

QUARTERLY STATEMENT

OF THE

BEACON MUTUAL INSURANCE COMPANY

of WARWICK

in the state of RHODE ISLAND

TO THE

Insurance Department

OF THE

STATE OF

STATE OF RHODE ISLAND

FOR THE QUARTER ENDED

March 31, 2017

PROPERTY AND CASUALTY

2017



24017201720100101

QUARTERLY STATEMENT

AS OF MARCH 31, 2017
OF THE CONDITION AND AFFAIRS OF THE

The Beacon Mutual Insurance Company

NAIC Group Code 3490 , 3490 **NAIC Company Code** 24017 **Employer's ID Number** 05-0458697
(Current Period) (Prior Period)

Organized under the Laws of Rhode Island , **State of Domicile or Port of Entry** RI
Country of Domicile US

Incorporated/Organized July 11, 1990 **Commenced Business** August 12, 1992

Statutory Home Office One Beacon Centre , Warwick, RI US 02886-1378
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office One Beacon Centre Warwick, RI US 02886-1378 401-825-2667
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address One Beacon Centre , Warwick, RI US 02886-1378
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records One Beacon Centre Warwick, RI US 02886-1378 401-825-2667
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.beaconmutual.com

Statutory Statement Contact Ann Lazzareschi 401-825-2621
(Name) (Area Code) (Telephone Number) (Extension)
alazzareschi@beaconmutual.com 401-825-2659
(E-Mail Address) (Fax Number)

OFFICERS

	Name	Title
1.	<u>James Vincent Rosati</u>	<u>President & CEO</u>
2.	<u>Brian Joseph Spero</u>	<u>EVP, COO, General Counsel, Assistant Secretary</u>
3.	<u>Cynthia Lee Lawlor</u>	<u>Chief Financial Officer</u>

VICE-PRESIDENTS

Name	Title	Name	Title
<u>Pamela Lee Alarie</u>	<u>Vice President</u>	<u>Timothy Francis Benson</u>	<u>Vice President</u>
<u>Robert Glenn DeOrsey</u>	<u>Vice President</u>	<u>Michael Dennis Lynch</u>	<u>Vice President</u>
<u>Rajani Mahadevan</u>	<u>Vice President</u>		

DIRECTORS OR TRUSTEES

<u>Harry Robert Bacon</u>	<u>Raymond Christopher Coia</u>	<u>Richard James DeRienzo</u>	<u>James Vincent Rosati</u>
<u>Carol Elaine Saccucci</u>	<u>Robert Anthony Walsh Jr.</u>	<u>Myrth York</u>	<u>Linda D'Amaro Rossi</u>
<u>Kathleen Coyne-McCoy</u>			

State of Rhode Island

County of Kent ss

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

<u>James Vincent Rosati</u>	<u>Brian Joseph Spero</u>	<u>Cynthia Lee Lawlor</u>
(Signature)	(Signature)	(Signature)
<u>1.</u>	<u>2.</u>	<u>3.</u>
<u>President & CEO</u>	<u>EVP, COO, General Counsel, Assistant Secretary</u>	<u>Chief Financial Officer</u>
(Title)	(Title)	(Title)

Subscribed and sworn to before me this _____ day of _____, 2017

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	326,454,665		326,454,665	318,521,808
2. Stocks:				
2.1 Preferred stocks				861,800
2.2 Common stocks	14,451,533		14,451,533	17,813,966
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	11,077,149		11,077,149	11,173,328
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 87,963), cash equivalents (\$ 0), and short-term investments (\$ 890,143)	978,106		978,106	8,297,726
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	35,432		35,432	35,455
9. Receivables for securities	2,230,951		2,230,951	
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	355,227,836		355,227,836	356,704,083
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	2,970,577		2,970,577	2,953,002
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,874,164	371,525	1,502,639	2,419,278
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 1,569,272 earned but unbilled premiums)	38,947,444	18,221	38,929,223	39,956,634
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	360,149		360,149	777,735
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	1,158,257	991,162	167,095	203,291
21. Furniture and equipment, including health care delivery assets (\$ 0)	149,824	149,824		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	95,800		95,800	145,860
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	3,440,875	2,387,452	1,053,423	1,019,976
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	404,224,926	3,918,184	400,306,742	404,179,859
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	404,224,926	3,918,184	400,306,742	404,179,859

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses	2,317,375	2,317,375		
2502. SERP Accounts	1,046,242		1,046,242	1,007,208
2503. Miscellaneous Receivables	77,258	70,077	7,181	12,768
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,440,875	2,387,452	1,053,423	1,019,976

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 16,646,712)	132,253,313	129,500,630
2. Reinsurance payable on paid losses and loss adjustment expenses		11,223
3. Loss adjustment expenses	21,050,089	22,276,641
4. Commissions payable, contingent commissions and other similar charges	4,668,711	6,352,749
5. Other expenses (excluding taxes, licenses and fees)	4,883,197	6,810,970
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	11,008,111	9,069,108
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 94,969 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)	67,818,195	65,732,771
10. Advance premium	914,197	2,852,533
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders	1,522,724	2,079,604
12. Ceded reinsurance premiums payable (net of ceding commissions)	41,297	126,957
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	69,933	179,334
15. Remittances and items not allocated	115,648	58,099
16. Provision for reinsurance (including \$ 0 certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	584,727	590,964
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	244,930,142	245,641,583
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	244,930,142	245,641,583
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	20,758,685	20,758,685
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	134,617,915	137,779,591
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	155,376,600	158,538,276
38. Totals (Page 2, Line 28, Col. 3)	400,306,742	404,179,859

DETAILS OF WRITE-IN LINES		
2501. Deferred Gain - CH Investments	582,007	582,007
2502. Miscellaneous Liabilities	2,720	8,957
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	584,727	590,964
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201. Capital assessment by RI Dept of Labor to provide residual market	20,758,685	20,758,685
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	20,758,685	20,758,685

NONE

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 34,028,156)	31,618,383	32,844,824	133,663,432
1.2 Assumed (written \$ 1,015,580)	1,339,929	1,655,665	6,151,962
1.3 Ceded (written \$ 1,634,957)	1,634,957	1,957,086	7,407,958
1.4 Net (written \$ 33,408,779)	31,323,355	32,543,403	132,407,436
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 18,182,969):			
2.1 Direct	19,996,739	17,081,773	70,035,235
2.2 Assumed	1,574,934	1,548,762	5,805,593
2.3 Ceded	(151,448)	129,166	(7,658,829)
2.4 Net	21,723,121	18,501,369	83,499,657
3. Loss adjustment expenses incurred	5,773,129	6,031,082	22,285,036
4. Other underwriting expenses incurred	10,646,536	11,514,308	40,128,491
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	38,142,786	36,046,759	145,913,184
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(6,819,431)	(3,503,356)	(13,505,748)
INVESTMENT INCOME			
9. Net investment income earned	3,092,066	2,950,072	11,885,774
10. Net realized capital gains (losses) less capital gains tax of \$ 0	1,167,865	1,362,292	3,373,937
11. Net investment gain (loss) (Lines 9 + 10)	4,259,931	4,312,364	15,259,711
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 70,653 amount charged off \$ (275,891))	(205,238)	(127,857)	(571,188)
13. Finance and service charges not included in premiums	39,560	40,755	148,315
14. Aggregate write-ins for miscellaneous income	3,423	1,120	33,382
15. Total other income (Lines 12 through 14)	(162,255)	(85,982)	(389,491)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(2,721,755)	723,026	1,364,472
17. Dividends to policyholders			1,000,000
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)	(2,721,755)	723,026	364,472
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	(2,721,755)	723,026	364,472
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	158,538,277	158,216,326	158,216,326
22. Net income (from Line 20)	(2,721,755)	723,026	364,472
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(143,095)	(573,570)	(165,297)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	(296,827)	(168,102)	122,776
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	(3,161,677)	(18,646)	321,951
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	155,376,600	158,197,680	158,538,277

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Miscellaneous Income (Loss)	3,423	1,120	3,857
1402. Retroactive Reinsurance Gain (Loss)			27,605
1403. Gain (Loss) on Disposal of Assets			1,920
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	3,423	1,120	33,382
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	33,359,005	33,753,300	130,937,322
2. Net investment income	3,449,174	3,426,078	13,718,532
3. Miscellaneous income	(162,254)	(85,982)	(389,492)
4. Total (Lines 1 to 3)	36,645,925	37,093,396	144,266,362
5. Benefit and loss related payments	18,566,924	17,632,658	71,123,842
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	19,306,378	18,295,926	61,024,940
8. Dividends paid to policyholders	556,879	347,613	2,322,209
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	38,430,181	36,276,197	134,470,991
11. Net cash from operations (Line 4 minus Line 10)	(1,784,256)	817,199	9,795,371
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	16,215,278	20,432,303	66,040,778
12.2 Stocks	9,572,806	12,505,174	27,995,661
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	25,788,084	32,937,477	94,036,439
13. Cost of investments acquired (long-term only):			
13.1 Bonds	24,290,170	20,764,538	76,496,485
13.2 Stocks	4,497,345	12,198,545	29,811,239
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	2,230,951		
13.7 Total investments acquired (Lines 13.1 to 13.6)	31,018,466	32,963,083	106,307,724
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(5,230,382)	(25,606)	(12,271,285)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(304,982)	(272,508)	81,757
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(304,982)	(272,508)	81,757
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)	(7,319,620)	519,085	(2,394,157)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	8,297,726	10,691,883	10,691,883
19.2 End of period (Line 18 plus Line 19.1)	978,106	11,210,968	8,297,726

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

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of The Beacon Mutual Insurance Company (the "Company") have been prepared in conformity with insurance accounting practices prescribed or permitted by the Rhode Island Insurance Department. The State of Rhode Island requires insurance companies domiciled in the State of Rhode Island to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual.

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

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

	SSAP #	F/S Page	F/S Line #	03/31/2017	12/31/2016
NET INCOME					
Rhode Island Basis	97	4	20	\$ (2,721,755)	\$ 364,472
State Permitted Practice:					
Value of Castle Hill subsidiary					
NAIC SAP	97	4	20	<u>\$ (2,721,755)</u>	<u>\$ 364,472</u>
SURPLUS					
Rhode Island Basis	97	3	37	\$155,376,600	\$158,538,276
State Permitted Practice:					
Value of Castle Hill subsidiary					
NAIC SAP	97	3	37	<u>(1,358,129)</u>	<u>(1,350,844)</u>
				<u>\$154,018,471</u>	<u>\$157,187,432</u>

2. Accounting Changes and Corrections of Errors

Not applicable

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

5. Investments

(A, B, C, E, F & G) No change.

D. Loan-Backed Securities

1. Prepayment assumptions for single class and multi-class mortgage backed/ asset-backed securities were obtained from an external investment manager.
2. The Company did not recognize any other-than-temporary impairments on loan back or structured securities during the first quarter of 2017.
3. Not applicable.

NOTES TO FINANCIAL STATEMENTS

4. The following summarizes gross unrealized investment losses on loan-backed and structured securities by the length of time that securities have continuously been in an unrealized loss position.

a. The aggregate amount of unrealized losses:	
1. Less than 12 Months	\$ (1,480,743)
2. 12 Months or Longer	<u>(113,677)</u>
	(1,594,420)

b. The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 Months	\$ 61,556,705
2. 12 Months or Longer	<u>5,583,668</u>

67,140,373

5. All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether an other-than-temporary impairment should be recognized. For those securities in an unrealized loss position as of March 31, 2017, the Company has not made a decision to sell any such securities. The Company evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their cost basis. As of March 31, 2017, the Company can attest that it has the intent and believes that it has the ability to hold these securities long enough to allow the cost basis of these securities to be recovered. The conclusions are determined by a detailed analysis of the underlying credit and cash flows on each security. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities held at March 31, 2017 if future events, information, and the passage of time cause it to conclude that declines in value are other than temporary.

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

7. Investment Income

No change.

8. Derivative Instruments

Not applicable.

9. Income Taxes

No change.

10. Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

11. Debt

A. No change.

B. FHLB (Federal Home Loan Bank) Agreements

1. The Company is a member of the Federal Home Loan Bank (FHLB) of Boston. Through its membership, the Company has the ability to conduct business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds as backup liquidity if necessary.

2. FHLB Capital Stock - Aggregate Totals

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

3. Collateral Pledged to FHLB

There is no collateral pledged to the FHLB as of March 31, 2017.

4. Borrowing from FHLB

There have no been borrowings from the FHLB as of March 31, 2017.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

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

No significant change.

14. Contingencies

No significant change.

15. Leases

No significant change.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

20. Fair Value Measurement

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

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

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

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

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

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

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

	March 31, 2017			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets at fair value (in 000's)				
Bonds and debt securities	\$ -	\$ 348	\$ -	\$ 348
Short-term investments	890	-	-	890
Common stock	<u>12,862</u>	<u>-</u>	<u>-</u>	<u>12,862</u>
Total assets at fair value	<u>\$ 13,752</u>	<u>\$ 348</u>	<u>\$ -</u>	<u>\$ 14,100</u>

NOTES TO FINANCIAL STATEMENTS

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

	March 31, 2017					
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>Not Practicable (Carrying Value)</u>
Assets at fair value (in 000's)						
Bonds and debt securities	\$ 11,115	\$ 323,583	\$ -	\$ 334,698	326,455	-
Short-term investments	890	-	-	890	3,991	-
Common stock	12,862	231	-	13,093	13,093	-
Total assets at fair value	\$ 24,867	\$ 323,814	\$ -	\$ 348,681	343,539	-

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

2) Rollforward of Level 3 Items

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

3) Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

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

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

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

Typical inputs to models used by independent pricing services include but are not limited to benchmark yields, reported trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers, reference data, and industry and economic events. Because some preferred and common stocks do not trade daily, independent pricing services regularly derive fair values using recent trades of securities with similar features. When recent trades are not available, pricing models are used to estimate the fair values of securities by discounting future cash flows at estimated market interest rates.

B. Other Fair Value Disclosures

Not applicable.

C. Reasons Not Practical to Estimate Fair Values

Not applicable.

21. Other Items

No significant changes.

22. Events Subsequent

No change.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

A. Reinsurance Assumed and Ceded and Protected Cells

All reinsurance premiums are paid on earned premium; therefore return commission is zero. At March 31, 2017, the unearned premium reserves for direct and assumed premiums were \$63,264,362 and \$2,723,104, respectively. The unearned premium reserve for ceded premiums was \$94,969 at March 31, 2017.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No significant change.

25. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years increased by \$4.7M during 2017. Increases (or decreases) of this nature take place as the result of ongoing claims activity and the review of claim reserves as additional information becomes available.

During the first quarter, there were a number of weather related claims in the 2015 accident year that developed more severely than expected, resulting in an increase in the accident year's ultimate loss ratio. In addition, because of fewer large losses experienced in recent years, management has continued to lower the ceded loss recoverable expected to be received from our reinsurance program.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

No change.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

No change.

31. High Deductibles

Not applicable.

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

Not applicable.

33. Asbestos/Environmental Reserves

No change.

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

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

2.2 If yes, date of change: _____

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []

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

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] N/A [X]
 If yes, attach an explanation.

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

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____ 12/31/2015 _____

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). _____ 04/05/2017 _____

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

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

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

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

GENERAL INTERROGATORIES

7.2 If yes, give full information

.....

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

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

.....

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

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

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

.....

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

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

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

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

GENERAL INTERROGATORIES

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

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ _____

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

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

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ 1,350,844	\$ 1,358,129
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 1,350,844	\$ 1,358,129
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
Bank of America, National Association	135 South LaSalle Street, Chicago, IL 60603
.....

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

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

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

GENERAL INTERROGATORIES

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Bank of America	Bank of America, National Associati	02/06/2017	Change in servicing office location from Providence to Chicago

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

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

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes No

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

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
105900	New England Asset Management	KUR85E5PS4GQFZTFC130	Securities Exchange Commission	No

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes No

18.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:
.....
.....
.....
.....

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1. A&H loss percent _____ %

5.2. A&H cost containment percent _____ %

5.3. A&H expense percent excluding cost containment expenses _____ %

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

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

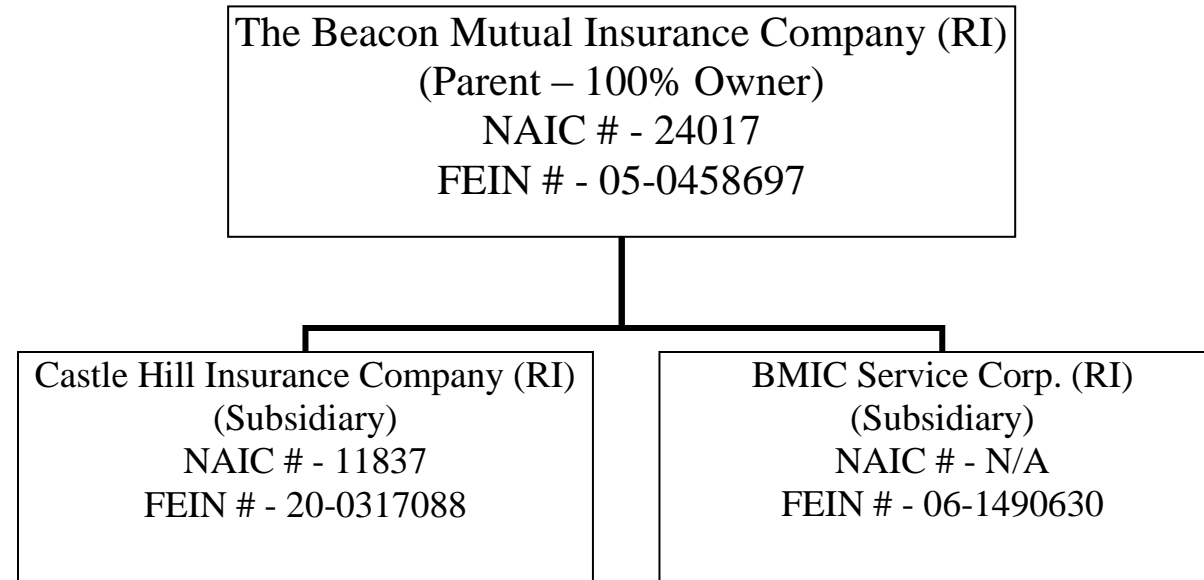
6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

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

NONE Schedule F

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

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
3490	Beacon Mutual Insurance Group	24017	05-0458697				Beacon Mutual Insurance Company	RI						N	
3490	Beacon Mutual Insurance Group	11837	20-0317088				Castle Hill Insurance Company	RI	DS	Beacon Mutual Insurance Company	Ownership	100.0	Beacon Mutual Insurance Company	N	
		00000	06-1490630				BMIC Service Corp	RI	DS	Beacon Mutual Insurance Company	Ownership	100.0	Beacon Mutual Insurance Company	Y	

12

Asterik	Explanation
	NONE

PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation	31,618,383	19,996,739	63.2	52.0
17.1 Other liability-occurrence				
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	31,618,383	19,996,739	63.2	52.0

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

PART 2 – DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation	34,028,156	34,028,156	37,489,014
17.1 Other liability-occurrence			
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	34,028,156	34,028,156	37,489,014

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2017 Loss and LAE Payments on Claims Reported as of Prior Year-End	2017 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2017 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2014 + prior	45,742	13,540	59,282	6,364	1	6,365	42,401	16	10,943	53,360	3,023	(2,580)	443
2. 2015	16,966	13,410	30,376	5,078	27	5,105	16,902	5	10,375	27,282	5,014	(3,003)	2,011
3. Subtotals 2015 + prior	62,708	26,950	89,658	11,442	28	11,470	59,303	21	21,318	80,642	8,037	(5,583)	2,454
4. 2016	26,310	35,809	62,119	10,488	342	10,830	24,080	824	28,636	53,540	8,258	(6,007)	2,251
5. Subtotals 2016 + prior	89,018	62,759	151,777	21,930	370	22,300	83,383	845	49,954	134,182	16,295	(11,590)	4,705
6. 2017	X X X	X X X	X X X	X X X	3,660	3,660	X X X	6,608	12,512	19,120	X X X	X X X	X X X
7. Totals	89,018	62,759	151,777	21,930	4,030	25,960	83,383	7,453	62,466	153,302	16,295	(11,590)	4,705

8. Prior Year-End Surplus As Regards Policyholders

158,538

Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
As % of Col. 1,	As % of Col. 2,	As % of Col. 3,
Line 7	Line 7	Line 7
1. 18.305	2. -18.467	3. 3.100
		Col. 13, Line 7
		Line 8
		4. 2.968

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

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

Bar Code:



24017201749000010



24017201745500010



24017201736500010



24017201750500010

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	11,173,328	11,558,043
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation	96,179	384,715
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	11,077,149	11,173,328
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	11,077,149	11,173,328

SCHEDULE B - VERIFICATION**Mortgage Loans**

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

NONE**SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	35,455	82,849
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	(23)	(47,394)
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	35,432	35,455
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	35,432	35,455

SCHEDULE D - VERIFICATION**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	337,197,574	323,084,781
2. Cost of bonds and stocks acquired	28,787,516	106,307,730
3. Accrual of discount	20,535	91,418
4. Unrealized valuation increase (decrease)	(180,168)	(156,487)
5. Total gain (loss) on disposals	1,167,864	3,361,511
6. Deduct consideration for bonds and stocks disposed of	25,788,081	94,036,437
7. Deduct amortization of premium	299,040	1,413,762
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		41,180
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	340,906,200	337,197,574
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	340,906,200	337,197,574

SCHEDULE D - PART 1B

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)		29,525,668	24,805,818	(250,708)	4,469,142			
2. NAIC 2 (a)			1,355,173	(19,965)	(1,375,138)			
3. NAIC 3 (a)				(4,179)	(4,179)			
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds		29,525,668	26,160,991	(274,852)	3,089,825			
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3	500,000		500,000					500,000
11. NAIC 4	361,800		361,800					361,800
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	861,800		861,800					861,800
15. Total Bonds & Preferred Stock	861,800	29,525,668	27,022,791	(274,852)	3,089,825			861,800

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

NAIC 1 \$ 890,143; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	890,143	X X X	890,143	1,606	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	5,733,174	11,189,510
2. Cost of short-term investments acquired	5,235,498	45,724,459
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	10,078,529	51,180,795
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	890,143	5,733,174
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	890,143	5,733,174

- NONE Schedule DB - Part A and B Verification**
- NONE Schedule DB - Part C - Section 1**
- NONE Schedule DB - Part C - Section 2**
- NONE Schedule DB - Verification**
- NONE Schedule E Verification**
- NONE Schedule A - Part 2 and 3**
- NONE Schedule B - Part 2 and 3**
- NONE Schedule BA - Part 2 and 3**

SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
130685-C8-1	CALIFORNIA ST PUBLIC WKS BRD L		03/13/2017	BARCLAYS CAPITAL		337,140	250,000.00	813	1FE
594712-PP-0	MICHIGAN ST UNIV REVENUES		03/17/2017	VARIOUS		894,898	750,000.00	4,715	1FE
79765R-TK-5	SAN FRANCISCO CITY & CNTY CA P		03/24/2017	RAYMOND JAMES		329,904	265,000.00	6,537	1FE
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	1,561,942	1,265,000.00	12,065	X X X
02587A-AL-8	AMERICAN EXPRESS CREDIT ACCOUN 17-2 A		03/27/2017	GOLDMAN SACHS		2,013,125	2,000,000.00	1,135	1FE
040555-CT-9	ARIZONA PUBLIC SERVICE		03/16/2017	BANK OF AMERICA		2,030,580	2,000,000.00	30,450	1FE
13057D-AD-8	CALIFORNIA REPUBLIC AUTO RECEI 17-1 A4		02/09/2017	CREDIT SUISSE FIRST BOSTON		999,723	1,000,000.00		1FE
14041N-FD-8	CAPITAL ONE MULTI-ASSET EXECUT 16-A2 A2		03/27/2017	GOLDMAN SACHS		556,768	550,000.00	353	1FE
14314J-AD-2	CARMAX AUTO OWNER TRUST 17-1 A4		01/25/2017	BARCLAYS CAPITAL		2,999,113	3,000,000.00		1FE
254683-BX-2	DISCOVER CARD EXECUTION NOTE T 17-A2 A2		01/13/2017	BANK OF AMERICA		3,998,129	4,000,000.00		1FE
34531E-AE-6	FORD CREDIT AUTO OWNER TRUST 17-A A4		01/18/2017	CITIGROUP GLOBAL MARKETS		2,499,586	2,500,000.00		1FE
38141G-WC-4	GOLDMAN SACHS GROUP INC		02/13/2017	GOLDMAN SACHS		1,495,665	1,500,000.00	2,500	1FE
438516-BL-9	HONEYWELL INTERNATIONAL		03/23/2017	VARIOUS		1,139,586	1,200,000.00	12,264	1FE
459200-JQ-5	IBM CORP		01/24/2017	RBC CAPITAL MARKETS		2,496,725	2,500,000.00		1FE
46647P-AC-0	JPMORGAN CHASE & CO		03/10/2017	JP MORGAN SECURITIES INC.		999,230	1,000,000.00	276	1FE
67106J-AN-0	OHA CREDIT PARTNERS LTD 14-10A AR		03/08/2017	MORGAN STANLEY & CO		1,500,000	1,500,000.00		1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	22,728,230	22,750,000.00	46,978	X X X
8399997	Subtotal - Bonds - Part 3				X X X	24,290,172	24,015,000.00	59,043	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total - Bonds				X X X	24,290,172	24,015,000.00	59,043	X X X
88579Y-10-1	3M COMPANY		02/23/2017	SANFORD BERNSTEIN	800.000	149,376			L
166764-10-0	CHEVRON CORP		02/23/2017	SANFORD BERNSTEIN	1,500.000	166,619			L
17275R-10-2	CISCO SYSTEMS INC		02/23/2017	SANFORD BERNSTEIN	8,600.000	293,000			L
237194-10-5	DARDEN RESTAURANTS INC		02/23/2017	SANFORD BERNSTEIN	3,400.000	256,890			L
532457-10-8	ELI LILLY & CO		02/23/2017	SANFORD BERNSTEIN	3,000.000	247,353			L
291011-10-4	EMERSON ELECTRIC CO		02/23/2017	SANFORD BERNSTEIN	3,600.000	218,171			L
31338#-10-4	FEDERAL HOME LOAN BANK OF BOSTON		02/01/2017	DIRECT	2,312.000	231,200			U
459200-10-1	INTL BUSINESS MACHINES CORP		02/23/2017	SANFORD BERNSTEIN	1,600.000	290,488			L
46625H-10-0	JP MORGAN CHASE & COMPANY		02/23/2017	SANFORD BERNSTEIN	3,800.000	345,609			L
49456B-10-1	KINDER MORGAN INC		02/23/2017	SANFORD BERNSTEIN	8,300.000	179,448			L
500754-10-6	KRAFT HEINZ COMPANY		02/23/2017	SANFORD BERNSTEIN	2,900.000	270,418			L
539830-10-9	LOCKHEED MARTIN CORPORATION		02/23/2017	SANFORD BERNSTEIN	1,000.000	264,295			L
580135-10-1	MCDONALDS CORP		02/23/2017	SANFORD BERNSTEIN	2,100.000	269,543			L
58933Y-10-5	MERCK & CO INC		02/23/2017	SANFORD BERNSTEIN	3,600.000	237,280			L

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 1.

SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
594918-10-4	MICROSOFT CORP		02/23/2017	SANFORD BERNSTEIN	4,000.000	258,045			L
69007J-10-6	OUTFRONT MEDIA INC		02/23/2017	SANFORD BERNSTEIN	9,100.000	227,657			L
723484-10-1	PINNACLE WEST CAPITAL CORP		02/23/2017	SANFORD BERNSTEIN	3,300.000	265,956			L
742718-10-9	PROCTER & GAMBLE CO/THE		02/23/2017	SANFORD BERNSTEIN	500.000	45,630			L
871829-10-7	SYSCO CORP		02/23/2017	SANFORD BERNSTEIN	5,300.000	280,366			L
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	4,497,344	X X X		X X X
9799997	Subtotal - Common Stock - Part 3				X X X	4,497,344	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
9799999	Total - Common Stock				X X X	4,497,344	X X X		X X X
9899999	Total - Preferred and Common Stock				X X X	4,497,344	X X X		X X X
9999999	Totals				X X X	28,787,516	X X X	59,043	X X X

E04.1

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 1.

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractua Maturity Date	22 NAIC Desig- nation or Market Indicat (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
38373A-L2-0	GOVERNMENT NATIONAL MORTGAGE A 09		03/01/2017	PAYDOWN		18,912	18,912.00	19,877	18,943		(30)		(30)		18,912				137	07/20/203	1FE
38376F-J3-7	GOVERNMENT NATIONAL MORTGAGE A 09		03/01/2017	PAYDOWN		1,607	1,607.00	1,775	1,614		(6)		(6)		1,607				11	08/20/203	1FE
38378K-RR-2	GOVERNMENT NATIONAL MORTGAGE A 13		03/01/2017	PAYDOWN		12,515	12,515.00	12,866	12,516		(1)		(1)		12,515				51	03/16/204	1FE
36296H-Q6-9	GOVERNMENT NATL MTG ASSOC #691777		03/01/2017	PAYDOWN		580	580.00	591	580						580				5	07/15/203	1FE
36296Q-LY-3	GOVERNMENT NATL MTG ASSOC #697943		03/01/2017	PAYDOWN		431	431.00	440	431						431				3	03/15/203	1FE
36296W-WP-7	GOVERNMENT NATL MTG ASSOC #703654		03/01/2017	PAYDOWN		181	181.00	185	181						181				2	02/15/203	1FE
3620C6-EG-6	GOVERNMENT NATL MTG ASSOC #749935		03/01/2017	PAYDOWN		2,444	2,444.00	2,551	2,444						2,444				16	11/15/204	1FE
36241K-YZ-5	GOVERNMENT NATL MTG ASSOC #782528		03/01/2017	PAYDOWN		9,994	9,994.00	10,193	9,996		(3)		(3)		9,994				83	01/15/203	1FE
912810-RP-5	UNITED STATES TREASURY BOND		01/10/2017	CITIGROUP GLOBAL MAR		2,508,974	2,500,000.00	2,491,807	2,491,829		6		6		2,491,835		17,140	17,140	11,809	11/15/204	1
912828-U4-0	UNITED STATES TREASURY NOTE		01/05/2017	BANK OF AMERICA		3,989,049	4,000,000.00	3,981,420	3,981,706		130		130		3,981,837		7,212	7,212	4,066	11/30/201	1
0599999	Subtotal - Bonds - U.S. Governments				X X X	6,544,687	6,546,664.00	6,521,705	6,520,240		96		96		6,520,336		24,352	24,352	16,183	X X X	X X X
31396V-4B-1	FANNIE MAE 07 58 FG		03/25/2017	PAYDOWN		4,265	4,265.00	4,265	4,265						4,265				7	06/25/203	1FE
3136A5-TB-2	FANNIE MAE 12 33 GV		03/01/2017	PAYDOWN		27,264	27,264.00	29,121	27,287		(23)		(23)		27,264				159	07/25/202	1FE
312943-7E-7	FEDERAL HOME LN MTG CORP #A95393		03/01/2017	PAYDOWN		25,696	25,696.00	25,708	25,696						25,696				162	12/01/204	1FE
312944-FE-6	FEDERAL HOME LN MTG CORP #A95565		03/01/2017	PAYDOWN		45,397	45,397.00	44,471	45,392		5		5		45,397				192	12/01/204	1FE
312962-VW-0	FEDERAL HOME LN MTG CORP #B10629		03/01/2017	PAYDOWN		1,774	1,774.00	1,918	1,779		(5)		(5)		1,774				15	11/01/201	1FE
312962-ZK-2	FEDERAL HOME LN MTG CORP #B10746		03/01/2017	PAYDOWN		1,054	1,054.00	1,140	1,058		(3)		(3)		1,054				9	11/01/201	1FE
312962-3G-6	FEDERAL HOME LN MTG CORP #B10799		03/01/2017	PAYDOWN		4,061	4,061.00	4,390	4,075		(15)		(15)		4,061				39	12/01/201	1FE
312963-PY-1	FEDERAL HOME LN MTG CORP #B11339		03/01/2017	PAYDOWN		3,008	3,008.00	3,252	3,022		(14)		(14)		3,008				28	12/01/201	1FE
31292S-AN-0	FEDERAL HOME LN MTG CORP #C09013		03/01/2017	PAYDOWN		8,428	8,428.00	8,591	8,429		(1)		(1)		8,428				39	09/01/204	1FE
3128H8-CB-4	FEDERAL HOME LN MTG CORP #E99966		03/01/2017	PAYDOWN		1,723	1,723.00	1,863	1,729		(6)		(6)		1,723				15	10/01/201	1FE
3128M4-CP-6	FEDERAL HOME LN MTG CORP #G02478		03/01/2017	PAYDOWN		1,377	1,377.00	1,357	1,377						1,377				11	12/01/203	1FE
3128MJ-Q7-8	FEDERAL HOME LN MTG CORP #G08477		03/01/2017	PAYDOWN		24,693	24,693.00	25,813	24,708		(15)		(15)		24,693				129	02/01/204	1FE
3128MJ-Q9-4	FEDERAL HOME LN MTG CORP #G08479		03/01/2017	PAYDOWN		8,020	8,020.00	8,532	8,027		(7)		(7)		8,020				41	03/01/204	1FE
3128MJ-RV-4	FEDERAL HOME LN MTG CORP #G08499		03/01/2017	PAYDOWN		6,843	6,843.00	6,978	6,844		(1)		(1)		6,843				32	07/01/204	1FE
3128MJ-R5-1	FEDERAL HOME LN MTG CORP #G08507		03/01/2017	PAYDOWN		3,386	3,386.00	3,551	3,387		(1)		(1)		3,386				15	10/01/204	1FE
3128MM-K7-7	FEDERAL HOME LN MTG CORP #G18317		03/01/2017	PAYDOWN		6,582	6,582.00	6,862	6,590		(8)		(8)		6,582				49	07/01/202	1FE
3128PP-YY-3	FEDERAL HOME LN MTG CORP #J10727		03/01/2017	PAYDOWN		2,464	2,464.00	2,632	2,469		(5)		(5)		2,464				16	10/01/202	1FE
3128PP-4D-2	FEDERAL HOME LN MTG CORP #J10820		03/01/2017	PAYDOWN		2,101	2,101.00	2,158	2,102		(1)		(1)		2,101				16	10/01/202	1FE
3128PR-FA-2	FEDERAL HOME LN MTG CORP #J11961		03/01/2017	PAYDOWN		10,530	10,530.00	10,957	10,535		(6)		(6)		10,530				79	04/01/202	1FE
3128PR-M7-1	FEDERAL HOME LN MTG CORP #J12182		03/01/2017	PAYDOWN		14,566	14,566.00	15,086	14,574		(8)		(8)		14,566				109	05/01/202	1FE
3128PT-7B-5	FEDERAL HOME LN MTG CORP #J14490		03/01/2017	PAYDOWN		21,484	21,484.00	21,521	21,485		(1)		(1)		21,484				122	02/01/202	1FE
3128PV-BD-1	FEDERAL HOME LN MTG CORP #J15436		03/01/2017	PAYDOWN		11,043	11,043.00	11,515	11,057		(14)		(14)		11,043				82	05/01/202	1FE
3128PV-5E-6	FEDERAL HOME LN MTG CORP #J16245		03/01/2017	PAYDOWN		14,553	14,553.00	15,295	14,569		(16)		(16)		14,553				133	08/01/202	1FE
3128Q0-VW-4	FEDERAL HOME LN MTG CORP #J19629		03/01/2017	PAYDOWN		32,530	32,530.00	34,116	32,561		(31)		(31)		32,530				147	07/01/202	1FE

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

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractua Maturity Date	22 NAIC Design- ation or Market Indicat (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
31306Y-KF-7	FEDERAL HOME LN MTG CORP #J21194		03/01/2017	PAYDOWN		49,829	49,829.00	52,032	49,857		(29)		(29)		49,829				244	11/01/202	1FE
3132GM-KJ-0	FEDERAL HOME LN MTG CORP #Q05997		03/01/2017	PAYDOWN		10,246	10,246.00	10,639	10,247		(1)		(1)		10,246				61	02/01/204	1FE
3132GT-DJ-3	FEDERAL HOME LN MTG CORP #Q07905		03/01/2017	PAYDOWN		126,088	126,088.00	131,092	126,163		(75)		(75)		126,088				900	05/01/204	1FE
3132HL-A2-9	FEDERAL HOME LN MTG CORP #Q10025		03/01/2017	PAYDOWN		4,223	4,223.00	4,492	4,224		(1)		(1)		4,223				74	08/01/204	1FE
3132QU-AK-9	FEDERAL HOME LN MTG CORP #Q37209		03/01/2017	PAYDOWN		13,561	13,561.00	14,031	13,563		(2)		(2)		13,561				19	11/01/204	1FE
31371L-PL-7	FEDERAL NATIONAL MTG ASSOC #255227		03/01/2017	PAYDOWN		11,509	11,509.00	11,873	11,521		(11)		(11)		11,509				85	05/01/201	1FE
31400S-BR-9	FEDERAL NATIONAL MTG ASSOC #695848		03/01/2017	PAYDOWN		1,206	1,206.00	1,314	1,211		(5)		(5)		1,206				10	05/01/201	1FE
31400S-CF-4	FEDERAL NATIONAL MTG ASSOC #695870		03/01/2017	PAYDOWN		823	823.00	897	827		(4)		(4)		823				7	04/01/201	1FE
31401C-LJ-0	FEDERAL NATIONAL MTG ASSOC #704229		03/01/2017	PAYDOWN		1,839	1,839.00	2,004	1,847		(8)		(8)		1,839				15	05/01/201	1FE
31401X-L4-7	FEDERAL NATIONAL MTG ASSOC #721347		03/01/2017	PAYDOWN		1,347	1,347.00	1,468	1,353		(6)		(6)		1,347				12	06/01/201	1FE
31405D-KC-0	FEDERAL NATIONAL MTG ASSOC #786091		03/01/2017	PAYDOWN		645	645.00	702	647		(2)		(2)		645				5	07/01/201	1FE
31407B-WY-1	FEDERAL NATIONAL MTG ASSOC #826063		03/01/2017	PAYDOWN		4,798	4,798.00	4,598	4,797		1		1		4,798				40	07/01/203	1FE
31410G-ME-0	FEDERAL NATIONAL MTG ASSOC #888757		03/01/2017	PAYDOWN		124	124.00	125	124						124				1	09/01/203	1FE
31410G-RJ-4	FEDERAL NATIONAL MTG ASSOC #888889		03/01/2017	PAYDOWN		2,005	2,005.00	2,166	2,013		(8)		(8)		2,005				15	12/01/201	1FE
31410K-3R-3	FEDERAL NATIONAL MTG ASSOC #890108		03/01/2017	PAYDOWN		5,255	5,255.00	5,399	5,260		(4)		(4)		5,255				39	03/01/201	1FE
31410P-P2-3	FEDERAL NATIONAL MTG ASSOC #893341		02/01/2017	PAYDOWN		28,114	28,114.00	28,379	28,366		(252)		(252)		28,114				148	09/01/203	1FE
31412U-AJ-9	FEDERAL NATIONAL MTG ASSOC #934809		03/01/2017	PAYDOWN		5,501	5,501.00	5,696	5,506		(5)		(5)		5,501				41	03/01/202	1FE
31412U-L7-3	FEDERAL NATIONAL MTG ASSOC #935150		03/01/2017	PAYDOWN		1,233	1,233.00	1,276	1,234		(1)		(1)		1,233				9	04/01/202	1FE
31413J-FD-1	FEDERAL NATIONAL MTG ASSOC #946664		03/01/2017	PAYDOWN		53	53.00	53	53						53				1	09/01/203	1FE
31417M-KJ-1	FEDERAL NATIONAL MTG ASSOC #AC2996		03/01/2017	PAYDOWN		3,195	3,195.00	3,307	3,198		(3)		(3)		3,195				23	09/01/202	1FE
3138ED-2V-2	FEDERAL NATIONAL MTG ASSOC #AK8887		03/01/2017	PAYDOWN		8,163	8,163.00	8,718	8,166		(2)		(2)		8,163				27	04/01/204	1FE
3138EK-H9-9	FEDERAL NATIONAL MTG ASSOC #AL2955		03/01/2017	PAYDOWN		14,755	14,755.00	15,476	14,764		(9)		(9)		14,755				53	01/01/202	1FE
3138ET-DZ-6	FEDERAL NATIONAL MTG ASSOC #AL8219		03/01/2017	PAYDOWN		124,354	124,354.00	134,060	124,510		(156)		(156)		124,354				732	02/01/204	1FE
3138M6-R2-5	FEDERAL NATIONAL MTG ASSOC #AP3204		03/01/2017	PAYDOWN		7,178	7,178.00	7,452	7,182		(4)		(4)		7,178				30	08/01/202	1FE
3138W0-RB-7	FEDERAL NATIONAL MTG ASSOC #AR3181		03/01/2017	PAYDOWN		1,067	1,067.00	1,113	1,067						1,067				5	03/01/204	1FE
3138W0-TZ-2	FEDERAL NATIONAL MTG ASSOC #AR3267		03/01/2017	PAYDOWN		4,947	4,947.00	5,160	4,948						4,947				24	02/01/204	1FE
3138W1-YJ-0	FEDERAL NATIONAL MTG ASSOC #AR4312		03/01/2017	PAYDOWN		3,463	3,463.00	3,611	3,463						3,463				17	02/01/204	1FE
3138W1-3L-9	FEDERAL NATIONAL MTG ASSOC #AR4402		03/01/2017	PAYDOWN		8,783	8,783.00	9,135	8,790		(7)		(7)		8,783				37	02/01/202	1FE
3138W7-KH-6	FEDERAL NATIONAL MTG ASSOC #AR9295		03/01/2017	PAYDOWN		59,088	59,088.00	61,581	59,099		(11)		(11)		59,088				177	03/01/204	1FE
3138WE-C5-6	FEDERAL NATIONAL MTG ASSOC #AS4591		03/01/2017	PAYDOWN		49,967	49,967.00	54,062	50,007		(41)		(41)		49,967				310	03/01/204	1FE
3138WG-6E-9	FEDERAL NATIONAL MTG ASSOC #AS7168		03/01/2017	PAYDOWN		142,061	142,061.00	149,763	142,139		(78)		(78)		142,061				1,055	05/01/204	1FE
31418A-HX-9	FEDERAL NATIONAL MTG ASSOC #MA1145		03/01/2017	PAYDOWN		18,903	18,903.00	19,910	18,924		(22)		(22)		18,903				95	08/01/202	1FE
31418B-6G-6	FEDERAL NATIONAL MTG ASSOC #MA2670		03/01/2017	PAYDOWN		61,390	61,390.00	63,611	61,413		(23)		(23)		61,390				292	07/01/204	1FE
31396H-J8-3	FREDDIE MAC 3114 PF		03/15/2017	PAYDOWN		12,798	12,798.00	12,864	12,799		(1)		(1)		12,798				24	02/15/203	1FE
3137A4-ZH-3	FREDDIE MAC 3794 JH		03/01/2017	PAYDOWN		6,331	6,331.00	6,592	6,344		(13)		(13)		6,331				35	12/15/202	1FE
3137AJ-RJ-5	FREDDIE MAC 3976 AE		03/01/2017	PAYDOWN		22,666	22,666.00	23,254	22,680		(14)		(14)		22,666				84	08/15/202	1FE
842475-F7-5	STHRN CALIFORNIA ST PUBLIC PWR		01/26/2017	SECURITY CALLED BY IS		970,774	750,000.00	890,123	881,541		(304)		(304)		881,236		89,537	89,537	25,382	07/01/204	1FE

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SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractua Maturity Date	22 NAIC Desig- nation or Market Indicat (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment Non-Guaranteed Obligations				X X X	2,071,124	1,850,350.00	2,039,120	1,982,864		(1,277)		(1,277)		1,981,586		89,537	89,537	31,774	X X X	X X X	
17119Y-AC-1	CHRYSLER CAPITAL AUTO REC V 14 BA A3		03/15/2017	PAYDOWN		113,769	113,769.00	113,748	113,724		46		46		113,769				236	05/15/201	1FE	
12613S-AD-4	CNH EQUIPMENT TRUST 13 C A4		03/15/2017	PAYDOWN		200,200	200,200.00	200,191	200,074		126		126		200,200				720	08/16/202	1FE	
21686C-AD-2	COOPERATIEVE RABOBANK UA	D	01/19/2017	MATURITY		2,000,000	2,000,000.00	2,071,540	2,000,805		(805)		(805)		2,000,000				33,750	01/19/201	1FE	
25152R-VQ-3	DEUTSCHE BANK AG LONDON	D	02/13/2017	MATURITY		1,000,000	1,000,000.00	1,006,920	1,000,267		(267)		(267)		1,000,000				3,822	02/13/201	2FE	
34531P-AC-5	FORD CREDIT AUTO OWNER TRUST 16 A A		03/15/2017	PAYDOWN		147,307	147,307.00	147,307	147,307						147,307				281	12/15/201	1FE	
406216-AV-3	HALLIBURTON CO		03/15/2017	SECURITY CALLED BY IS		372,461	350,000.00	377,731	355,849		(676)		(676)		355,173		17,288	17,288	10,325	09/15/201	2FE	
41284A-AD-0	HARLEY-DAVIDSON MOTORCYCLE TR 14 1		03/15/2017	PAYDOWN		38,184	38,184.00	38,174	38,169		15		15		38,184				70	09/15/201	1FE	
477879-AD-2	JOHN DEERE OWNER TRUST 13 B A4		01/15/2017	PAYDOWN		1,835,372	1,835,372.00	1,835,018	1,835,326		46		46		1,835,372				2,126	12/16/201	1FE	
67741Y-AA-6	OHIO PHASE-IN-RECOVERY FUNDING 13 1		01/01/2017	PAYDOWN		136,085	136,085.00	136,083	136,085						136,085				652	07/01/201	1FE	
69121P-DE-0	OWNIT MORTGAGE LOAN ASSET-BACK 06		03/01/2017	PAYDOWN		16,332	16,332.00	12,001	16,215		118		118		16,332				116	01/25/203	1FM	
75970N-BD-8	RENAISSANCE HOME EQUITY LOAN 05 3 A		03/01/2017	PAYDOWN		16,031	16,031.00	16,031	16,031						16,031				88	11/25/203	1FM	
82651Y-AA-3	SIERRA RECEIVABLES FUNDING CO 13 1A		03/20/2017	PAYDOWN		7,240	7,240.00	7,238	7,234		6		6		7,240				18	11/20/202	1FE	
82652B-AA-2	SIERRA RECEIVABLES FUNDING CO 13 2A		03/20/2017	PAYDOWN		26,418	26,418.00	26,417	26,388		30		30		26,418				97	11/20/202	1FE	
82652D-AA-8	SIERRA RECEIVABLES FUNDING CO 14 2A		03/20/2017	PAYDOWN		8,306	8,306.00	8,305	8,298		9		9		8,306				28	06/20/203	1FE	
82652J-AA-5	SIERRA RECEIVABLES FUNDING CO 15 3A		03/20/2017	PAYDOWN		44,578	44,578.00	44,569	44,520		58		58		44,578				188	09/20/203	1FE	
92903P-AA-7	VORNADO DP LLC 10 VNO A1		03/10/2017	PAYDOWN		39,362	39,362.00	39,362	39,334		28		28		39,362				195	09/13/202	1FM	
98161J-AE-7	WORLD OMNI AUTO RECEIVABLES TR 15 A		03/31/2017	VARIOUS		1,597,819	1,596,413.00	1,596,075	1,595,715		(107)		(107)		1,596,180		1,639	1,639	7,951	04/15/202	1FE	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	7,599,464	7,575,597.00	7,676,710	7,581,341		(1,373)		(1,373)		7,580,537		18,927	18,927	60,663	X X X	X X X	
8199999	Subtotal - Bonds - SVO Identified Funds				X X X															X X X	X X X	
8399997	Subtotal - Bonds - Part 4				X X X	16,215,275	15,972,611.00	16,237,535	16,084,445		(2,554)		(2,554)		16,082,459		132,816	132,816	108,620	X X X	X X X	
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total - Bonds				X X X	16,215,275	15,972,611.00	16,237,535	16,084,445		(2,554)		(2,554)		16,082,459		132,816	132,816	108,620	X X X	X X X	
06739H-36-2	BARCLAYS BANK PLC 8.125%	D	03/22/2017	WELLS FARGO FINANCIA	20,000.00	515,989	25.00	500,000	500,000						500,000		15,989	15,989	10,156		P3LFE	
25154A-10-8	DB CONT CAP TRUST III 7.6%		03/22/2017	WELLS FARGO FINANCIA	20,000.00	517,989	25.00	361,800	361,800						361,800		156,189	156,189	9,500		P4LFE	
8499999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	1,033,978	X X X	861,800	861,800						861,800		172,178	172,178	19,656	X X X	X X X	
8999997	Subtotal - Preferred Stock - Part 4				X X X	1,033,978	X X X	861,800	861,800						861,800		172,178	172,178	19,656	X X X	X X X	

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SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractua Maturity Date	22 NAIC Desig- nation or Market Indicat (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
8999998	Summary Item from Part 5 for Preferred Stocks					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8999999	Total - Preferred Stocks					X X X	1,033,978	X X X	861,800	861,800						861,800		172,178	172,178	19,656	X X X	X X X
88579Y-10-1	3M COMPANY		02/23/2017	VARIOUS	1,200.00	223,951		201,568	214,284	(12,716)			(12,716)		201,568		22,383	22,383	1,410			L
166764-10-0	CHEVRON CORP		02/23/2017	VARIOUS	3,000.00	332,961		313,778	353,100	(39,322)			(39,322)		313,778		19,183	19,183	3,240			L
17275R-10-2	CISCO SYSTEMS INC		02/23/2017	MORGAN STANLEY & CO	17,400.00	591,307		513,848	525,828	(11,980)			(11,980)		513,848		77,459	77,459	4,524			L
237194-10-5	DARDEN RESTAURANTS INC		02/23/2017	MORGAN STANLEY & CO	5,600.00	422,486		378,362	407,232	(28,870)			(28,870)		378,362		44,123	44,123	3,136			L
26441C-20-4	DUKE ENERGY CORP		02/23/2017	VARIOUS	2,400.00	193,725		180,499	186,288	(5,789)			(5,789)		180,499		13,226	13,226	2,052			L
532457-10-8	ELI LILLY & CO		02/23/2017	VARIOUS	7,700.00	633,770		590,700	566,335	24,365			24,365		590,700		43,070	43,070	4,004			L
291011-10-4	EMERSON ELECTRIC CO		02/23/2017	VARIOUS	6,400.00	387,230		348,289	356,800	(8,511)			(8,511)		348,289		38,941	38,941	3,072			L
459200-10-1	INTL BUSINESS MACHINES CORP		02/23/2017	VARIOUS	2,700.00	489,770		412,088	448,173	(36,086)			(36,086)		412,088		77,683	77,683	3,780			L
478160-10-4	JOHNSON & JOHNSON		02/23/2017	MORGAN STANLEY & CO	1,400.00	170,069		156,947	161,294	(4,347)			(4,347)		156,947		13,122	13,122				L
46625H-10-0	JP MORGAN CHASE & COMPANY		02/23/2017	MORGAN STANLEY & CO	6,200.00	562,464		408,344	534,998	(126,654)			(126,654)		408,344		154,120	154,120	2,976			L
49456B-10-1	KINDER MORGAN INC		02/23/2017	MORGAN STANLEY & CO	14,000.00	301,657		251,832	289,940	(38,108)			(38,108)		251,832		49,825	49,825	1,750			L
500754-10-6	KRAFT HEINZ COMPANY		02/23/2017	MORGAN STANLEY & CO	6,300.00	586,944		555,231	550,116	5,115			5,115		555,231		31,713	31,713				L
539830-10-9	LOCKHEED MARTIN CORPORATION		02/23/2017	MORGAN STANLEY & CO	1,700.00	448,994		424,609	424,898	(289)			(289)		424,609		24,386	24,386				L
580135-10-1	MCDONALDS CORP		02/23/2017	MORGAN STANLEY & CO	3,400.00	435,985		418,871	413,848	5,023			5,023		418,871		17,114	17,114				L
58933Y-10-5	MERCK & CO INC		02/23/2017	MORGAN STANLEY & CO	7,900.00	519,840		459,941	465,073	(5,132)			(5,132)		459,941		59,899	59,899	3,713			L
594918-10-4	MICROSOFT CORP		02/23/2017	VARIOUS	6,800.00	438,167		369,077	422,552	(53,475)			(53,475)		369,077		69,089	69,089	2,652			L
69007J-10-6	OUTFRONT MEDIA INC		02/23/2017	MORGAN STANLEY & CO	15,268.00	380,435		360,936	379,715	(18,780)			(18,780)		360,936		19,500	19,500				L
717081-10-3	PFIZER INC		01/17/2017	SETTLEMENTS		141											141	141				L
723484-10-1	PINNACLE WEST CAPITAL CORP		02/23/2017	VARIOUS	5,200.00	418,709		388,476	405,756	(17,280)			(17,280)		388,476		30,233	30,233	3,406			L
69351T-10-6	PPL CORPORATION		02/23/2017	MORGAN STANLEY & CO	5,300.00	193,306		176,681	180,465	(3,784)			(3,784)		176,681		16,625	16,625				L
742718-10-9	PROCTER & GAMBLE CO/THE		02/23/2017	MORGAN STANLEY & CO	3,900.00	355,569		330,473	327,912	2,561			2,561		330,473		25,096	25,096	2,611			L
857477-10-3	STATE STREET CORP		02/21/2017	SETTLEMENTS		2,257											2,257	2,257				L
871829-10-7	SYSCO CORP		02/23/2017	MORGAN STANLEY & CO	8,500.00	449,091		435,409	470,645	(35,236)			(35,236)		435,409		13,682	13,682	2,805			L
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated)					X X X	8,538,828		7,675,959	8,085,252	(409,295)			(409,295)		7,675,959		862,870	862,870	45,131	X X X	X X X
9799997	Subtotal - Common Stock - Part 4					X X X	8,538,828	X X X	7,675,959	8,085,252	(409,295)			(409,295)		7,675,959		862,870	862,870	45,131	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks					X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

E053

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SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractua Maturity Date	22 NAIC Desig- nation or Market Indicat (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
9799999	Total - Common Stocks				X X X	8,538,828	X X X	7,675,959	8,085,252	(409,295)			(409,295)		7,675,959		862,870	862,870	45,131	X X X	X X X
9899999	Total - Preferred and Common Stocks				X X X	9,572,806	X X X	8,537,759	8,947,052	(409,295)			(409,295)		8,537,759		1,035,048	1,035,048	64,787	X X X	X X X
9999999	Totals					25,788,081	X X X	24,775,294	25,031,497	(409,295)	(2,554)		(411,849)		24,620,218		1,167,864	1,167,864	173,407	X X X	X X X

E05.4

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NONE **Schedule DB - Part A - Section 1**

NONE **Schedule DB - Part B - Section 1**

NONE **Schedule DB - Part D - Section 1**

NONE **Schedule DB - Part D - Section 2**

NONE **Schedule DL - Part 1**

NONE **Schedule DL - Part 2**

NONE Schedule E - Part 2