	- %
d. Subject to reverse repurchase agreements	-	-	- %	- %
e. Subject to dollar repurchase agreements	-	-	- %	- %
f. Subject to dollar reverse repurchase agreements	-	-	- %	- %
g. Placed under option contracts	-	-	- %	- %
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock	-	-	- %	- %
i. FHLB capital stock	-	-	- %	- %
j. On deposit with states	-	5,147,653	0.1%	0.1%
k. On deposit with other regulatory bodies	-	-	- %	- %
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	- %	- %
m. Pledged as collateral not captured in other categories	-	-	- %	- %
n. Other restricted assets	-	-	- %	- %
o. Total Restricted Assets	\$ -	\$ 44,358,738	1.2%	1.2%

(a) Subset of column 1

(b) Subset of column 3

(c) Column 5 divided by Asset Page, Column 1, Line 28

(d) Column 9 divided by Asset Page, Column 3, Line 28

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)

Not Applicable

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

- (3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

Not Applicable

- (4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Collateral Assets	1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted)*	4 % of BACV to Total Admitted Assets**
a. Cash, Cash Equivalents and Short-Term Investments	\$ -	\$ -	- %	- %
b. Schedule D, Part 1	-	-	- %	- %
c. Schedule D, Part 2, Sec. 1	-	-	- %	- %
d. Schedule D, Part 2, Sec. 2	-	-	- %	- %
e. Schedule B	-	-	- %	- %
f. Schedule A	-	-	- %	- %
g. Schedule BA, Part 1	-	-	- %	- %
h. Schedule DL, Part 1	39,211,085	39,211,085	1.1%	1.1%
i. Other	-	-	- %	- %
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	\$ 39,211,085	\$ 39,211,085	1.1%	1.1%

* j = Column 1 divided by Asset Page, Line 26 (Column 1)

** j = Column 1 divided by Asset Page, Line 26, Column 3)

	1 Amount	2 % of Liability to Total Liabilities
k. Recognized Obligation to Return Collateral Asset (General Account)	\$ 39,211,085	2.4%

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

- M. Working Capital Finance Investments

Not Applicable

- N. Offsetting and Netting of Assets and Liabilities

Not Applicable

- O. 5GI Securities

Not Applicable

- P. Short Sales

Not Applicable

- Q. Prepayment Penalty and Acceleration Fees

	General Account	Protected Cell
(1) Number of CUSIPs	9	-
(2) Aggregate Amount of Investment Income	\$ 281,602	\$ -

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable

Note 7 – Investment Income

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

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

- B. The total amount excluded:

There were no accrued investment income amounts over 90 days past due as of December 31, 2019, or as of December 31, 2018.

Note 8 – Derivative Instruments

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 9 – Income Taxes**

A. Deferred Tax Assets/(Liabilities)

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

	2019			2018			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 72,089,146	\$ 3,678,000	\$ 75,767,146	\$ 68,290,146	\$ 5,628,000	\$ 73,918,146	\$ 3,799,000	\$ (1,950,000)	\$ 1,849,000
b. Statutory valuation allowance adjustment	43,475,000	-	43,475,000	26,241,000	-	26,241,000	17,234,000	-	17,234,000
c. Adjusted gross deferred tax assets (1a-1b)	\$ 28,614,146	\$ 3,678,000	\$ 32,292,146	\$ 42,049,146	\$ 5,628,000	\$ 47,677,146	\$ (13,435,000)	\$ (1,950,000)	\$ (15,385,000)
d. Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 28,614,146	\$ 3,678,000	\$ 32,292,146	\$ 42,049,146	\$ 5,628,000	\$ 47,677,146	\$ (13,435,000)	\$ (1,950,000)	\$ (15,385,000)
f. Deferred tax liabilities	816,000	110,689,000	111,505,000	11,522,000	71,501,000	83,023,000	(10,706,000)	39,188,000	28,482,000
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 27,798,146	\$ (107,011,000)	\$ (79,212,854)	\$ 30,527,146	\$ (65,873,000)	\$ (35,345,854)	\$ (2,729,000)	\$ (41,138,000)	\$ (43,867,000)

2. Admission Calculation Components SSAP No. 101

	2019			2018			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 22,563,000	\$ -	\$ 22,563,000	\$ 13,908,000	\$ -	\$ 13,908,000	\$ 8,655,000	\$ -	\$ 8,655,000
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	2,000	-	2,000	17,096,000	-	17,096,000	(17,094,000)	-	(17,094,000)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	2,000	-	2,000	17,096,000	-	17,096,000	(17,094,000)	-	(17,094,000)
2. Adjusted gross deferred tax assets allowed per limitation threshold			305,697,732			250,009,931			55,687,801
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	6,049,146	3,678,000	9,727,146	11,045,146	5,628,000	16,673,146	(4,996,000)	(1,950,000)	(6,946,000)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 28,614,146	\$ 3,678,000	\$ 32,292,146	\$ 42,049,146	\$ 5,628,000	\$ 47,677,146	\$ (13,435,000)	\$ (1,950,000)	\$ (15,385,000)

3. Other Admissibility Criteria

	2019	2018
a. Ratio percentage used to determine recovery period and threshold limitation amount	1,123.1%	890.6%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 2,037,984,882	\$ 1,666,732,871

NOTES TO FINANCIAL STATEMENTS**Note 9 – Income Taxes (continued from preceding page)**

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	2019		2018		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 28,614,146	\$ 3,678,000	\$ 42,049,146	\$ 5,628,000	\$ (13,435,000)	\$ (1,950,000)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	- %	- %	- %	- %	- %	- %
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 28,614,146	\$ 3,678,000	\$ 42,049,146	\$ 5,628,000	\$ (13,435,000)	\$ (1,950,000)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	- %	- %	- %	- %	- %	- %

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

B. Deferred Tax Liabilities Not Recognized

Not Applicable

C. Current and Deferred Income Taxes

The Tax Cuts and Jobs Act was enacted on December 22, 2017. The Act reduced the U.S. federal corporate tax rate from 35% to 21%, requiring companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously not recognized by the Company, and created new taxes on certain foreign source earnings. A net expense (benefit) of \$509,000 and \$(130,000) has been recognized as a separate component of gains and losses in unassigned funds (surplus), for the years December 31, 2019 and 2018, respectively.

1. Current Income Tax

	1 2019	2 2018	3 (Col 1-2) Change
a. Federal	\$ 30,449,395	\$ (2,584,672)	\$ 33,034,067
b. Foreign	\$ (50,470)	\$ (7,776,525)	\$ 7,726,055
c. Subtotal	\$ 30,398,925	\$ (10,361,197)	\$ 40,760,122
d. Federal income tax on net capital gains	\$ 20,026,000	\$ 38,580,000	\$ (18,554,000)
e. Utilization of capital loss carry-forwards	\$ -	\$ -	\$ -
f. Other	\$ -	\$ -	\$ -
g. Federal and Foreign income taxes incurred	\$ 50,424,925	\$ 28,218,803	\$ 22,206,122

NOTES TO FINANCIAL STATEMENTS**Note 9 – Income Taxes (continued from preceding page)**

2. Deferred Tax Assets

	1	2	3
	2019	2018	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 2,542,000	\$ 4,431,000	\$ (1,889,000)
2. Unearned premium reserve	17,230,000	16,157,000	1,073,000
3. Policyholder reserves	-	-	-
4. Investments	-	-	-
5. Deferred acquisition costs	-	-	-
6. Policyholder dividends accrual	-	-	-
7. Fixed assets	-	-	-
8. Compensation and benefits accrual	-	-	-
9. Pension accrual	-	-	-
10. Receivables - nonadmitted	1,965,000	1,090,000	875,000
11. Net operating loss carry-forward	-	-	-
12. Tax credit carry-forward	-	1,143,000	(1,143,000)
13. Other (items <=5% and >5% of total ordinary tax assets)	50,352,146	45,469,146	4,883,000
Other (items listed individually >5% of total ordinary tax assets)			
	43,475,000	38,275,000	5,200,000
99. Subtotal	\$ 72,089,146	\$ 68,290,146	\$ 3,799,000
b. Statutory valuation allowance adjustment	43,475,000	26,241,000	17,234,000
c. Nonadmitted	-	-	-
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 28,614,146	\$ 42,049,146	\$ (13,435,000)
e. Capital:			
1. Investments	\$ 3,678,000	\$ 5,628,000	\$ (1,950,000)
2. Net capital loss carry-forward	-	-	-
3. Real estate	-	-	-
4. Other (items <=5% and >5% of total capital tax assets)	-	-	-
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	\$ 3,678,000	\$ 5,628,000	\$ (1,950,000)
f. Statutory valuation allowance adjustment	-	-	-
g. Nonadmitted	-	-	-
h. Admitted capital deferred tax assets (2e99-2f-2g)	3,678,000	5,628,000	(1,950,000)
i. Admitted deferred tax assets (2d+2h)	\$ 32,292,146	\$ 47,677,146	\$ (15,385,000)

3. Deferred Tax Liabilities

	1	2	3
	2019	2018	(Col 1-2) Change
a. Ordinary:			
1. Investments	\$ -	\$ -	\$ -
2. Fixed assets	-	-	-
3. Deferred and uncollected premium	-	-	-
4. Policyholder reserves	-	-	-
5. Other (items <=5% and >5% of total ordinary tax liabilities)	816,000	11,522,000	(10,706,000)
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	\$ 816,000	\$ 11,522,000	\$ (10,706,000)
b. Capital:			
1. Investments	\$ 110,689,000	\$ 71,501,000	\$ 39,188,000
2. Real estate	-	-	-
3. Other (Items <=5% and >5% of total capital tax liabilities)	-	-	-
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	\$ 110,689,000	\$ 71,501,000	\$ 39,188,000
c. Deferred tax liabilities (3a99+3b99)	\$ 111,505,000	\$ 83,023,000	\$ 28,482,000
4. Net Deferred Tax Assets/Liabilities (2i – 3c)	\$ (79,212,854)	\$ (35,345,854)	\$ (43,867,000)

NOTES TO FINANCIAL STATEMENTS**Note 9 – Income Taxes (continued from preceding page)**

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

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	\$ 52,922,925	21.0%
Change in nonadmitted assets	-	- %
Proration of tax exempt investment income	823,000	0.3%
Tax exempt income deduction	(1,199,000)	(0.5)%
Dividends received deduction	(2,094,000)	(0.8)%
Disallowed travel and entertainment	12,000	%
Other permanent differences	-	- %
Temporary Differences:		
Total ordinary DTAs	(1,366,000)	(0.6)%
Total ordinary DTLs	-	- %
Total capital DTAs	-	- %
Total capital DTLs	-	- %
Other:		
Statutory valuation allowance adjustment	-	- %
Accrual adjustment – prior year	205,000	0.1%
Other	2,923,000	1.2%
Totals	\$ 52,226,925	20.7%
Federal and foreign income taxes incurred	30,398,925	12.0%
Realized capital gains (losses) tax	20,026,000	8.0%
Change in net deferred income taxes	1,802,000	0.7%
Total statutory income taxes	\$ 52,226,925	20.7%

E. Operating Loss Carry Forwards and Income Taxes Available for Recoupment

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

Not Applicable

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

Year	Amounts
2019	\$50,516,921
2018	\$28,683,569

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

F. Consolidated Federal Income Tax Return

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

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

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

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

G. Federal or Foreign Federal Income Tax Loss Contingencies:

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

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

Not Applicable

I. Alternative Minimum Tax Credit

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

A. Nature of the Relationship Involved

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

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

B. Transactions

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

C. Dollar Amounts of Transactions

Not Applicable

D. Amounts Due From or To Related Parties

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

Affiliate	2019	2018
Factory Mutual Insurance Company (Parent)	(\$157,087,877)	(\$163,473,640)
FM Insurance Company Ltd	(167,782)	329,525
FM Insurance Europe S.A.	(900,968)	(1,826,023)
FM Global de Mexico S.A. de C.V.	1,539,335	499,209
FMIC Holdings, Inc.	(166,250)	-
Appalachian Insurance Company	149,632	-
FM Approvals LLC	39,898	-
Hobbs Brook Management LLC	(287)	-
Total	(\$156,594,299)	(\$164,470,929)

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

E. Guarantees or Undertakings

Not Applicable

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

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

G. Nature of the Control Relationship

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

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

Not Applicable

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

Not Applicable

J. Investments in Impaired SCAs

Not Applicable

K. Investment in Foreign Insurance Subsidiary

Not Applicable

L. Investment in Downstream Noninsurance Holding Company

Not Applicable

M. All SCA Investments

Not Applicable

N. Investment in Insurance SCAs

Not Applicable

O. SCA or SSAP 48 Entity Loss Tracking

Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 11 – Debt

Not Applicable

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

A. Defined Benefit Plans

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

B. Investment Policies and Strategies

Not Applicable

C. Fair Value of Plan Assets

Not Applicable

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

Not Applicable

E. Defined Contribution Plans

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

F. Multiemployer Plans

Not Applicable

G. Consolidated/Holding Company Plans

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

The net expense allocated to the Company related to defined benefit plans was \$5,407,080 in 2019 and \$5,370,498 in 2018.

The net expense allocated to the Company related to defined contribution plans was \$2,700,000 in 2019 and \$2,652,000 in 2018.

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

H. Postemployment Benefits and Compensated Absences

Not Applicable

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

Not Applicable

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

(1) Number of Share and Par or State Value of Each Class

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

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

Detailed support is shown on Schedule Y Part 1.

(2) Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues

7% Cumulative.

NOTES TO FINANCIAL STATEMENTS**Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations (continued from preceding page)**

(3) Dividend Restrictions

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

- a. 10% of surplus as regards policyholders as of the 31st day of December next preceding, or
- b. Net income, not including realized gains, for the twelve month period ending the 31st day of December next preceding, but shall not include pro rata distributions of any class of the insurer's own securities.

For 2019, the maximum dividend payout that could have been made without prior approval was \$0. For 2020, the maximum dividend payout that may be made without prior approval is \$126,247,063.

(4) Dates and Amounts of Dividends Paid

There were ordinary dividends of \$175,000 and \$332,500 to Appalachian Insurance Company and FMIC Holdings, Inc., respectively, during 2019.

(5) Profits that may be Paid as Ordinary Dividends to Stockholders

Other than the limitations described in item 3 above, there are no other restrictions placed on the portion of profits that may be paid as ordinary dividends.

(6) Restrictions Placed on Unassigned Funds (Surplus)

There are no restrictions on the unassigned funds of the Company other than those described in item 3 above. Unassigned funds are held for the benefit of the owner.

(7) Amount of Advances to Surplus not Repaid

Not Applicable

(8) Amount of Stock Held for Special Purposes

Not Applicable

(9) Reasons for Changes in Balance of Special Surplus Funds from Prior Period

Not Applicable

(10) The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$484,389,000.

(11) The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations

Not Applicable

(12) The impact of any restatement due to prior quasi-reorganizations is as follows

Not Applicable

(13) Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization

Not Applicable

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

Not Applicable

B. Assessments

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

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

The Company has accrued a liability for guaranty fund and other assessments of \$159,807 and a related premium tax benefit asset of \$54,237.

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

At times, the Company has the ability to recover a portion of the accrued liability through policyholder surcharges. As of December 31, 2019, the asset related to policyholder surcharges, which appears within Page 2 line 25, is \$73,000.

NOTES TO FINANCIAL STATEMENTS**Note 14 – Liabilities, Contingencies and Assessments (continued from preceding page)**

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

a.	Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$	53,000
b.	Decreases current period:		10,000
c.	Increases current period:		11,000
d.	Assets recognized from paid and accrued premium tax offsets and policy surcharges current period	\$	54,000

(3) Undiscounted and Discounted Guaranty Fund Assessments

Not Applicable

C. Gain Contingencies

Not Applicable

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

Not Applicable

E. Product Warranties

Not Applicable

F. Joint and Several Liabilities

Not Applicable

G. All Other Contingencies

At December 31, 2019 and 2018 the Company had admitted premium receivable assets of \$176,939,610 and \$147,347,961, respectively, in premium receivable due from policyholders, agents and ceding insurers. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectible premium receivables as of December 31, 2019 are not expected to exceed the nonadmitted amount totaling \$9,946,442, and therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

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

Note 15 – Leases

Not Applicable

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

Not Applicable

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

A. Transfers of Receivables Reported as Sales

Not Applicable

B. Transfer and Servicing of Financial Assets

(1) Description of any Loaned Securities

Under a securities lending program with an agent, the Company has temporarily loaned certain debt securities with a fair value of \$71,753,640 and \$41,099,112 at December 31, 2019 and December 31, 2018, respectively. Borrowers of these securities must deposit an amount of cash and/or securities equal to 102% of the fair value of domestic securities or 105% of foreign securities. The Company continues to receive the interest on the loaned debt securities as a beneficial owner, and the loaned debt securities are included in the investment portfolio of the Company. The agent holds any securities pledged as collateral in trust for the borrower, and invests any cash collateral pledged in high quality short term securities. There are no collateral transactions that extend beyond one year.

(2) Servicing Assets and Servicing Liabilities

Not Applicable

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

Not Applicable

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

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities (continued from preceding page)**

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

Not Applicable

- (6) Transfer of Receivables with Recourse

Not Applicable

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

Not Applicable

- C. Wash Sales

Not Applicable

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

Not Applicable

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

Not Applicable

Note 20 – Fair Value Measurements

- A. Fair Value Measurements

- (1) Fair Value Measurements at Reporting Date

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

Description for Each Type of Asset or Liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
Assets at Fair Value					
Bonds	\$ -	\$ 3,822,285	\$ -	\$ -	\$ 3,822,285
Common Stocks - Industrial & Miscellaneous	\$ 900,358,519	\$ -	\$ -	\$ -	\$ 900,358,519
Mutual Funds	\$ 506,503,027	\$ -	\$ -	\$ -	\$ 506,503,027
Money Market Mutual Funds	\$ -	\$ -	\$ -	\$ 237,319,472	\$ 237,319,472
Total	\$ 1,406,861,546	\$ 3,822,285	\$ -	\$ 237,319,472	\$ 1,648,003,303
Liabilities at Fair Value					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

- (3) Policies when Transfers Between Levels are Recognized

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

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

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

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

Level 1 Quoted prices for identical instruments in active markets

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

Level 3 Significant inputs to the valuation model are unobservable

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS**Note 20 – Fair Value Measurements (continued from preceding page)**

(5) Derivative Fair Values

Not Applicable

B. Other Fair Value Disclosures

Not Applicable

C. Fair Value Level

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

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$1,779,456,295	\$1,732,993,592	\$ -	\$1,732,993,592	\$ -	\$ -	\$ -
Common Stocks	\$1,406,861,546	\$1,406,861,546	\$1,406,861,546	\$ -	\$ -	\$ -	\$ -
Cash and Cash Equivalents	\$ 288,121,039	\$ 288,121,039	\$ 50,801,567	\$ -	\$ -	\$ 237,319,472	\$ -
Securities Lending Reinvested Collateral Assets	\$ 39,211,085	\$ 39,211,085	\$ 39,211,085	\$ -	\$ -	\$ -	\$ -
Total	\$3,513,649,965	\$3,467,187,262	\$1,496,874,198	\$1,732,993,592	\$ -	\$ 237,319,472	\$ -

D. Not Practicable to Estimate Fair Value

Not Applicable

E. NAV Practical Expedient Investments

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

Note 21 – Other Items

A. Unusual or Infrequent Items

Not Applicable

B. Troubled Debt Restructuring Debtors

Not Applicable

C. Other Disclosures

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

D. Business Interruption Insurance Recoveries

Not Applicable

E. State Transferable and Non-Transferable Tax Credits

Not Applicable

F. Subprime Mortgage-Related Risk Exposure

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

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

(2) Direct Exposure Through Investments in Subprime Mortgage Loans

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 21 – Other Items (continued from preceding page)**

(3) Direct Exposure Through Other Investments

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	\$ 495,836	\$ 613,856	\$ 974,880	\$ -
b. Commercial mortgage-backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Equity investments in SCAs*	-	-	-	-
f. Other assets	-	-	-	-
g. Total	\$ 495,836	\$ 613,856	\$ 974,880	\$ -

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

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

Not Applicable

G. Insurance-Linked Securities (ILS) Contracts

Not Applicable

H. The Amount that Could be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or has Otherwise Obtained Rights to Control the Policy

Not Applicable

Note 22 – Events Subsequent

Subsequent events have been considered through February 24, 2020 for these statutory financial statements which are to be issued February 24, 2020. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

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

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

Not Applicable

B. Reinsurance Recoverable in Dispute

Not Applicable

C. Reinsurance Assumed and Ceded

(1) Maximum Amount of Return Commission

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 1,945,097	\$ 122,919	\$ 14,236,000	\$ 2,847,200	\$ (12,290,903)	\$ (2,724,281)
b. All Other	136,325	17,896	61,098,000	13,923,519	(60,961,675)	(13,905,623)
c. Total	\$ 2,081,422	\$ 140,815	\$ 75,334,000	\$ 16,770,719	\$ (73,252,578)	\$ (16,629,904)
d. Direct Unearned Premium Reserves						\$ 500,396,263

(2) Additional or Return Commission

Not Applicable

(3) Types of Risks Attributed to Protected Cell

Not Applicable

D. Uncollectible Reinsurance

Not Applicable

E. Commutation of Ceded Reinsurance

Not Applicable

F. Retroactive Reinsurance

Not Applicable

NOTES TO FINANCIAL STATEMENTS**Note 23 – Reinsurance (continued from preceding page)**

- G. Reinsurance Accounted for as a Deposit
Not Applicable
- H. Disclosures for the Transfer of Property and Casualty Run-off Agreements
Not Applicable
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
Not Applicable
- J. Reinsurance Agreements Qualifying for Reinsurer Aggregation
Not Applicable

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not Applicable

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

- A. Change in Incurred Losses and Loss Adjustment Expenses
- As a result of changes in estimates of insured events related to prior years, the provision for losses and loss adjustment expenses decreased by \$65,533,000. The decrease in the prior years was primarily due to the reduction of incurred-but-not-reported (IBNR) reserves based on actual experience.
- No additional premium or return of premium have been accrued as a result of prior year effects.
- B. Information about Significant Changes in Methodologies and Assumptions
Not Applicable

Note 26 – Intercompany Pooling Arrangements

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

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

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

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

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

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

- C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement
- Reinsurance may be externally ceded on a facultative and/or treaty basis by any pool participant prior to pooling.
- D. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers
- Each pool participant has a contractual right of direct recovery from its own external reinsurers.
- E. Explanation of Discrepancies Between Entries of Pooled Business
- There are no discrepancies between the assumed and ceded reinsurance schedules of the pool participants.
- F. Description of Intercompany Sharing
- Each pool participant establishes its respective provision for reinsurance in Schedule F and the write-off of uncollectible reinsurance for its own facultative and treaty cessions.

NOTES TO FINANCIAL STATEMENTS**Note 26 – Intercompany Pooling Arrangements (continued from preceding page)**

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

Name of Insurer	Amounts Receivable	Amounts Payable
Factory Mutual Insurance Company (lead insurer)	\$77,186,070	\$36,827,269
Affiliated FM Insurance Company	\$16,039,661	\$59,980,123
Appalachian Insurance Company	\$20,787,609	\$17,205,948

Note 27 – Structured Settlements

Not Applicable

Note 28 – Health Care Receivables

Not Applicable

Note 29 – Participating Policies

Not Applicable

Note 30 – Premium Deficiency Reserves

The Company evaluated whether a premium deficiency reserve is required as of December 31, 2019 and determined that a premium deficiency reserve is not applicable.

- Liability carried for premium deficiency reserve: \$0
- Date of most recent evaluation of this liability: February 3, 2020
- Was anticipated investment income utilized in the calculation? Yes [X] No []

Note 31 – High Deductibles

Not Applicable

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

Not Applicable

Note 33 – Asbestos/Environmental Reserves

A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses?

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

(1) Direct - Asbestos

	2015	2016	2017	2018	2019
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 153,322,000	\$ 249,498,000	\$ 239,716,000	\$ 235,611,000	\$ 229,972,000
b. Incurred losses and loss adjustment expense	105,000,000	-	430,000	-	(2,000)
c. Calendar year payments for losses and loss adjustment expenses	8,824,000	9,782,000	4,535,000	5,639,000	10,039,000
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 249,498,000	\$ 239,716,000	\$ 235,611,000	\$ 229,972,000	\$ 219,931,000

(2) Assumed Reinsurance - Asbestos

	2015	2016	2017	2018	2019
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ -	\$ -	\$ -	\$ -	\$ -
b. Incurred losses and loss adjustment expense	-	-	-	-	-
c. Calendar year payments for losses and loss adjustment expenses	-	-	-	-	-
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS**Note 33 – Asbestos/Environmental Reserves (continued from preceding page)**

(3) Net of Ceded Reinsurance - Asbestos

	2015	2016	2017	2018	2019
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 65,598,000	\$ 115,194,000	\$ 116,101,000	\$ 121,482,000	\$ 116,975,000
b. Incurred losses and loss adjustment expense	55,792,000	4,205,000	8,067,000	-	(11,373,000)
c. Calendar year payments for losses and loss adjustment expenses	6,196,000	3,298,000	2,686,000	4,507,000	5,726,000
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 115,194,000	\$ 116,101,000	\$ 121,482,000	\$ 116,975,000	\$ 99,876,000

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

(1) Direct basis	\$ 174,550,000
(2) Assumed reinsurance basis	-
(3) Net of ceded reinsurance basis	\$ 81,235,000

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

(1) Direct basis	\$ 29,175,000
(2) Assumed reinsurance basis	-
(3) Net of ceded reinsurance basis	\$ 17,500,000

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses?

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

(1) Direct - Environmental

	2015	2016	2017	2018	2019
a. Beginning reserves	\$ 35,992,000	\$ 31,404,000	\$ 30,736,000	\$ 42,761,000	\$ 41,646,000
b. Incurred losses and loss adjustment expense	(4,000,000)	-	12,564,000	-	-
c. Calendar year payments for losses and loss adjustment expenses	588,000	668,000	539,000	1,115,000	828,000
d. Ending reserves	\$ 31,404,000	\$ 30,736,000	\$ 42,761,000	\$ 41,646,000	\$ 40,818,000

(2) Assumed Reinsurance - Environmental

	2015	2016	2017	2018	2019
a. Beginning reserves	\$ -	\$ -	\$ -	\$ -	\$ -
b. Incurred losses and loss adjustment expense	-	-	-	-	-
c. Calendar year payments for losses and loss adjustment expenses	-	-	-	-	-
d. Ending reserves	\$ -	\$ -	\$ -	\$ -	\$ -

(3) Net of Ceded Reinsurance - Environmental

	2015	2016	2017	2018	2019
a. Beginning reserves	\$ 19,178,000	\$ 15,383,000	\$ 12,960,000	\$ 12,397,000	\$ 11,315,000
b. Incurred losses and loss adjustment expense	(3,308,000)	(1,990,000)	(24,000)	-	9,676,000
d. Calendar year payments for losses and loss adjustment expenses	487,000	433,000	539,000	1,082,000	784,000
d. Ending reserves	\$ 15,383,000	\$ 12,960,000	\$ 12,397,000	\$ 11,315,000	\$ 20,207,000

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

(1) Direct basis	\$ 34,087,000
(2) Assumed reinsurance basis	-
(3) Net of ceded reinsurance basis	\$ 13,937,000

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

(1) Direct basis	\$ 10,141,000
(2) Assumed reinsurance basis	-
(3) Net of ceded reinsurance basis	\$ 298,000

NOTES TO FINANCIAL STATEMENTS

Note 34 – Subscriber Savings Accounts

Not Applicable

Note 35 – Multiple Peril Crop Insurance

Not Applicable

Note 36 – Financial Guaranty Insurance

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes 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. _____
- 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. 12/31/2017
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2017
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/08/2018
- 3.4 By what department or departments?
Rhode Island Division of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 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
Name of Entity | 2
NAIC
Company
Code | 3
State of
Domicile |
|---------------------|------------------------------|---------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
- 7.21 State the percentage of foreign control _____ %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes No
- 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
Affiliate Name | 2
Location (City, State) | 3
FRB | 4
OCC | 5
FDIC | 6
SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| | | | | | |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP 200 Clarendon Street, Boston, MA 02116
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes No
- 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 [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Kathleen Odomirok, FCAS, MAAA - Principal, Ernst & Young LLP 200 Clarendon Street, Boston, MA 02116
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved 0
- 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.
- | 1
American Bankers Association (ABA)
Routing Number | 2
Issuing or Confirming Bank Name | 3
Circumstances That Can Trigger
the Letter of Credit | 4
Amount |
|-----------------------------------------------------------|--------------------------------------|-------------------------------------------------------------|-------------|
| | | | \$ |
- BOARD OF DIRECTORS**
16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []
- FINANCIAL**
19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 0
- 20.12 To stockholders not officers \$ 0
- 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ 0
- 20.22 To stockholders not officers 0
- 20.23 Trustees, supreme or grand (Fraternal only) 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ 0
- 21.22 Borrowed from others \$ 0
- 21.23 Leased from others \$ 0
- 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 0
- 22.22 Amount paid as expenses \$ 0
- 22.23 Other amounts paid \$ 0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [] No [X]
- 24.02 If no, give full and complete information, relating thereto:
JP Morgan Worldwide Securities Services and RBC (Toronto) hold custody of the securities.
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).
The market value and collateral value of securities loaned as of year-end 2019 is \$71,753,640 and \$73,204,652 respectively. The amount of cash collateral on the balance sheet is \$39,211,085. See Note 17 for a description of the securities lending program.
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes [X] No [] N/A []
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 73,204,652
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs \$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [] N/A []
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [] N/A []
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 39,211,085
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 39,211,085
- 24.103 Total payable for securities lending reported on the liability page: \$ 39,211,085
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [X] No []
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Placed under option agreements \$ 0
- 25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0
- 25.27 FHLB Capital Stock \$ 0
- 25.28 On deposit with states \$ 5,147,653
- 25.29 On deposit with other regulatory bodies \$ 0
- 25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 0
- 25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ 0
- 25.32 Other \$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
 If no, attach a description with this statement.

Lines 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

- 26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a results of interest rate sensitivity? Yes [] No []
- 26.4 If the response to 26.3 is yes, does the reporting entity utilize:
- 26.41 Special accounting provision of SSAP No. 108 Yes [] No []
- 26.42 Permitted accounting practice Yes [] No []
- 26.43 Other accounting guidance Yes [] No []
- 26.5 By responding yes to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [] No []
- The reporting entity has obtained explicit approval from the domiciliary state.
 - Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
 - Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guidance Conditional Tail Expectation Amount.
 - Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 27.2 If yes, state the amount thereof at December 31 of the current year: \$ 0

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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

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

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

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

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 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 Name of Firm or Individual	2 Affiliation
Sanjay Chawla, SVP, Chief Investment Officer	I
Daniel Richards VP, Portfolio Mgr Fixed Income	I
Scott Anthony, VP, Sector Portfolio Mgr Fixed Income	I
Standish Mellon Asset Management	U
BlackRock Financial Management Inc	U
BlackRock Asset Management Canada Limited	U

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

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 invested assets? Yes No

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
113972	Standish Mellon Asset Management	ME7YUCK4NF1W8VM8SP25	SEC	DS
107105	BlackRock Financial Management Inc	549300LVXY1VJKE13M84	SEC	DS
162262	BlackRock Asset Management Canada Limited	549300YTZPMRP8RYSY86	OSC	NO

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

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
233203 37 1	DFA INTERNATIONAL CORE EQUITY	\$ 169,724,009
464287 23 4	ISHARES MSCI EMERGING MKT INDEX ETF	\$ 20,864,550
464288 24 0	ISHARES MSCI ACWI EX US ETF	\$ 115,137,280
46429B 68 9	ISHARES EDGE MSCI MIN VOL EA	\$ 4,987,322
46429B 69 7	ISHARES EDGE MSCI MIN VOL US	\$ 8,761,733
46432F 33 9	ISHARES EDGE MSCI USA QUALITY	\$ 11,402,698
46432F 37 0	ISHARES EDGE MSCI USA SIZE	\$ 4,418,810
46432F 38 8	ISHARES EDGE MSCI USA VALUE	\$ 6,373,522
46432F 39 6	ISHARES EDGE MSCI USA MOMENT	\$ 1,656,764
46434V 44 9	ISHARES EDGE MSCI INTL MOMENT	\$ 960,628
46434V 45 6	ISHARES EDGE MSCI INTL QUALITY	\$ 6,741,442
46435G 40 9	ISHARES EDGE MSCI INTL VALUE	\$ 3,679,261
46435G 50 8	ISHARES EDGE MSCI INTL SIZE	\$ 2,565,579
77956H 32 8	TROWE PR GLOBAL STOCK	\$ 57,754,929
78464A 78 9	SPDR S&P INSURANCE ETF	\$ 40,744,500
922042 71 8	VANGUARD FTSE ALL WO X-US SC	\$ 10,554,500
922042 77 5	VANGUARD FTSE ALL WORLD EX-U	\$ 33,217,500
922042 86 6	VANGUARD PACIFIC ETF	\$ 6,958,000
29.2999 TOTAL		\$ 506,503,027

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
DFA INTERNATIONAL CORE EQUITY	Nestle SA	\$ 1,580,131	01/10/2019
DFA INTERNATIONAL CORE EQUITY	BP PLC	\$ 1,098,114	01/10/2019
DFA INTERNATIONAL CORE EQUITY	Toyota Motor Corp	\$ 1,093,023	01/10/2019
DFA INTERNATIONAL CORE EQUITY	Roche Holding AG	\$ 1,082,839	01/10/2019
DFA INTERNATIONAL CORE EQUITY	Daimler AG	\$ 760,364	01/10/2019
ISHARES MSCI EMERGING MKT INDEX ETF	Alibaba Group Holding Ltd	\$ 1,245,196	01/10/2019
ISHARES MSCI EMERGING MKT INDEX ETF	Tencent Holdings Ltd	\$ 967,698	01/10/2019
ISHARES MSCI EMERGING MKT INDEX ETF	Taiwan Semiconductor Manufactu	\$ 916,371	01/10/2019
ISHARES MSCI EMERGING MKT INDEX ETF	Samsung Electronics Co Ltd	\$ 803,077	01/10/2019
ISHARES MSCI EMERGING MKT INDEX ETF	China Construction Bank Corp	\$ 273,326	01/10/2019
ISHARES MSCI ACWI EX US ETF	iShares MSCI India ETF	\$ 2,728,754	01/10/2019
ISHARES MSCI ACWI EX US ETF	Alibaba Group Holding Ltd	\$ 1,905,522	01/10/2019
ISHARES MSCI ACWI EX US ETF	Nestle SA	\$ 1,592,349	01/10/2019
ISHARES MSCI ACWI EX US ETF	Tencent Holdings Ltd	\$ 1,479,514	01/10/2019
ISHARES MSCI ACWI EX US ETF	Taiwan Semiconductor Manufactu	\$ 1,405,826	01/10/2019
ISHARES EDGE MSCI MIN VOL EA	Roche Holding AG	\$ 80,296	01/10/2019
ISHARES EDGE MSCI MIN VOL EA	Nestle SA	\$ 73,214	01/10/2019
ISHARES EDGE MSCI MIN VOL EA	Swisscom AG	\$ 69,224	01/10/2019
ISHARES EDGE MSCI MIN VOL EA	Zurich Insurance Group AG	\$ 67,030	01/10/2019
ISHARES EDGE MSCI MIN VOL EA	Power Assets Holdings Ltd	\$ 62,890	01/10/2019
ISHARES EDGE MSCI MIN VOL US	Newmont Corp	\$ 142,553	01/10/2019
ISHARES EDGE MSCI MIN VOL US	Visa Inc	\$ 136,508	01/10/2019
ISHARES EDGE MSCI MIN VOL US	McDonald's Corp	\$ 135,281	01/10/2019
ISHARES EDGE MSCI MIN VOL US	Coca-Cola Co/The	\$ 133,616	01/10/2019
ISHARES EDGE MSCI MIN VOL US	Waste Management Inc	\$ 128,097	01/10/2019
ISHARES EDGE MSCI USA QUALITY	Johnson & Johnson	\$ 448,810	01/10/2019
ISHARES EDGE MSCI USA QUALITY	Apple Inc	\$ 423,154	01/10/2019
ISHARES EDGE MSCI USA QUALITY	Facebook Inc	\$ 419,049	01/10/2019
ISHARES EDGE MSCI USA QUALITY	PepsiCo Inc	\$ 405,024	01/10/2019
ISHARES EDGE MSCI USA QUALITY	Microsoft Corp	\$ 390,314	01/10/2019
ISHARES EDGE MSCI USA SIZE	ViacomCBS Inc	\$ 14,494	01/10/2019
ISHARES EDGE MSCI USA SIZE	Truist Financial Corp	\$ 13,433	01/10/2019
ISHARES EDGE MSCI USA SIZE	Bristol-Myers Squibb Co	\$ 10,782	01/10/2019
ISHARES EDGE MSCI USA SIZE	Grubhub Inc	\$ 9,766	01/10/2019
ISHARES EDGE MSCI USA SIZE	Apache Corp	\$ 9,545	01/10/2019
ISHARES EDGE MSCI USA MOMENT	Intel Corp	\$ 516,192	01/10/2019
ISHARES EDGE MSCI USA MOMENT	AT&T Inc	\$ 513,897	01/10/2019
ISHARES EDGE MSCI USA MOMENT	Micron Technology Inc	\$ 227,853	01/10/2019
ISHARES EDGE MSCI USA MOMENT	International Business Machine	\$ 220,141	01/10/2019
ISHARES EDGE MSCI USA MOMENT	Bank of America Corp	\$ 210,199	01/10/2019
ISHARES EDGE MSCI INTL MOMENT	Microsoft Corp	\$ 86,085	01/10/2019
ISHARES EDGE MSCI INTL MOMENT	Visa Inc	\$ 85,158	01/10/2019
ISHARES EDGE MSCI INTL MOMENT	Procter & Gamble Co/The	\$ 81,281	01/10/2019
ISHARES EDGE MSCI INTL MOMENT	Mastercard Inc	\$ 81,181	01/10/2019
ISHARES EDGE MSCI INTL MOMENT	AT&T Inc	\$ 78,232	01/10/2019
ISHARES EDGE MSCI INTL QUALITY	Nestle SA	\$ 45,918	01/10/2019
ISHARES EDGE MSCI INTL QUALITY	Roche Holding AG	\$ 32,844	01/10/2019
ISHARES EDGE MSCI INTL QUALITY	ASML Holding NV	\$ 25,226	01/10/2019
ISHARES EDGE MSCI INTL QUALITY	AstraZeneca PLC	\$ 22,296	01/10/2019
ISHARES EDGE MSCI INTL QUALITY	LVMH Moet Hennessy Louis Vuitt	\$ 20,682	01/10/2019
ISHARES EDGE MSCI INTL VALUE	Roche Holding AG	\$ 246,602	01/10/2019
ISHARES EDGE MSCI INTL VALUE	Nestle SA	\$ 224,355	01/10/2019
ISHARES EDGE MSCI INTL VALUE	AIA Group Ltd	\$ 169,143	01/10/2019
ISHARES EDGE MSCI INTL VALUE	ASML Holding NV	\$ 148,312	01/10/2019
ISHARES EDGE MSCI INTL VALUE	Allianz SE	\$ 140,424	01/10/2019
ISHARES EDGE MSCI INTL VALUE	British American Tobacco PLC	\$ 140,401	01/10/2019
ISHARES EDGE MSCI INTL VALUE	Novartis AG	\$ 107,066	01/10/2019
ISHARES EDGE MSCI INTL VALUE	Sanofi	\$ 99,340	01/10/2019
ISHARES EDGE MSCI INTL VALUE	Toyota Motor Corp	\$ 84,292	01/10/2019

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES**

ISHARES EDGE MSCI INTL VALUE	Bayer AG	\$	81,937	01/10/2019
ISHARES EDGE MSCI INTL SIZE	TDK Corp	\$	5,208	01/10/2019
ISHARES EDGE MSCI INTL SIZE	Shin-Etsu Chemical Co Ltd	\$	4,977	01/10/2019
ISHARES EDGE MSCI INTL SIZE	Terna Rete Elettrica Nazionale	\$	4,926	01/10/2019
ISHARES EDGE MSCI INTL SIZE	ASML Holding NV	\$	4,900	01/10/2019
ISHARES EDGE MSCI INTL SIZE	CGI Inc	\$	4,875	01/10/2019
TROWE PR GLOBAL STOCK	JPMorgan Chase & Co	\$	1,736,113	01/10/2019
TROWE PR GLOBAL STOCK	Samsung Electronics Co Ltd	\$	1,638,507	01/10/2019
TROWE PR GLOBAL STOCK	Alphabet Inc	\$	1,591,726	01/10/2019
TROWE PR GLOBAL STOCK	Alibaba Group Holding Ltd	\$	1,453,692	01/10/2019
TROWE PR GLOBAL STOCK	Tencent Holdings Ltd	\$	1,364,749	01/10/2019
SPDR S&P INSURANCE ETF	Athene Holding Ltd	\$	944,865	01/10/2019
SPDR S&P INSURANCE ETF	Arch Capital Group Ltd	\$	936,309	01/10/2019
SPDR S&P INSURANCE ETF	Allstate Corp/The	\$	933,456	01/10/2019
SPDR S&P INSURANCE ETF	MetLife Inc	\$	932,642	01/10/2019
SPDR S&P INSURANCE ETF	Brown & Brown Inc	\$	929,789	01/10/2019
VANGUARD FTSE ALL WO X-US SC	Open Text Corp	\$	46,862	01/10/2019
VANGUARD FTSE ALL WO X-US SC	Emera Inc	\$	41,057	01/10/2019
VANGUARD FTSE ALL WO X-US SC	Kirkland Lake Gold Ltd	\$	32,508	01/10/2019
VANGUARD FTSE ALL WO X-US SC	CAE Inc	\$	29,869	01/10/2019
VANGUARD FTSE ALL WO X-US SC	Algonquin Power & Utilities Co	\$	28,392	01/10/2019
VANGUARD FTSE ALL WORLD EX-U	Nestle SA	\$	443,454	01/10/2019
VANGUARD FTSE ALL WORLD EX-U	Alibaba Group Holding Ltd	\$	427,509	01/10/2019
VANGUARD FTSE ALL WORLD EX-U	Tencent Holdings Ltd	\$	356,756	01/10/2019
VANGUARD FTSE ALL WORLD EX-U	Roche Holding AG	\$	320,217	01/10/2019
VANGUARD FTSE ALL WORLD EX-U	Novartis AG	\$	293,311	01/10/2019
VANGUARD PACIFIC ETF	Samsung Electronics Co Ltd	\$	194,267	01/10/2019
VANGUARD PACIFIC ETF	Toyota Motor Corp	\$	168,801	01/10/2019
VANGUARD PACIFIC ETF	AIA Group Ltd	\$	117,103	01/10/2019
VANGUARD PACIFIC ETF	Commonwealth Bank of Australia	\$	93,724	01/10/2019
VANGUARD PACIFIC ETF	CSL Ltd	\$	83,983	01/10/2019

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	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 1,732,993,592	\$ 1,779,456,295	\$ 46,462,703
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 1,732,993,592	\$ 1,779,456,295	\$ 46,462,703

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

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

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

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

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

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

32.2 If no, list exceptions:

33. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designation 5GI security:

- 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.
- Issuer or obligor is current on all contracted interest and principal payments.
- 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:

- The security was purchased prior to January 1, 2018.
- The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- 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.
- 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]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
- a. The shares were purchased prior to January 1, 2019.
 - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 - c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
 - d. The fund only or predominantly holds bonds in its portfolio.
 - e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
 - f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?

Yes [] No [X]

OTHER

36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 73,238

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

1 Name	2 Amount Paid
WASHINGTON SURVEYING AND RATING BUREAU	\$ <u>38,076</u>

37.1 Amount of payments for legal expenses, if any? \$ 8,767

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

1 Name	2 Amount Paid
Robins Kaplun LLP	\$ <u>8,767</u>

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

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

1 Name	2 Amount Paid
	\$ <u>0</u>

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

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?			Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.	\$			0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$			0
1.31	Reason for excluding:				
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$			0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$			0
1.6	Individual policies:				
	Most current three years:				
1.61	Total premium earned	\$			0
1.62	Total incurred claims	\$			0
1.63	Number of covered lives				0
	All years prior to most current three years:				
1.64	Total premium earned	\$			0
1.65	Total incurred claims	\$			0
1.66	Number of covered lives				0
1.7	Group policies:				
	Most current three years:				
1.71	Total premium earned	\$			0
1.72	Total incurred claims	\$			0
1.73	Number of covered lives				0
	All years prior to most current three years:				
1.74	Total premium earned	\$			0
1.75	Total incurred claims	\$			0
1.76	Number of covered lives				0
2.	Health Test:				
			1	2	
			Current Year	Prior Year	
2.1	Premium Numerator	\$	0	0	
2.2	Premium Denominator	\$	472,658,904	432,634,124	
2.3	Premium Ratio (2.1/2.2)		0.0%	0.0%	
2.4	Reserve Numerator	\$	0	0	
2.5	Reserve Denominator	\$	1,023,810,027	1,297,884,231	
2.6	Reserve Ratio (2.4/2.5)		0.0%	0.0%	
3.1	Does the reporting entity issue both participating and non-participating policies?				Yes [X] No []
3.2	If yes, state the amount of calendar year premiums written on:				
3.21	Participating policies	\$		2,186,773	
3.22	Non-participating policies	\$		971,861,337	
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:				
4.1	Does the reporting entity issue assessable policies?				Yes [] No []
4.2	Does the reporting entity issue non-assessable policies?				Yes [] No []
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?				%
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$		0	
5.	FOR RECIPROCAL EXCHANGES ONLY:				
5.1	Does the exchange appoint local agents?				Yes [] No []
5.2	If yes, is the commission paid:				
5.21	Out of Attorney's-in-fact compensation				Yes [] No [] N/A [X]
5.22	As a direct expense of the exchange				Yes [] No [] N/A [X]
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?				
5.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?				Yes [] No []
5.5	If yes, give full information:				
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? <u>The Company does not issue Workers' Compensation contracts.</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: <u>The Company uses the AIR Touchstone 7.0 software to model our catastrophe exposure in hurricane and earthquake prone areas where we have concentrations of business.</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? <u>In addition to controlling the Company's exposure by loss prevention engineering, deductibles, and limits of liability, we purchase risk and catastrophe reinsurance.</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 [] No [X]

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

- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:
There are certain parts of the Company's catastrophe program in high excess layers for which a reinstatement clause is not applicable. These parts of the program cover events that management considered and evaluated as less likely to occur and given the Company's strong surplus position and its ability to purchase additional reinsurance if an event occurs, it was determined that a reinstatement clause was not required for those parts of the program.
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [] No []
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 37 of SSAP No. 62R, *Property and Casualty Reinsurance*, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or, Yes [] No [X]
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No [X]
- 11.2 If yes, give full information
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$ 0
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$ 0
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ 0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] N/A [X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From _____ %
- 12.42 To _____ %
- 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]

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

12.6	If yes, state the amount thereof at December 31 of current year:								
	12.61	Letters of Credit	\$					0	
	12.62	Collateral and other funds	\$					0	
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):		\$					121,450,000	
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?								Yes [] No [X]
13.3	State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.							4	
14.1	Is the reporting entity a cedant in a multiple cedant reinsurance contract?								Yes [X] No []
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants: <u>The method of allocating and recording reinsurance with outside reinsurers is based proportionally on each company's share of occurrence and specific contract terms with respect to intercompany reinsurance agreements.</u>								
14.3	If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?								Yes [] No [X]
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?								Yes [X] No []
14.5	If the answer to 14.4 is no, please explain:								
15.1	Has the reporting entity guaranteed any financed premium accounts?								Yes [] No [X]
15.2	If yes, give full information								
16.1	Does the reporting entity write any warranty business?								Yes [] No [X]
	If yes, disclose the following information for each of the following types of warranty coverage:								
			1	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
16.12	Products	\$	0	\$	0	\$	0	\$	0
16.13	Automobile	\$	0	\$	0	\$	0	\$	0
16.14	Other*	\$	0	\$	0	\$	0	\$	0
	* Disclose type of coverage:								
17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that is exempt from the statutory provision for unauthorized reinsurance?								Yes [X] No []
	Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:								
17.11	Gross amount of unauthorized reinsurance in Schedule F-Part 3 exempt from the statutory provision for unauthorized reinsurance		\$					23,584,000	
17.12	Unfunded portion of Interrogatory 17.11		\$					23,584,000	
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11		\$					0	
17.14	Case reserves portion of Interrogatory 17.11		\$					0	
17.15	Incurred but not reported portion of Interrogatory 17.11		\$					23,584,000	
17.16	Unearned premium portion of Interrogatory 17.11		\$					0	
17.17	Contingent commission portion of Interrogatory 17.11		\$					0	
18.1	Do you act as a custodian for health savings accounts?								Yes [] No [X]
18.2	If yes, please provide the amount of custodial funds held as of the reporting date.		\$					0	
18.3	Do you act as an administrator for health savings accounts?								Yes [] No [X]
18.4	If yes, please provide the balance of the funds administered as of the reporting date.		\$					0	
19.	Is the reporting entity licensed or 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 2019	2 2018	3 2017	4 2016	5 2015
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	113	111	(16)	83	88
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	817,454,176	749,078,553	705,208,264	677,562,620	667,240,281
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	193,385,382	178,431,264	167,647,161	165,880,759	161,172,680
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	11	5	33	(1,110)	9
6. Total (Line 35).....	1,010,839,682	927,509,933	872,855,442	843,442,352	828,413,058
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	113	111	(16)	83	88
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	595,675,616	610,283,920	591,072,294	556,766,751	557,039,931
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	164,180,961	162,089,235	153,539,191	149,822,047	146,966,317
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(258,611,699)	(325,021,172)	(286,724,801)	(282,942,215)	(283,462,569)
12. Total (Line 35).....	501,244,991	447,352,094	457,886,668	423,646,666	420,543,767
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	79,320,626	(126,575,143)	(137,446,630)	68,234,213	57,148,270
14. Net investment gain (loss) (Line 11).....	153,411,124	206,887,661	90,362,772	53,786,912	94,188,092
15. Total other income (Line 15).....	(231,673)	740,621	(607,874)	(135,190)	(1,429,714)
16. Dividends to policyholders (Line 17).....	516,471	499,363	483,059	457,523	434,520
17. Federal and foreign income taxes incurred (Line 19).....	30,398,925	(10,361,197)	(31,224,155)	38,011,671	27,919,103
18. Net income (Line 20).....	201,584,681	90,914,973	(16,950,636)	83,416,741	121,553,025
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	3,686,254,446	3,520,740,945	3,163,024,048	2,992,883,000	2,589,256,590
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	176,939,610	147,347,961	143,778,093	130,762,771	119,695,711
20.2 Deferred and not yet due (Line 15.2).....					
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	1,648,269,564	1,854,008,074	1,383,151,582	1,374,231,235	1,109,667,309
22. Losses (Page 3, Line 1).....	537,869,342	819,740,310	569,005,714	577,612,530	353,285,708
23. Loss adjustment expenses (Page 3, Line 3).....	58,387,747	79,125,883	64,197,922	66,308,751	54,904,891
24. Unearned premiums (Page 3, Line 9).....	427,143,699	398,557,612	383,839,642	368,169,765	365,981,101
25. Capital paid up (Page 3, Lines 30 & 31).....	11,250,000	11,250,000	11,250,000	11,250,000	11,250,000
26. Surplus as regards policyholders (Page 3, Line 37).....	2,037,984,882	1,666,732,871	1,779,872,466	1,618,651,765	1,479,589,281
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	126,915,665	305,334	3,798,707	237,728,089	61,901,690
Risk-Based Capital Analysis					
28. Total adjusted capital.....	2,037,984,882	1,666,732,871	1,779,872,466	1,618,651,765	1,479,589,281
29. Authorized control level risk-based capital.....	181,460,346	187,148,510	189,945,001	144,700,692	115,163,256
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	50.0	53.3	46.2	52.2	54.6
31. Stocks (Lines 2.1 & 2.2).....	40.6	34.9	45.8	39.7	38.0
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).....	8.3	10.6	6.6	7.1	5.5
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivables for securities (Line 9).....		0.0		0.0	0.0
39. Securities lending reinvested collateral assets (Line 10).....	1.1	1.3	1.4	1.0	1.9
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0				

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2019	2018	2017	2016	2015
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	158,654,795	(199,379,277)	182,952,606	59,995,530	(13,525,739)
52. Dividends to stockholders (Line 35).....	(507,500)	(507,500)	(507,500)	(507,500)	(507,500)
53. Change in surplus as regards policyholders for the year (Line 38).....	371,252,011	(113,139,595)	161,220,701	139,062,484	81,939,512
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	8,922,457	4,964,918	3,303,593	9,255,298	13,540,754
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	573,900,888	551,403,528	422,121,843	392,880,778	387,147,118
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	183,367,406	138,449,767	102,327,645	61,309,686	84,943,421
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(9,591)	(10,490)	(12,313)	(24,003)	(13,931)
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	3,365	5,837	19,876	17,130	1,563
59. Total (Line 35).....	766,184,524	694,813,561	527,760,644	463,438,889	485,618,925
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	4,138,258	3,358,464	1,777,363	4,280,105	7,230,099
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	522,829,947	502,217,426	390,844,918	364,027,183	306,144,291
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	161,721,257	132,856,931	99,576,944	59,419,136	76,657,273
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	(9,591)	(10,490)	(12,313)	(24,003)	(13,931)
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	(152,242,156)	(472,157,813)	(45,673,597)	(426,000,738)	(119,349,605)
65. Total (Line 35).....	536,437,715	166,264,519	446,513,315	1,701,684	270,668,127
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	53.9	96.4	99.0	53.6	55.3
68. Loss expenses incurred (Line 3).....	1.5	4.0	4.3	3.3	3.5
69. Other underwriting expenses incurred (Line 4).....	27.8	28.9	27.8	26.9	27.3
70. Net underwriting gain (loss) (Line 8).....	16.8	(29.3)	(31.1)	16.2	13.9
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	26.3	27.8	27.0	26.8	26.9
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	55.4	100.4	103.3	56.9	58.8
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	24.6	26.8	25.7	26.2	28.4
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(65,533)	54,611	(33,505)	(14,985)	21,238
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(3.9)	3.1	(2.1)	(1.0)	1.5
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	23,692	(20,921)	(21,863)	15,526	(22,467)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior-year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	1.3	(1.3)	(1.5)	1.1	(1.8)

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 Number of Claims Reported- Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	8,422	4,785	2,703		332		509	6,672	XXX
2. 2010.....	677,450	341,965	335,485	338,958	207,074	3,947	101	26,615	3,470	8,260	158,874	XXX
3. 2011.....	733,009	380,014	352,996	483,783	99,810	7,718	3,870	27,676	11,573	13,271	403,924	XXX
4. 2012.....	813,744	416,645	397,099	921,231	777,536	7,476	5,842	38,121	15,055	16,529	168,394	XXX
5. 2013.....	843,040	455,537	387,503	368,964	195,642	3,359	4,928	28,010	25,348	8,741	174,416	XXX
6. 2014.....	826,728	440,810	385,918	477,831	257,986	1,643	3,903	27,195	17,579	15,400	227,201	XXX
7. 2015.....	824,994	414,945	410,049	348,107	144,675	5,226	3,615	22,603	17,521	7,898	210,124	XXX
8. 2016.....	840,801	419,343	421,458	651,912	450,713	3,092	5,700	23,086	20,928	7,421	200,749	XXX
9. 2017.....	861,525	419,307	442,218	558,614	70,571	561	2,086	27,173	8,214	5,738	505,478	XXX
10. 2018.....	905,969	473,334	432,635	721,683	544,485	448	7,995	30,695	26,697	3,743	173,649	XXX
11. 2019.....	960,182	487,524	472,658	270,530	185,840	331	3,884	16,930	12,071	274	85,996	XXX
12. Totals.....	XXX	XXX	XXX	5,150,035	2,939,118	36,503	41,924	268,436	158,456	87,784	2,315,477	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding- Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	54,539	28,536	186,982	104,504	9,487	5,656	33,462	16,968				128,807	XXX
2. 2010.....	15				1							16	XXX
3. 2011.....	366	55	0		5							316	XXX
4. 2012.....	2,052	1,336	237	26	1						27	927	XXX
5. 2013.....	(22)	(4)	304	33	2						34	254	XXX
6. 2014.....	707	(12)	853	94	5						97	1,482	XXX
7. 2015.....	3,637		2		13							3,652	XXX
8. 2016.....	20,754	152	138	15	533	56			1,669	169	15	22,702	XXX
9. 2017.....	11,787	533	1,199	127	340	30			893	90	131	13,439	XXX
10. 2018.....	146,309	20,740	35,179	2,215	3,284	356			10,569	1,069	2,281	170,960	XXX
11. 2019.....	255,857	70,378	51,351	5,647	5,895	648			19,216	1,944	5,815	253,702	XXX
12. Totals.....	495,999	121,714	276,246	112,661	19,565	6,747	33,462	16,968	32,347	3,272	8,400	596,257	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX			XXX	108,481	20,326
2. 2010.	369,535	210,646	158,889	54.5	61.6	47.4			12.00	15	1
3. 2011.	519,547	115,308	404,239	70.9	30.3	114.5			12.00	311	5
4. 2012.	969,118	799,796	169,322	119.1	192.0	42.6			12.00	926	1
5. 2013.	400,617	225,947	174,670	47.5	49.6	45.1			12.00	252	2
6. 2014.	508,234	279,550	228,683	61.5	63.4	59.3			12.00	1,478	5
7. 2015.	379,587	165,811	213,776	46.0	40.0	52.1			12.00	3,639	13
8. 2016.	701,183	477,732	223,451	83.4	113.9	53.0			12.00	20,726	1,977
9. 2017.	600,567	81,651	518,916	69.7	19.5	117.3			12.00	12,326	1,112
10. 2018.	948,166	603,557	344,609	104.7	127.5	79.7			12.00	158,533	12,427
11. 2019.	620,110	280,411	339,698	64.6	57.5	71.9			12.00	231,183	22,519
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	537,869	58,388

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
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	One Year	Two Year
1. Prior.....	174,098	158,119	178,639	186,013	185,069	224,393	222,445	238,763	238,347	237,479	(868)	(1,284)
2. 2010.....	196,910	142,583	141,670	138,235	136,945	136,169	136,162	135,612	135,768	135,745	(23)	133
3. 2011.....	XXX	392,253	392,005	409,582	390,345	386,321	384,605	384,886	386,591	388,136	1,545	3,250
4. 2012.....	XXX	XXX	205,347	172,890	156,445	157,308	160,582	146,428	146,427	146,256	(172)	(172)
5. 2013.....	XXX	XXX	XXX	199,831	187,437	179,894	174,779	172,357	171,722	172,008	285	(350)
6. 2014.....	XXX	XXX	XXX	XXX	240,544	233,939	233,739	225,229	220,698	219,068	(1,631)	(6,161)
7. 2015.....	XXX	XXX	XXX	XXX	XXX	211,158	201,885	204,042	206,448	208,694	2,246	4,652
8. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	242,734	216,106	230,006	219,793	(10,214)	3,686
9. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	479,215	521,243	499,154	(22,089)	19,939
10. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	365,725	331,112	(34,614)	XXX
11. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	317,567	XXX	XXX
12. Totals.....											(65,533)	23,692

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
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
1. Prior.....	000	20,358	62,826	72,067	79,165	89,034	93,687	96,581	102,332	108,672	XXX	XXX
2. 2010.....	(18,742)	101,873	132,735	135,050	136,854	136,094	136,065	135,562	135,719	135,729	XXX	XXX
3. 2011.....	XXX	175,195	323,419	383,493	386,440	385,648	384,341	384,779	386,201	387,820	XXX	XXX
4. 2012.....	XXX	XXX	(183,704)	111,192	147,546	141,323	141,073	145,656	145,710	145,328	XXX	XXX
5. 2013.....	XXX	XXX	XXX	14,207	140,053	167,576	170,553	172,305	171,398	171,753	XXX	XXX
6. 2014.....	XXX	XXX	XXX	XXX	(13,064)	178,418	219,133	221,870	219,533	217,586	XXX	XXX
7. 2015.....	XXX	XXX	XXX	XXX	XXX	50,539	163,929	195,502	201,937	205,042	XXX	XXX
8. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	(158,800)	89,402	186,936	198,591	XXX	XXX
9. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	158,224	397,508	486,518	XXX	XXX
10. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(181,243)	169,651	XXX	XXX
11. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	81,137	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
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1. Prior.....	99,022	90,285	81,304	89,003	83,441	113,513	106,994	120,235	112,794	98,972
2. 2010.....	65,909	12,608	5,565	2,575	1		31		0	
3. 2011.....	XXX	36,427	14,536	22,694	2,465	1	34		42	0
4. 2012.....	XXX	XXX	66,492	35,142	27,651	19,168	15,596	15,426	15,468	211
5. 2013.....	XXX	XXX	XXX	40,708	18,582	8,576	4,146	1	327	270
6. 2014.....	XXX	XXX	XXX	XXX	47,798	20,115	8,690	1,004	1	759
7. 2015.....	XXX	XXX	XXX	XXX	XXX	35,654	10,671	1,652	250	2
8. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	39,314	8,874	2,543	123
9. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32,831	11,661	1,072
10. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	65,915	32,964
11. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	45,704

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	L	5,602,628	6,744,915	227	3,561,652	9,315,442	6,073,926		
2. Alaska.....AK	L	5,334,919	4,957,406		2,725,170	276,184	272,543		
3. Arizona.....AZ	L	10,847,187	9,462,174	694	5,218,796	3,365,744	2,808,766		
4. Arkansas.....AR	L	8,449,407	8,006,104	223	1,114,374	589,987	94,352		
5. California.....CA	L	120,187,226	114,657,111	77,785	95,542,709	60,774,302	78,608,692		
6. Colorado.....CO	L	13,545,323	12,596,034	3,634	22,094,793	15,544,865	15,813,514		
7. Connecticut.....CT	L	4,889,827	4,752,731	8,901	1,045,459	(99,638)	507,839		
8. Delaware.....DE	L	813,418	823,648		168,552	215,525	323,609		
9. District of Columbia.....DC	L	10,081,076	9,015,606		5,636,224	9,930,293	18,273,145		
10. Florida.....FL	L	23,455,636	23,636,851	28,032	17,494,595	(25,097,228)	6,205,474		
11. Georgia.....GA	L	19,070,337	17,737,353	5,909	20,780,976	(5,458,248)	4,795,288		
12. Hawaii.....HI	L	564,780	629,536						
13. Idaho.....ID	L	2,353,221	3,190,803	3,750	704,645	744,903	287,436		
14. Illinois.....IL	L	42,266,723	39,163,831	9,392	27,944,097	14,075,495	69,988,292		
15. Indiana.....IN	L	15,551,479	13,965,051	660	11,041,249	15,764,591	6,628,351		
16. Iowa.....IA	L	4,394,461	4,682,204		4,028,056	76,990	202,679		
17. Kansas.....KS	L	3,744,930	3,431,243	1,998	3,317,331	1,612,143	53,524		
18. Kentucky.....KY	L	7,874,119	7,143,755	3,327	1,069,248	43,173	264,893		
19. Louisiana.....LA	L	11,989,439	13,503,764		10,392,317	18,228,294	16,938,658		
20. Maine.....ME	L	1,034,322	870,530	3,395	383,770	563,717	1,212,442		
21. Maryland.....MD	L	19,675,938	19,292,172	1,270	6,006,977	6,913,596	5,555,631		
22. Massachusetts.....MA	L	31,859,859	31,595,413	117,029	16,422,677	16,880,529	14,604,622		
23. Michigan.....MI	L	16,768,988	16,239,761	2,554	50,885,889	15,500,589	39,832,170		
24. Minnesota.....MN	L	14,449,257	13,385,662	8,950	6,855,080	7,843,731	3,879,676		
25. Mississippi.....MS	L	10,064,162	10,157,014		3,500,615	2,840,189	2,207,913		
26. Missouri.....MO	L	19,018,967	18,729,475	10,490	11,355,000	13,622,215	7,365,156		
27. Montana.....MT	L	3,363,529	3,001,946		404,630	5,694,698	5,614,294		
28. Nebraska.....NE	L	1,865,500	1,973,311		3,018,895	2,184,308	282,918		
29. Nevada.....NV	L	11,630,102	10,811,566		16,969,474	18,645,781	5,818,264		
30. New Hampshire.....NH	L	2,954,950	2,667,046	2,320	434,852	433,814	762,941		
31. New Jersey.....NJ	L	22,965,951	21,566,058	17,758	15,671,877	930,969	91,596,874		
32. New Mexico.....NM	L	2,500,786	3,134,120		3,692,736	(380,273)	3,108,978		
33. New York.....NY	L	81,438,416	74,435,110	7,218	23,336,675	(10,734,772)	69,037,814		
34. North Carolina.....NC	L	17,306,855	15,559,129	1,509	5,241,209	(2,385,227)	3,561,720		
35. North Dakota.....ND	L	456,061	943,097		257,267	1,572,334	1,725,245		
36. Ohio.....OH	L	26,627,348	25,299,697	7,385	19,130,683	20,492,308	11,431,647		
37. Oklahoma.....OK	L	8,108,034	6,676,974		3,826,107	13,211,329	14,200,737		
38. Oregon.....OR	L	14,899,807	14,510,635	2,366	5,019,025	9,199,906	5,754,870		
39. Pennsylvania.....PA	L	22,888,129	21,062,643	10,085	10,968,376	6,902,765	2,647,292		
40. Rhode Island.....RI	L	3,349,948	3,466,081	153,871	1,536,371	(448,334)	2,915,855		
41. South Carolina.....SC	L	6,822,990	6,437,150	3,404	3,725,592	292,143	889,956		
42. South Dakota.....SD	L	487,895	588,533		1,611,455	2,434,947	823,492		
43. Tennessee.....TN	L	17,146,874	16,518,960		11,322,047	(1,049,576)	12,650,764		
44. Texas.....TX	L	66,893,473	65,903,897		128,182,337	75,024,782	102,257,600		
45. Utah.....UT	L	20,424,053	17,940,305		1,754,483	3,932,906	2,766,141		
46. Vermont.....VT	L	1,661,362	1,624,313	771	61,119	105,909	184,196		
47. Virginia.....VA	L	14,626,788	13,430,318	6,041	7,425,964	11,551,962	7,636,319		
48. Washington.....WA	L	43,701,586	42,643,981	5,981	7,286,233	44,804,701	41,792,829		
49. West Virginia.....WV	L	614,834	531,648		268,354	273,234	4,881		
50. Wisconsin.....WI	L	11,339,118	11,152,635	434	5,460,455	252,266	957,285		
51. Wyoming.....WY	L	1,116,393	1,147,407		73,742	1,341,402	1,323,541		
52. American Samoa.....AS	N								
53. Guam.....GU	L								
54. Puerto Rico.....PR	L	188,404	143,792		3,051,552	(1,887,447)	3,587,680		
55. US Virgin Islands.....VI	L								
56. Northern Mariana Islands.....MP	L								
57. Canada.....CAN	L	143,981,905	129,681,167	9,110	146,407,622	75,558,756	68,626,563		
58. Aggregate Other Alien.....OT	XXX	799,390	1,075,622	0	1,837,141	(144,833)	12,713	0	0
59. Totals.....	XXX	974,048,110	922,297,288	516,473	757,266,527	461,878,140	764,771,997	0	0

DETAILS OF WRITE-INS

58001. ARG ARGENTINA	XXX	48	43						
58002. AUG AUSTRALIA.....	XXX	5,152	6,293						
58003. AUT AUSTRIA	XXX	6,248	5,077						
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	787,942	1,064,209	0	1,837,141	(144,833)	12,713	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	799,390	1,075,622	0	1,837,141	(144,833)	12,713	0	0

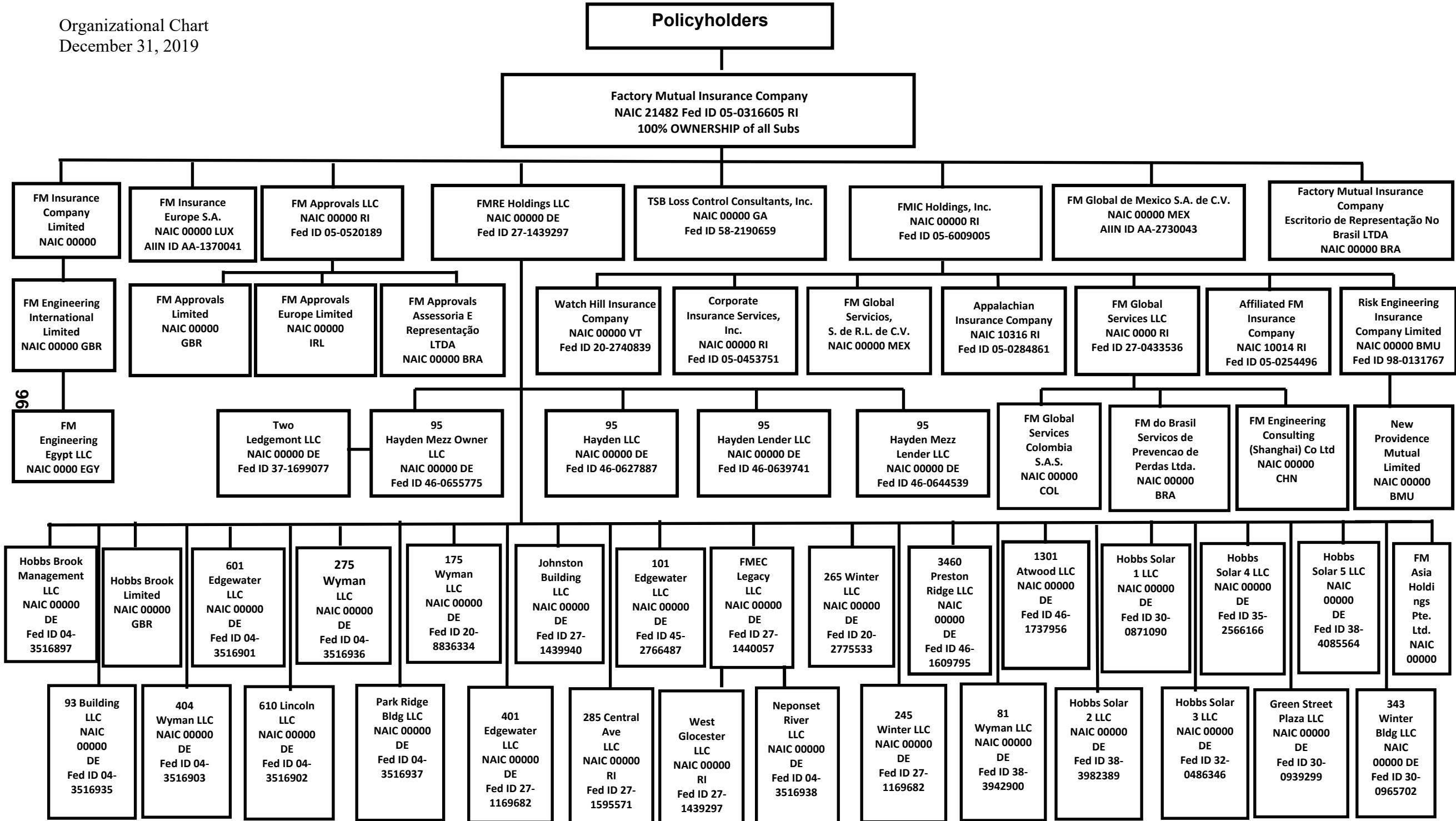
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L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	56
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI).....	0
D - Domestic Surplus Lines 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.....	1

(b) Explanation of Basis of Allocation of Premiums by States, etc.
All premiums are allocated to the location of the property insured.

Organizational Chart
December 31, 2019



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