

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

September 30, 2018

PROPERTY AND CASUALTY

2018



24017201820100103

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2018
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

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

Incorporated/Organized July 11, 1990 Commenced Business August 12, 1992
Statutory Home Office One Beacon Centre, Warwick, RI US 02886-1378

Main Administrative Office One Beacon Centre, Warwick, RI US 02886-1378 401-825-2621

Mail Address One Beacon Centre, Warwick, RI US 02886-1378

Primary Location of Books and Records One Beacon Centre, Warwick, RI US 02886-1378 401-825-2667

Internet Website Address www.beaconmutual.com
Statutory Statement Contact Ann Lazzareschi 401-825-2621

alazzareschi@beaconmutual.com 401-825-2659

OFFICERS

Table with 2 columns: Name, Title. Rows include Brian Joseph Spero (President & CEO), Amy Clark Vitale (Vice President, General Counsel & Assistant Secretary), Cynthia Lee Lawlor (Chief Financial Officer).

VICE-PRESIDENTS

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

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Rows include Harry Robert Bacon (Raymond Christopher Coia), Myrth York (Linda D'Amario Rossi), Steven Issa (Kate Coyne-McCoy), Timothy Ludger Byrne # (Bradford Alan Dean).

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...

(Signature) Brian Joseph Spero, Amy Clark Vitale, Cynthia Lee Lawlor
(Printed Name) 1. 2. 3.
(President & CEO, Vice President, General Counsel & Assistant Secretary, Chief Financial Officer)
(Title)

Subscribed and sworn to before me this day of , 2018

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	302,304,765		302,304,765	318,189,901
2. Stocks:				
2.1 Preferred stocks	9,359,089		9,359,089	933,811
2.2 Common stocks	38,805,065		38,805,065	18,569,537
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	10,464,453		10,464,453	10,736,993
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 3,186,296), cash equivalents (\$ 5,433,052), and short-term investments (\$ 0)	8,619,348		8,619,348	11,628,679
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	19,344		19,344	37,245
9. Receivables for securities	828,400		828,400	347,606
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	370,400,464		370,400,464	360,443,772
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	2,938,285		2,938,285	3,003,357
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,636,200	547,211	2,088,989	2,702,650
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 2,181,267 earned but unbilled premiums)	28,879,556	44,388	28,835,168	36,798,090
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	251,186		251,186	336,316
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	1,554,436	1,218,322	336,114	176,498
21. Furniture and equipment, including health care delivery assets (\$ 0)	199,358	199,358		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	56,322		56,322	
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	4,425,161	2,239,100	2,186,061	66,360
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	411,340,968	4,248,379	407,092,589	403,527,043
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	411,340,968	4,248,379	407,092,589	403,527,043

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses	4,343,973	2,239,100	2,104,873	14,140
2502. Miscellaneous Receivables	42,482		42,482	14,720
2503. SERP Account	38,706		38,706	37,500
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	4,425,161	2,239,100	2,186,061	66,360

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 43,199,454)	153,217,310	140,786,423
2. Reinsurance payable on paid losses and loss adjustment expenses	3,996	13,102
3. Loss adjustment expenses	23,908,734	22,809,913
4. Commissions payable, contingent commissions and other similar charges	4,046,363	4,974,292
5. Other expenses (excluding taxes, licenses and fees)	7,529,189	7,946,327
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	5,211,252	8,056,487
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 59,022 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)	51,400,690	62,163,222
10. Advance premium	2,024,302	2,547,924
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders	37,512	395,600
12. Ceded reinsurance premiums payable (net of ceding commissions)	92,019	
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	92,721	242,970
15. Remittances and items not allocated	39,900	116,571
16. Provision for reinsurance (including \$ 0 certified)		3,000
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	336,964	478,883
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	247,940,952	250,534,714
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	247,940,952	250,534,714
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	20,758,685	20,758,685
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	138,392,952	132,233,644
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	159,151,637	152,992,329
38. Totals (Page 2, Line 28, Col. 3)	407,092,589	403,527,043

DETAILS OF WRITE-IN LINES		
2501. Deferred Gain - CH Investments	333,229	476,264
2502. Miscellaneous Liabilities	3,735	2,619
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	336,964	478,883
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201. Capital assessment by RI Dept of Labor to provide residual market	20,758,685	20,758,685
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	20,758,685	20,758,685

NONE

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 82,904,327)	92,377,301	95,623,115	126,959,990
1.2 Assumed (written \$ 2,820,749)	4,110,308	4,406,209	5,545,154
1.3 Ceded (written \$ 4,149,335)	4,149,335	4,733,362	6,169,155
1.4 Net (written \$ 81,575,741)	92,338,274	95,295,962	126,335,989
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 0):			
2.1 Direct	62,591,863	62,371,018	79,885,362
2.2 Assumed	2,340,878	4,742,649	5,870,830
2.3 Ceded	10,427,099	(663,751)	(265,852)
2.4 Net	54,505,642	67,777,418	86,022,044
3. Loss adjustment expenses incurred	16,419,982	17,524,703	22,725,143
4. Other underwriting expenses incurred	26,543,232	26,504,972	36,025,643
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	97,468,856	111,807,093	144,772,830
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(5,130,582)	(16,511,131)	(18,436,841)
INVESTMENT INCOME			
9. Net investment income earned	9,292,395	9,349,973	12,414,330
10. Net realized capital gains (losses) less capital gains tax of \$ 0	2,213,633	1,376,029	2,252,465
11. Net investment gain (loss) (Lines 9 + 10)	11,506,028	10,726,002	14,666,795
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 165,068 amount charged off \$ 702,276)	(537,207)	(239,777)	(231,757)
13. Finance and service charges not included in premiums	108,929	113,705	144,570
14. Aggregate write-ins for miscellaneous income	(23,084)	24,415	251,997
15. Total other income (Lines 12 through 14)	(451,362)	(101,657)	164,810
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	5,924,084	(5,886,786)	(3,605,236)
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	5,924,084	(5,886,786)	(3,605,236)
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	5,924,084	(5,886,786)	(3,605,236)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	152,992,329	158,538,277	158,538,277
22. Net income (from Line 20)	5,924,084	(5,886,786)	(3,605,236)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(1,244,328)	248,139	213,857
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	1,476,552	(1,310,117)	(2,151,569)
28. Change in provision for reinsurance	3,000		(3,000)
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	6,159,308	(6,948,764)	(5,545,948)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	159,151,637	151,589,513	152,992,329

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Impairment Recovery - Subsidiary	35,322	22,476	62,294
1402. Gain (Loss) on Disposal of Assets	550	3,189	3,190
1403. Retroactive Reinsurance Gain (Loss)		(1,250)	16,807
1498. Summary of remaining write-ins for Line 14 from overflow page	(58,956)		169,706
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(23,084)	24,415	251,997
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	89,373,123	94,701,326	125,388,683
2. Net investment income	10,286,006	10,390,158	13,857,574
3. Miscellaneous income	(451,362)	(142,864)	164,809
4. Total (Lines 1 to 3)	99,207,767	104,948,620	139,411,066
5. Benefit and loss related payments	41,981,657	54,876,835	74,322,849
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	46,027,750	50,040,620	59,469,542
8. Dividends paid to policyholders	358,087	1,400,647	1,684,004
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	88,367,494	106,318,102	135,476,395
11. Net cash from operations (Line 4 minus Line 10)	10,840,273	(1,369,482)	3,934,671
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	53,828,477	36,031,908	45,493,841
12.2 Stocks	38,670,353	9,574,030	17,590,292
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	92,498,830	45,605,938	63,084,133
13. Cost of investments acquired (long-term only):			
13.1 Bonds	38,752,138	38,203,215	45,990,796
13.2 Stocks	66,336,502	4,715,270	16,413,343
13.3 Mortgage loans			
13.4 Real estate	7,260	(87,947)	(87,947)
13.5 Other invested assets			
13.6 Miscellaneous applications	480,794	1,604,148	347,605
13.7 Total investments acquired (Lines 13.1 to 13.6)	105,576,694	44,434,686	62,663,797
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(13,077,864)	1,171,252	420,336
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(771,740)	(696,131)	(1,024,054)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(771,740)	(696,131)	(1,024,054)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(3,009,331)	(894,361)	3,330,953
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	11,628,679	8,297,726	8,297,726
19.2 End of period (Line 18 plus Line 19.1)	8,619,348	7,403,365	11,628,679

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

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

	SSAP #	F/S Page	F/S Line #	9/30/2018	12/31/2017
<u>NET INCOME</u>					
Rhode Island Basis	97	4	20	\$ 5,924,084	\$ (3,605,236)
State Permitted Practice:					
Value of Castle Hill Subsidiary					
NAIC SAP	97	4	20	<u>\$ 5,924,084</u>	<u>\$ (3,605,236)</u>
<u>SURPLUS</u>					
Rhode Island Basis	97	3	37	\$159,151,637	\$152,992,329
State Permitted Practice:					
Value of Castle Hill Subsidiary				\$ (1,409,826)	\$ (1,381,090)
NAIC SAP	97	3	37	<u>\$157,741,811</u>	<u>\$151,611,239</u>

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

No Change

C. Accounting Policies

(1- 5) No change.

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

(7-13) No change.

D. Going Concern

Not applicable.

2. Accounting Changes and Corrections of Errors

Not applicable

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

5. Investments

NOTES TO FINANCIAL STATEMENTS

A-C No change.

D. Loan-Backed Securities

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

a. The aggregate amount of unrealized losses:		
1. Less than 12 Months	\$	(701,241)
2. 12 Months or Longer		<u>(2,433,549)</u>
		(3,134,790)
b. The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 Months	\$	48,410,044
2. 12 Months or Longer		<u>36,511,482</u>
		84,921,526
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 September 30, 2018, the Company has not made a decision to sell any such securities. The Company evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their cost basis. As of September 30, 2018, the Company can attest that it has the intent and believes that it has the ability to hold these securities long enough to allow the cost basis of these securities to be recovered. The conclusions are determined by a detailed analysis of the underlying credit and cash flows on each security. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities held at September 30, 2018 if future events, information, and the passage of time cause it to conclude that declines in value are other than temporary.

E-I, M-R No change.

6. Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

7. Investment Income

No change.

8. Derivative Instruments

Not applicable.

9. Income Taxes

No change.

10. Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

11. Debt

A. No change.

B. FHLB (Federal Home Loan Bank) Agreements

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

NOTES TO FINANCIAL STATEMENTS

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

2. FHLB Capital Stock - Aggregate Totals

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

3. Collateral Pledged to FHLB

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

4. Borrowing from FHLB

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

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

No significant change.

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

No significant change.

14. Contingencies

No significant change.

15. Leases

No significant change.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

20. Fair Value Measurement

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

September 30, 2018				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets at fair value (in 000's)				
Bonds and debt securities	\$	\$ 2,789	\$	\$ 2,789
Cash Equivalents	5,433			5,433
Preferred stock		6,956	-	6,956
Common stock	37,164		-	37,164
Total Assets at Fair Value	\$ <u>42,597</u>	\$ <u>9,745</u>	\$	\$ <u>52,342</u>

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.

September 30, 2018						Not Practicable (Carrying Value)
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>Value)</u>
Assets at fair value (in 000's)						
Bonds and debt securities	\$ 11,045	\$ 289,848	\$	\$ 300,893	\$ 300,893	-
Cash equivalents	5,433	-	-	5,433	5,433	-
Preferred Stock		9,321		9,321	9,321	-
Common stock	37,164	231	-	37,395	37,395	-
Total assets at fair value	\$ <u>53,642</u>	\$ <u>299,400</u>	\$	\$ <u>353,042</u>	\$ <u>353,042</u>	\$

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.

NOTES TO FINANCIAL STATEMENTS

B. Other Fair Value Disclosures

Not applicable.

C. Reasons Not Practical to Estimate Fair Values

Not applicable.

21. Other Items

No significant changes.

22. Events Subsequent

No change.

23. Reinsurance

A. Reinsurance Assumed and Ceded and Protected Cells

All reinsurance premiums are paid on earned premium; therefore, return commission is zero. At September 30, 2018, the unearned premium reserves for direct and assumed premiums were \$48,672,670 and \$1,442,999, respectively. The unearned premium reserve for ceded premiums was \$59,022 at September 30, 2018.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No significant change.

25. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years increased by \$2 million during 2018. Increases (or decreases) of this nature take place as the result of ongoing claims activity and the review of claim reserves as additional information becomes available.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

No change.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

No change.

31. High Deductibles

Not applicable.

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

Not applicable.

33. Asbestos/Environmental Reserves

No change.

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

NOTES TO FINANCIAL STATEMENTS

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

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

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

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

2.2 If yes, date of change: _____

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

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

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

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

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group _____

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

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

7.2 If yes, give full information

.....

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

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

.....

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

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

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

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

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

Yes [X] No []

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

.....

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

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

.....

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

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

.....

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [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	\$ <u>1,381,089</u>	\$ <u>1,409,826</u>
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ <u>1,381,089</u>	\$ <u>1,409,826</u>
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

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

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

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

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

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

18.2 If no, list exceptions:

.....

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

- a. Documentation necessary to permit a full credit analysis of the security does not exist.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5*GI securities? Yes No

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 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. \$ _____

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

7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity Yes [] No []

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
		U.S. Insurers				
10677	31-0542366	IOA Re, LLC / The Cincinnati Insurance Company	OH	Authorized		

6

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - Allocated by States and Territories

States, Etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama	AL	N					
2. Alaska	AK	N					
3. Arizona	AZ	N					
4. Arkansas	AR	N					
5. California	CA	N					
6. Colorado	CO	N					
7. Connecticut	CT	N					
8. Delaware	DE	N					
9. District of Columbia	DC	N					
10. Florida	FL	N					
11. Georgia	GA	N					
12. Hawaii	HI	N					
13. Idaho	ID	N					
14. Illinois	IL	N					
15. Indiana	IN	N					
16. Iowa	IA	N					
17. Kansas	KS	N					
18. Kentucky	KY	N					
19. Louisiana	LA	N					
20. Maine	ME	N					
21. Maryland	MD	N					
22. Massachusetts	MA	L					
23. Michigan	MI	N					
24. Minnesota	MN	N					
25. Mississippi	MS	N					
26. Missouri	MO	N					
27. Montana	MT	N					
28. Nebraska	NE	N					
29. Nevada	NV	N					
30. New Hampshire	NH	N					
31. New Jersey	NJ	N					
32. New Mexico	NM	N					
33. New York	NY	N					
34. North Carolina	NC	N					
35. North Dakota	ND	N					
36. Ohio	OH	N					
37. Oklahoma	OK	N					
38. Oregon	OR	N					
39. Pennsylvania	PA	N					
40. Rhode Island	RI	L	82,904,327	84,863,505	49,297,929	53,787,617	164,773,417
41. South Carolina	SC	N					
42. South Dakota	SD	N					
43. Tennessee	TN	N					
44. Texas	TX	N					
45. Utah	UT	N					
46. Vermont	VT	N					
47. Virginia	VA	N					
48. Washington	WA	N					
49. West Virginia	WV	N					
50. Wisconsin	WI	N					
51. Wyoming	WY	N					
52. American Samoa	AS	N					
53. Guam	GU	N					
54. Puerto Rico	PR	N					
55. U.S. Virgin Islands	VI	N					
56. Northern Mariana Islands	MP	N					
57. Canada	CAN	N					
58. Aggregate Other Alien	OT	X X X					
59. Totals	X X X		82,904,327	84,863,505	49,297,929	53,787,617	164,773,417

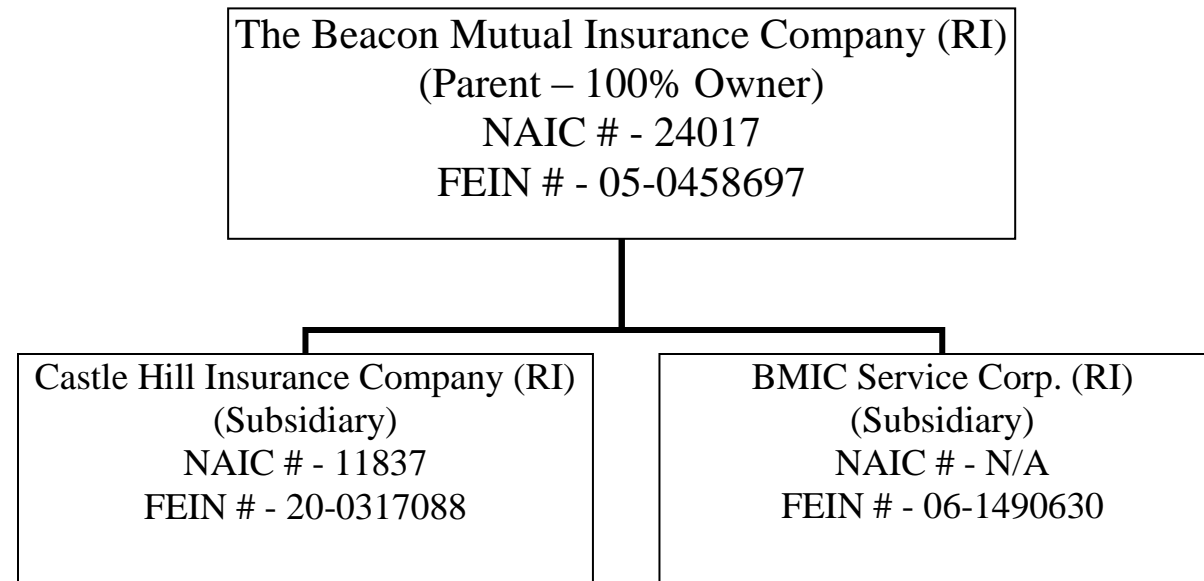
DETAILS OF WRITE-INS							
58001.		X X X					
58002.		X X X					
58003.		X X X					
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X					
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X					

NONE

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

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

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
3490	Beacon Mutual Insurance Group	24017	05-0458697				Beacon Mutual Insurance Company	RI						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	92,377,301	62,591,863	67.8	65.2
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	92,377,301	62,591,863	67.8	65.2

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	26,913,380	82,904,327	84,863,505
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	26,913,380	82,904,327	84,863,505

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2018 Loss and LAE Payments on Claims Reported as of Prior Year-End	2018 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2018 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2015 + prior	48,269	15,483	63,752	6,223	67	6,290	48,773	40	15,454	64,267	6,727	78	6,805
2. 2016	19,053	17,082	36,135	10,169	37	10,206	16,183	65	6,263	22,511	7,299	(10,717)	(3,418)
3. Subtotals 2016 + prior	67,322	32,565	99,887	16,392	104	16,496	64,956	105	21,717	86,778	14,026	(10,639)	3,387
4. 2017	25,836	37,874	63,710	21,409	797	22,206	20,949	1,031	18,250	40,230	16,522	(17,796)	(1,274)
5. Subtotals 2017 + prior	93,158	70,439	163,597	37,801	901	38,702	85,905	1,136	39,967	127,008	30,548	(28,435)	2,113
6. 2018	X X X	X X X	X X X	X X X	18,695	18,695	X X X	20,935	29,182	50,117	X X X	X X X	X X X
7. Totals	93,158	70,439	163,597	37,801	19,596	57,397	85,905	22,071	69,149	177,125	30,548	(28,435)	2,113

8. Prior Year-End Surplus As Regards Policyholders

155,377

Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
As % of Col. 1,	As % of Col. 2,	As % of Col. 3,
<u>Line 7</u>	<u>Line 7</u>	<u>Line 7</u>
1. <u>32.792</u>	2. <u>-40.368</u>	3. <u>1.292</u>
		<u>Col. 13, Line 7</u>
		<u>Line 8</u>
		4. <u>1.360</u>

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

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

Bar Code:



24017201849000030



24017201845500030



24017201836500030



24017201850500030

OVERFLOW PAGE FOR WRITE-INS

Page 4 - Continuation

STATEMENT OF INCOME

	1	2	3
REMAINING WRITE-INS AGGREGATED AT LINE 14 FOR MISCELLANEOUS INCOME	Current Year	Prior Year	Prior Year Ended December 31
1404. Interest and Penalties			(1,250)
1405. Miscellaneous Income (Expense)	(58,956)		170,956
1497. Totals (Lines 1404 through 1496) (Page 4, Line 1498)	(58,956)		169,706

SCHEDULE A - VERIFICATION**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	10,736,993	11,173,328
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	7,260	
2.2 Additional investment made after acquisition		(87,948)
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation	279,800	348,387
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	10,464,453	10,736,993
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	10,464,453	10,736,993

SCHEDULE B - VERIFICATION**Mortgage Loans**

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

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

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	37,245	35,455
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	(17,901)	1,790
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	19,344	37,245
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	19,344	37,245

SCHEDULE D - VERIFICATION**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	337,693,250	337,197,574
2. Cost of bonds and stocks acquired	105,088,649	62,404,144
3. Accrual of discount	60,197	84,717
4. Unrealized valuation increase (decrease)	(1,245,406)	145,181
5. Total gain (loss) on disposals	2,022,877	2,310,383
6. Deduct consideration for bonds and stocks disposed of	92,498,830	63,084,132
7. Deduct amortization of premium	717,103	1,183,066
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		181,551
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	65,285	
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	350,468,919	337,693,250
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	350,468,919	337,693,250

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)	254,830,715	12,033,767	5,389,933	(1,048,467)	252,184,935	254,830,715	260,426,082	279,811,460
2. NAIC 2 (a)	40,706,024	2,274,084	4,743,495	852,766	37,558,108	40,706,024	39,089,379	42,388,661
3. NAIC 3 (a)	2,733,744			55,561	2,194,314	2,733,744	2,789,305	2,087,721
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	298,270,483	14,307,851	10,133,428	(140,140)	291,937,357	298,270,483	302,304,766	324,287,842
PREFERRED STOCK								
8. NAIC 1	423,011	628,750		(6,000)	423,011	423,011	1,045,761	423,011
9. NAIC 2	3,751,538	2,720,361	60,360	(56,959)	3,382,178	3,751,538	6,354,580	510,800
10. NAIC 3	1,976,248			(17,500)	1,982,748	1,976,248	1,958,748	
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	6,150,797	3,349,111	60,360	(80,459)	5,787,937	6,150,797	9,359,089	933,811
15. Total Bonds & Preferred Stock	304,421,280	17,656,962	10,193,788	(220,599)	297,725,294	304,421,280	311,663,855	325,221,653

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

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

SCHEDULE DA - PART 1

Short-Term Investments

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

NONE

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		5,733,174
2. Cost of short-term investments acquired		29,360,621
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		35,093,795
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

SCHEDULE E PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	8,298,556	
2. Cost of cash equivalents acquired	88,721,374	29,450,729
3. Accrual of discount	8,167	4,400
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	337	
6. Deduct consideration received on disposals	91,595,381	21,156,573
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	5,433,053	8,298,556
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	5,433,053	8,298,556

NONE Schedule B - Part 2 and 3

SCHEDULE BA - PART 2

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

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

EO3

SCHEDULE BA - PART 3

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

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

SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
36179T-4P-7 36179T-7K-5	GOVERNMENT NATL MTG ASSOC II #MA5330 GOVERNMENT NATL MTG ASSOC II #MA5398		07/25/2018 08/07/2018	WELLS FARGO FINANCIAL WELLS FARGO FINANCIAL		1,019,419 4,603,008	996,378.00 4,500,000.00	2,214 10,000	1FE 1FE
0599999	Subtotal - Bonds - U. S. Government				X X X	5,622,427	5,496,378.00	12,214	X X X
02665W-CJ-8 377372-AH-0 678858-BT-7 693304-AT-4 771196-BE-1 855244-AQ-2	AMERICAN HONDA FINANCE GLAXOSMITHKLINE CAP INC OKLAHOMA G&E CO PECO ENERGY CO ROCHE HOLDING INC STARBUCKS CORP		07/11/2018 08/15/2018 08/14/2018 08/08/2018 08/14/2018 08/08/2018	BARCLAYS CAPITAL WELLS FARGO FINANCIAL MIZUHO SECURITIES VARIOUS PARIBAS CORPORATION MORGAN STANLEY & CO		998,270 2,443,725 998,110 971,915 999,320 999,080	1,000,000.00 2,500,000.00 1,000,000.00 1,000,000.00 1,000,000.00 1,000,000.00	28,972 10,063 12,656	1FE 1FE 1FE 1FE 1FE 2FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	7,410,420	7,500,000.00	51,691	X X X
29250N-AN-5 369604-BQ-5 693475-AQ-8 89356B-AB-4	ENBRIDGE INC GENERAL ELECTRIC CO PNC FINANCIAL SERVICES TRANSCANADA TRUST	A A	08/01/2018 09/07/2018 08/28/2018 08/01/2018	MARKETAXESS WELLS FARGO FINANCIAL MORGAN STANLEY & CO MARKETAXESS		196,840 197,480 702,625 178,059	200,000.00 200,000.00 700,000.00 175,000.00	600 2,389 11,569 4,798	2FE 2FE 2FE 2FE
4899999	Subtotal - Bonds - Hybrid Securities				X X X	1,275,004	1,275,000.00	19,356	X X X
8399997	Subtotal - Bonds - Part 3				X X X	14,307,851	14,271,378.00	83,261	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	14,307,851	14,271,378.00	83,261	X X X
010392-46-2 060505-19-5 125896-86-0 125896-85-2 26441C-40-2 59156R-87-6 744320-80-5 902973-75-9 94988U-73-0	ALABAMA POWER CO 5.00% BANK OF AMERICA CORP 5.875% CMS ENERGY CORP 5.625% 03/15/78 CMS ENERGY CORP 5.875% 10/15/78 DUKE ENERGY CORP 5.625% 09/15/78 METLIFE INC 5.625% PRUDENTIAL FINANCIAL INC 5.625% 08/15/58 US BANCORP 5.50% WELLS FARGO & COMPANY 6%		08/16/2018 09/07/2018 08/21/2018 09/20/2018 09/11/2018 07/27/2018 08/06/2018 08/07/2018 09/07/2018	WELLS FARGO FINANCIAL GOLDMAN SACHS WELLS FARGO FINANCIAL JANNEY MONTGOMERY SCOTT BANK OF AMERICA JANNEY MONTGOMERY SCOTT BANK OF AMERICA MORGAN STANLEY & CO WELLS FARGO FINANCIAL	25,000.000 6,000.000 9,473.000 15,000.000 10,000.000 10,000.000 25,000.000 25,000.000 8,000.000	628,750 152,820 237,191 369,750 250,000 255,400 625,000 625,000 205,200			P1LFE P2LFE RP2LFE RP2LFE RP2LFE P2LFE RP2LFE P2LFE P2LFE
8499999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	3,349,111	X X X		X X X
8999997	Subtotal - Preferred Stock - Part 3				X X X	3,349,111	X X X		X X X
8999998	Summary Item from Part 5 for Preferred Stocks				X X X	X X X	X X X	X X X	X X X

E04

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

SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
8999999	Total - Preferred Stock				X X X	3,349,111	X X X		X X X
17275R-10-2	CISCO SYSTEMS INC		08/08/2018	WEEDEN & CO	19,400.000	852,525			L
237194-10-5	DARDEN RESTAURANTS INC		08/08/2018	WEEDEN & CO	7,800.000	857,098			L
532457-10-8	ELI LILLY & CO		08/08/2018	WEEDEN & CO	6,800.000	696,374			L
291011-10-4	EMERSON ELECTRIC CO		08/08/2018	WEEDEN & CO	9,500.000	704,378			L
46625H-10-0	JP MORGAN CHASE & COMPANY		08/08/2018	WEEDEN & CO	8,600.000	1,015,113			L
58933Y-10-5	MERCK & CO INC		08/08/2018	WEEDEN & CO	9,700.000	647,808			L
594918-10-4	MICROSOFT CORP		08/08/2018	WEEDEN & CO	7,100.000	778,482			L
717081-10-3	PFIZER INC		08/08/2018	WEEDEN & CO	17,400.000	722,977			L
744573-10-6	PUBLIC SERVICE ENTERPRISE GP		08/08/2018	WEEDEN & CO	11,500.000	589,951			L
780259-20-6	ROYAL DUTCH SHELL PLC - ADR A	C	08/08/2018	WEEDEN & CO	7,800.000	524,687			L
871829-10-7	SYSCO CORP		08/08/2018	WEEDEN & CO	11,900.000	832,223			L
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	8,221,616	X X X		X X X
78462F-10-3	SPDR S&P 500 ETF TRUST		08/08/2018	WEEDEN & CO	50,800.000	14,515,175			L
9299999	Subtotal - Common Stock - Mutual Funds				X X X	14,515,175	X X X		X X X
9799997	Subtotal - Common Stock - Part 3				X X X	22,736,791	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	22,736,791	X X X		X X X
9899999	Total - Preferred and Common Stock				X X X	26,085,902	X X X		X X X
9999999	Totals				X X X	40,393,753	X X X	83,261	X X X

E04.1

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

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Design- ation or Market Indicat (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
38373A-L2-0	GOVERNMENT NATIONAL MORTGAGE A 09		09/01/2018	PAYDOWN		10,111	10,111.00	10,627	10,238		(127)		(127)		10,111				302	07/20/2038	1FE
38376F-J3-7	GOVERNMENT NATIONAL MORTGAGE A 09		09/01/2018	PAYDOWN		837	837.00	924	864		(26)		(26)		837				25	08/20/2038	1FE
38378K-RR-2	GOVERNMENT NATIONAL MORTGAGE A 13		09/01/2018	PAYDOWN		137,813	137,813.00	141,679	138,007		(193)		(193)		137,813				2,133	03/16/2048	1FE
36296H-Q6-9	GOVERNMENT NATL MTG ASSOC #691777		09/01/2018	PAYDOWN		585	585.00	596	585		(1)		(1)		585				20	07/15/2038	1FE
36296Q-LY-3	GOVERNMENT NATL MTG ASSOC #697943		09/01/2018	PAYDOWN		399	399.00	408	399						399				13	03/15/2039	1FE
36296W-WP-7	GOVERNMENT NATL MTG ASSOC #703654		09/01/2018	PAYDOWN		197	197.00	201	197						197				7	02/15/2039	1FE
3620C6-EG-6	GOVERNMENT NATL MTG ASSOC #749935		09/01/2018	PAYDOWN		25,528	25,528.00	26,637	25,470		58		58		25,528				681	11/15/2040	1FE
36241K-YZ-5	GOVERNMENT NATL MTG ASSOC #782528		09/01/2018	PAYDOWN		5,022	5,022.00	5,122	5,031		(10)		(10)		5,022				165	01/15/2039	1FE
36179T-Z5-7	GOVERNMENT NATL MTG ASSOC II #MA52		09/01/2018	PAYDOWN		103,141	103,141.00	105,570			(14)		(14)		103,141				732	06/20/2048	1FE
36179T-4P-7	GOVERNMENT NATL MTG ASSOC II #MA53		09/01/2018	PAYDOWN		2,734	2,734.00	2,797							2,734				9	07/20/2048	1FE
36179T-7K-5	GOVERNMENT NATL MTG ASSOC II #MA53		09/01/2018	PAYDOWN		10,028	10,028.00	10,257							10,028				33	08/20/2048	1FE
0599999	Subtotal - Bonds - U.S. Governments				X X X	296,395	296,395.00	304,818	180,791		(313)		(313)		296,395				4,120	X X X	X X X
196479-C3-1	COLORADO ST HSG & FIN AUTH		09/04/2018	SINK FUND PAYMENT		1,005	1,005.00	1,005	1,005						1,005				20	09/01/2047	1FE
31396V-4B-1	FANNIE MAE 07 58 FG		09/25/2018	PAYDOWN		4,683	4,683.00	4,683	4,683						4,683				67	06/25/2037	1FE
3136A5-TB-2	FANNIE MAE 12 33 GV		09/01/2018	PAYDOWN		28,731	28,731.00	30,689	28,902		(171)		(171)		28,731				671	07/25/2028	1FE
312962-VV-0	FEDERAL HOME LN MTG CORP #B10629		09/01/2018	PAYDOWN		924	924.00	999	943		(19)		(19)		924				31	11/01/2018	1FE
312962-ZK-2	FEDERAL HOME LN MTG CORP #B10746		09/01/2018	PAYDOWN		474	474.00	512	483		(10)		(10)		474				16	11/01/2018	1FE
312962-3G-6	FEDERAL HOME LN MTG CORP #B10799		09/01/2018	PAYDOWN		1,701	1,701.00	1,839	1,745		(44)		(44)		1,701				56	12/01/2018	1FE
312963-PY-1	FEDERAL HOME LN MTG CORP #B11339		09/01/2018	PAYDOWN		813	813.00	879	831		(18)		(18)		813				27	12/01/2018	1FE
31292S-AN-0	FEDERAL HOME LN MTG CORP #C09013		09/01/2018	PAYDOWN		8,015	8,015.00	8,170	8,025		(11)		(11)		8,015				160	09/01/2042	1FE
3128P8-FX-4	FEDERAL HOME LN MTG CORP #C91982		09/01/2018	PAYDOWN		20,292	20,292.00	20,375			(1)		(1)		20,292				130	03/01/2038	1FE
3128H8-CB-4	FEDERAL HOME LN MTG CORP #E99966		09/01/2018	PAYDOWN		779	779.00	842	801		(22)		(22)		779				26	10/01/2018	1FE
3128M4-CP-6	FEDERAL HOME LN MTG CORP #G02478		09/01/2018	PAYDOWN		931	931.00	918	928		3		3		931				35	12/01/2036	1FE
3128MJ-Q7-8	FEDERAL HOME LN MTG CORP #G08477		09/01/2018	PAYDOWN		16,900	16,900.00	17,666	16,958		(58)		(58)		16,900				389	02/01/2042	1FE
3128MJ-Q9-4	FEDERAL HOME LN MTG CORP #G08479		09/01/2018	PAYDOWN		5,525	5,525.00	5,878	5,551		(26)		(26)		5,525				129	03/01/2042	1FE
3128MJ-RV-4	FEDERAL HOME LN MTG CORP #G08499		09/01/2018	PAYDOWN		7,360	7,360.00	7,505	7,367		(8)		(8)		7,360				149	07/01/2042	1FE
3128MJ-R5-1	FEDERAL HOME LN MTG CORP #G08507		09/01/2018	PAYDOWN		3,050	3,050.00	3,199	3,060		(9)		(9)		3,050				61	10/01/2042	1FE
3128MM-K7-7	FEDERAL HOME LN MTG CORP #G18317		09/01/2018	PAYDOWN		4,428	4,428.00	4,617	4,465		(37)		(37)		4,428				132	07/01/2042	1FE
3128PP-YY-3	FEDERAL HOME LN MTG CORP #J10727		09/01/2018	PAYDOWN		1,531	1,531.00	1,635	1,546		(15)		(15)		1,531				46	10/01/2024	1FE
3128PP-4D-2	FEDERAL HOME LN MTG CORP #J10820		09/01/2018	PAYDOWN		1,895	1,895.00	1,946	1,905		(10)		(10)		1,895				57	10/01/2024	1FE
3128PR-FA-2	FEDERAL HOME LN MTG CORP #J11961		09/01/2018	PAYDOWN		15,064	15,064.00	15,675	15,161		(97)		(97)		15,064				468	04/01/2025	1FE
3128PR-M7-1	FEDERAL HOME LN MTG CORP #J12182		09/01/2018	PAYDOWN		6,840	6,840.00	7,085	6,862		(22)		(22)		6,840				205	05/01/2025	1FE
3128PT-7B-5	FEDERAL HOME LN MTG CORP #J14490		09/01/2018	PAYDOWN		15,918	15,918.00	15,945	15,923		(5)		(5)		15,918				368	02/01/2026	1FE
3128PV-BD-1	FEDERAL HOME LN MTG CORP #J15436		09/01/2018	PAYDOWN		8,876	8,876.00	9,256	8,931		(54)		(54)		8,876				238	05/01/2026	1FE
3128PV-5E-6	FEDERAL HOME LN MTG CORP #J16245		09/01/2018	PAYDOWN		3,449	3,449.00	3,624	3,468		(19)		(19)		3,449				93	08/01/2026	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	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Forfeiture	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicant (a)
3132GM-KJ-0	FEDERAL HOME LN MTG CORP #Q05997		09/01/2018	PAYDOWN		7,134	7,134.00	7,408	7,173		(38)		(38)		7,134				166	02/01/2042	1FE
3132GT-DJ-3	FEDERAL HOME LN MTG CORP #Q07905		09/01/2018	PAYDOWN		10,248	10,248.00	10,655	10,329		(81)		(81)		10,248				239	05/01/2042	1FE
3132HL-A2-9	FEDERAL HOME LN MTG CORP #Q10025		09/01/2018	PAYDOWN		708	708.00	753	712		(4)		(4)		708				16	08/01/2042	1FE
31371L-PL-7	FEDERAL NATIONAL MTG ASSOC #255227		09/01/2018	PAYDOWN		5,868	5,868.00	6,054	5,904		(36)		(36)		5,868				176	05/01/2019	1FE
31405D-KC-0	FEDERAL NATIONAL MTG ASSOC #786091		09/01/2018	PAYDOWN		434	434.00	472	444		(10)		(10)		434				14	07/01/2019	1FE
31407B-WY-1	FEDERAL NATIONAL MTG ASSOC #826063		09/01/2018	PAYDOWN		7,989	7,989.00	7,655	7,959		29		29		7,989				266	07/01/2035	1FE
31410G-ME-0	FEDERAL NATIONAL MTG ASSOC #888757		09/01/2018	PAYDOWN		1,616	1,616.00	1,632	1,619		(3)		(3)		1,616				44	09/01/2037	1FE
31410G-RJ-4	FEDERAL NATIONAL MTG ASSOC #888889		09/01/2018	PAYDOWN		206	206.00	222	210		(4)		(4)		206				6	12/01/2018	1FE
31412U-AJ-9	FEDERAL NATIONAL MTG ASSOC #934809		09/01/2018	PAYDOWN		2,871	2,871.00	2,973	2,890		(19)		(19)		2,871				86	03/01/2024	1FE
31412U-L7-3	FEDERAL NATIONAL MTG ASSOC #935150		09/01/2018	PAYDOWN		1,303	1,303.00	1,349	1,309		(5)		(5)		1,303				39	04/01/2024	1FE
31413J-FD-1	FEDERAL NATIONAL MTG ASSOC #946664		09/01/2018	PAYDOWN		47	47.00	47	47						47				1	09/01/2037	1FE
31417M-KJ-1	FEDERAL NATIONAL MTG ASSOC #AC2996		09/01/2018	PAYDOWN		2,475	2,475.00	2,562	2,492		(17)		(17)		2,475				73	09/01/2024	1FE
3138ED-2V-2	FEDERAL NATIONAL MTG ASSOC #AK8887		09/01/2018	PAYDOWN		8,883	8,883.00	9,486	8,921		(88)		(88)		8,883				202	04/01/2042	1FE
3138ET-DZ-6	FEDERAL NATIONAL MTG ASSOC #AL8219		09/01/2018	PAYDOWN		102,031	102,031.00	109,995	102,644		(612)		(612)		102,031				2,734	02/01/2046	1FE
3138M6-R2-5	FEDERAL NATIONAL MTG ASSOC #AP3204		09/01/2018	PAYDOWN		6,458	6,458.00	6,704	6,478		(20)		(20)		6,458				108	08/01/2027	1FE
3138W0-RB-7	FEDERAL NATIONAL MTG ASSOC #AR3181		09/01/2018	PAYDOWN		1,000	1,000.00	1,043	1,007		(7)		(7)		1,000				20	03/01/2043	1FE
3138W1-3L-9	FEDERAL NATIONAL MTG ASSOC #AR4402		09/01/2018	PAYDOWN		5,566	5,566.00	5,789	5,591		(25)		(25)		5,566				89	02/01/2028	1FE
3138WG-6E-9	FEDERAL NATIONAL MTG ASSOC #AS7168		09/01/2018	PAYDOWN		137,963	137,963.00	145,443	138,687		(725)		(725)		137,963				3,357	05/01/2046	1FE
31418B-6G-6	FEDERAL NATIONAL MTG ASSOC #MA2670		09/01/2018	PAYDOWN		96,952	96,952.00	100,459	97,180		(228)		(228)		96,952				1,937	07/01/2046	1FE
31396H-J8-3	FREDDIE MAC 3114 PF		09/15/2018	PAYDOWN		18,258	18,258.00	18,352	18,267		(9)		(9)		18,258				278	02/15/2036	1FE
3137AJ-RJ-5	FREDDIE MAC 3976 AE		09/01/2018	PAYDOWN		16,618	16,618.00	17,049	16,690		(72)		(72)		16,618				282	08/15/2029	1FE
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment Non-Guaranteed Obligations				X X X	593,812	593,812.00	621,044	576,096		(2,577)		(2,577)		593,812				13,707	X X X	X X X
02006W-AD-1	ALLY AUTO RECEIVABLES TRUST 14 2 A4		08/15/2018	PAYDOWN		309,934	309,934.00	309,903	310,137		(202)		(202)		309,934				3,699	01/15/2020	1FE
07177M-AB-9	BAXALTA INC		09/11/2018	TENDER OFFER		211,959	210,000.00	208,580	208,886		90		90		208,976		2,983	2,983	6,020	06/23/2025	2FE
126802-CR-6	CABELAS MASTER CREDIT CARD TR 13 2A		08/15/2018	PAYDOWN		500,000	500,000.00	500,000	500,000						500,000				8,253	08/16/2021	1FE
13057D-AD-8	CALIFORNIA REPUBLIC AUTO RECEI 17-1 A		09/12/2018	BARCLAYS CAPITAL		989,219	1,000,000.00	999,723	999,791		56		56		999,846		(10,627)	(10,627)	17,037	06/15/2022	1FE
23305Y-AD-1	DBUBS MORTGAGE TRUST 11 LC3A A4		09/01/2018	PAYDOWN		16,715	16,715.00	16,881	16,730		(15)		(15)		16,715				574	08/10/2044	1FM
67019E-AB-3	EVERSOURCE ENERGY		07/25/2018	MARKETAXESS		1,017,710	1,000,000.00	991,670	998,139		553		553		998,691		19,019	19,019	31,500	11/15/2019	2FE
34531E-AE-6	FORD CREDIT AUTO OWNER TRUST 17-A A		09/12/2018	BARCLAYS CAPITAL		2,448,242	2,500,000.00	2,499,586	2,499,683		75		75		2,499,758		(51,516)	(51,516)	35,867	04/15/2022	1FE
41284C-AE-4	HARLEY-DAVIDSON MOTORCYCLE TR 15 2		09/15/2018	PAYDOWN		68,966	68,966.00	68,956	68,925		41		41		68,966				766	12/15/2022	1FE
69121P-DE-0	OWNIT MORTGAGE LOAN ASSET-BACK 06		09/01/2018	PAYDOWN		6,830	6,830.00	5,018	6,639		191		191		6,830				173	01/25/2037	1FM
75970N-BD-8	RENAISSANCE HOME EQUITY LOAN 05 3 A		08/01/2018	PAYDOWN		32,021	32,021.00	32,021	32,021		1		1		32,021				974	11/25/2035	1FM
82652D-AA-8	SIERRA RECEIVABLES FUNDING CO 14 2A		09/20/2018	PAYDOWN		3,527	3,527.00	3,526	3,524		3		3		3,527				48	06/20/2031	1FE
82652J-AA-5	SIERRA RECEIVABLES FUNDING CO 15 3A		09/20/2018	PAYDOWN		20,336	20,336.00	20,332	20,315		21		21		20,336				350	09/20/2032	1FE
887317-AF-2	TIME WARNER INC		09/27/2018	SECURITY CALLED BY IS		1,542,474	1,500,000.00	1,566,495	1,518,961		(6,152)		(6,152)		1,512,809		(12,809)	(12,809)	118,036	03/15/2020	2FE

E05.1

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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 Contractual Maturity Date	22 NAIC Desig- nation or Market Indicat (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
893526-8Y-2 92903P-AA-7	TRANS-CANADA PIPELINES VORNADO DP LLC 10 VNO A1	A	07/25/2018 09/10/2018	CITIGROUP GLOBAL MAR PAYDOWN		2,040,400 41,792	2,000,000.00 41,792.00	2,355,660 41,792	2,050,604 41,768			(27,585) 23		(27,585) 23	2,023,019 41,792		17,381	17,381	147,250 828	01/15/2019 09/13/2028	2FE 1FM	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	9,250,125	9,210,121.00	9,620,143	9,276,123			(32,900)		(32,900)	9,243,220		(35,569)	(35,569)	371,375	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	10,140,332	10,100,328	10,546,005	10,033,010			(35,790)		(35,790)	10,133,427		(35,569)	(35,569)	389,202	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	10,140,332	10,100,328.00	10,546,005	10,033,010			(35,790)		(35,790)	10,133,427		(35,569)	(35,569)	389,202	X X X	X X X	
054937-87-5	BB&T CORPORATION 5.625%		07/20/2018	MORGAN STANLEY & CO	2,400.00	63,839	25.00	60,360							60,360		3,479	3,479	1,688		P2LFE	
8499999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	63,839	X X X	60,360							60,360		3,479	3,479	1,688	X X X	X X X	
8999997	Subtotal - Preferred Stock - Part 4				X X X	63,839	X X X	60,360							60,360		3,479	3,479	1,688	X X X	X X X	
8999998	Summary Item from Part 5 for Preferred Stocks				X X X	X X X	X X X	X X X	X X X	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	63,839	X X X	60,360							60,360		3,479	3,479	1,688	X X X	X X X	
17275R-10-2	CISCO SYSTEMS INC		08/08/2018	SANFORD BERNSTEIN	19,400.00	850,423		812,519							812,519		37,904	37,904	12,804		L	
237194-10-5	DARDEN RESTAURANTS INC		08/08/2018	SANFORD BERNSTEIN	7,800.00	856,487		758,715							758,715		97,772	97,772	10,764		L	
532457-10-8	ELI LILLY & CO		08/08/2018	SANFORD BERNSTEIN	6,800.00	695,993		566,981	270,272	(6,127)			(6,127)	566,981		129,012	129,012	7,650		L		
291011-10-4	EMERSON ELECTRIC CO		08/08/2018	SANFORD BERNSTEIN	9,500.00	703,355		690,495						690,495		12,860	12,860	9,215		L		
46625H-10-0	JP MORGAN CHASE & COMPANY		08/08/2018	SANFORD BERNSTEIN	8,600.00	1,014,277		991,054						991,054		23,223	23,223	9,632		L		
58933Y-10-5	MERCK & CO INC		08/08/2018	SANFORD BERNSTEIN	9,700.00	647,088		604,516	253,215	39,541			39,541	604,516		42,572	42,572	11,472		L		
594918-10-4	MICROSOFT CORP		08/08/2018	SANFORD BERNSTEIN	7,100.00	777,886		663,088						663,088		114,798	114,798	5,964		L		
717081-10-3	PFIZER INC		08/08/2018	VARIOUS	17,400.00	721,057		645,424						645,424		75,633	75,633	17,408		L		
744573-10-6	PUBLIC SERVICE ENTERPRISE GP		08/08/2018	SANFORD BERNSTEIN	11,500.00	588,557		577,246	427,450	(11,385)			(11,385)	577,246		11,311	11,311	10,350		L		
780259-20-6	ROYAL DUTCH SHELL PLC - ADR A		08/08/2018	SANFORD BERNSTEIN	7,800.00	524,152		507,506						507,506		16,646	16,646	12,464		L		
871829-10-7	SYSCO CORP	C	08/08/2018	SANFORD BERNSTEIN	11,900.00	830,744		757,460						757,460		73,283	73,283	8,568		L		
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	8,210,019		7,575,004	950,937	22,029				22,029	7,575,004		635,014	635,014	116,291	X X X	X X X	

E052

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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 Contractual Maturity Date	22 NAIC Desig- nation or Market Indicat (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
78462F-10-3	SPDR S&P 500 ETF TRUST		08/08/2018	SANFORD BERNSTEIN	50,800.00	14,511,583		14,104,877						14,104,877		406,706	406,706	118,991			L	
9299999	Subtotal - Common Stock - Mutual Funds				X X X	14,511,583	X X X	14,104,877						14,104,877		406,706	406,706	118,991	X X X	X X X		
9799997	Subtotal - Common Stock - Part 4				X X X	22,721,602	X X X	21,679,881	950,937	22,029			22,029	21,679,881		1,041,720	1,041,720	235,282	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	
9799999	Total - Common Stocks				X X X	22,721,602	X X X	21,679,881	950,937	22,029			22,029	21,679,881		1,041,720	1,041,720	235,282	X X X	X X X		
9899999	Total - Preferred and Common Stocks				X X X	22,785,441	X X X	21,740,241	950,937	22,029			22,029	21,740,241		1,045,199	1,045,199	236,970	X X X	X X X		
9999999	Totals					32,925,773	X X X	32,286,246	10,983,947	22,029	(35,790)		(13,761)	31,873,668		1,009,630	1,009,630	626,172	X X X	X X X		

E053

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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**

