



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2019
OF THE CONDITION AND AFFAIRS OF THE

NARRAGANSETT BAY INSURANCE COMPANY

NAIC Group Code 04861 , 04861 NAIC Company Code 43001 Employer's ID Number 05-0394576
(Current Period) (Prior Period)

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

Country of Domicile United States

Incorporated/Organized 06/10/1981 Commenced Business 04/01/1982

Statutory Home Office 1301 Atwood Ave., Suite 316E , Johnston, RI, US 02919
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1301 Atwood Ave., Suite 316E Johnston, RI, US 02919 401-725-5600
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address P. O. Box 820 , Pawtucket, RI, US 02862-0820
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1301 Atwood Ave., Suite 316E Johnston, RI, US 02919 401-725-5600
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.nbic.com

Statutory Statement Contact Rosemarie Durette 401-495-8970
(Name) (Area Code) (Telephone Number) (Extension)
rdurette@nbic.com 401-495-8914
(E-Mail Address) (Fax Number)

OFFICERS

| Name | Title | Name | Title |
|---------------------------|--------------------------------|------------------------------|------------------|
| <u>Bruce Thomas Lucas</u> | <u>Chief Executive Officer</u> | <u>Timothy Michael Moura</u> | <u>President</u> |
| <u>Kirk Howard Lusk</u> | <u>Chief Financial Officer</u> | <u>Kirk Howard Lusk</u> | <u>Secretary</u> |

OTHER OFFICERS

DIRECTORS OR TRUSTEES

| | | | |
|----------------------------------|-------------------------------------|-----------------------------------|---------------------|
| <u>Bruce Thomas Lucas</u> | <u>Richard Alexander Widdicombe</u> | <u>Shannon Elizabeth Lucas</u> | <u>Irini Barlas</u> |
| <u>Vijay Shankarrao Walvekar</u> | <u>James Alfred Masiello</u> | <u>Joseph Shaju Vattamattam #</u> | |

State ofRhode Island.....

County ofProvidence.....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.

Bruce Thomas Lucas
Chief Executive Officer

Timothy Michael Moura
President

Kirk Howard Lusk
Chief Financial Officer

a. Is this an original filing? Yes No

b. If no:

1. State the amendment number _____

2. Date filed _____

3. Number of pages attached _____

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

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE NARRAGANSETT BAY INSURANCE COMPANY

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 | 94,621,341 | | 94,621,341 | 90,251,594 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | | | 0 | 0 |
| 2.2 Common stocks | 4,212,723 | | 4,212,723 | 4,105,615 |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens | | | 0 | 0 |
| 3.2 Other than first liens | | | 0 | 0 |
| 4. Real estate: | | | | |
| 4.1 Properties occupied by the company (less \$ encumbrances) | | | 0 | 0 |
| 4.2 Properties held for the production of income (less \$ encumbrances) | | | 0 | 0 |
| 4.3 Properties held for sale (less \$ encumbrances) | | | 0 | 0 |
| 5. Cash (\$45,138,011), cash equivalents (\$43,581,344) and short-term investments (\$15,850,847) | 104,570,151 | | 104,570,151 | 102,802,125 |
| 6. Contract loans (including \$ premium notes) | | | 0 | 0 |
| 7. Derivatives | 0 | | 0 | 0 |
| 8. Other invested assets | 12,496,792 | | 12,496,792 | 0 |
| 9. Receivables for securities | | | 0 | 0 |
| 10. Securities lending reinvested collateral assets | | | 0 | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 215,901,007 | 0 | 215,901,007 | 197,159,334 |
| 13. Title plants less \$ charged off (for Title insurers only) | | | 0 | 0 |
| 14. Investment income due and accrued | 590,715 | | 590,715 | 611,704 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 11,809,258 | 340,073 | 11,469,185 | 6,244,083 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums) | 18,321,777 | 0 | 18,321,777 | 21,128,997 |
| 15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$) | | | 0 | 0 |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 65,455,155 | | 65,455,155 | 37,293,717 |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 | 0 |
| 16.3 Other amounts receivable under reinsurance contracts | | | 0 | 0 |
| 17. Amounts receivable relating to uninsured plans | | | 0 | 0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 1,920,540 | | 1,920,540 | 6,913,797 |
| 18.2 Net deferred tax asset | 2,525,727 | 0 | 2,525,727 | 1,810,010 |
| 19. Guaranty funds receivable or on deposit | | | 0 | 0 |
| 20. Electronic data processing equipment and software | | | 0 | 0 |
| 21. Furniture and equipment, including health care delivery assets (\$) | | | 0 | 0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 23. Receivables from parent, subsidiaries and affiliates | | | 0 | 0 |
| 24. Health care (\$) and other amounts receivable | | | 0 | 0 |
| 25. Aggregate write-ins for other-than-invested assets | 4,588,246 | 306,133 | 4,282,113 | 6,992,459 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 321,112,425 | 646,206 | 320,466,219 | 278,154,101 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 | 0 |
| 28. Total (Lines 26 and 27) | 321,112,425 | 646,206 | 320,466,219 | 278,154,101 |
| DETAILS OF WRITE-INS | | | | |
| 1101. | | | 0 | 0 |
| 1102. | | | 0 | 0 |
| 1103. | | | 0 | 0 |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) | 0 | 0 | 0 | 0 |
| 2501. FEE INCOME RECEIVABLE | | | 0 | 3,468,855 |
| 2502. EQUITY FROM POOLS AND ASSOCIATIONS | 3,164,496 | | 3,164,496 | 3,141,744 |
| 2503. OTHER RECEIVABLES | 1,117,617 | | 1,117,617 | 381,860 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 306,133 | 306,133 | 0 | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 4,588,246 | 306,133 | 4,282,113 | 6,992,459 |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 Current Statement Date | 2 December 31, Prior Year |
|--|--------------------------------|---------------------------------|
| 1. Losses (current accident year \$14,223,163) | 21,825,176 | 15,955,920 |
| 2. Reinsurance payable on paid losses and loss adjustment expenses | | 0 |
| 3. Loss adjustment expenses | 7,206,091 | 6,552,281 |
| 4. Commissions payable, contingent commissions and other similar charges | 7,525,646 | 7,812,097 |
| 5. Other expenses (excluding taxes, licenses and fees) | 366,135 | 362,578 |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) | 40,208 | 1,516,974 |
| 7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses)) | | 0 |
| 7.2 Net deferred tax liability | | 0 |
| 8. Borrowed money \$ and interest thereon \$ | | 0 |
| 9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$142,071,389 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act) | 46,025,541 | 30,663,681 |
| 10. Advance premium | 7,659,861 | 6,079,491 |
| 11. Dividends declared and unpaid: | | |
| 11.1 Stockholders | | 0 |
| 11.2 Policyholders | | 0 |
| 12. Ceded reinsurance premiums payable (net of ceding commissions) | 122,010,020 | 92,962,799 |
| 13. Funds held by company under reinsurance treaties | 15,890 | 15,890 |
| 14. Amounts withheld or retained by company for account of others | | 0 |
| 15. Remittances and items not allocated | 5,031 | 0 |
| 16. Provision for reinsurance (including \$ certified) | 10,000 | 10,000 |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates | | 0 |
| 18. Drafts outstanding | | 0 |
| 19. Payable to parent, subsidiaries and affiliates | 3,182,964 | 2,619,814 |
| 20. Derivatives | 0 | 0 |
| 21. Payable for securities | | 0 |
| 22. Payable for securities lending | | 0 |
| 23. Liability for amounts held under uninsured plans | | 0 |
| 24. Capital notes \$ and interest thereon \$ | | 0 |
| 25. Aggregate write-ins for liabilities | 1,422,685 | 609,472 |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) | 217,295,248 | 165,160,997 |
| 27. Protected cell liabilities | | 0 |
| 28. Total liabilities (Lines 26 and 27) | 217,295,248 | 165,160,997 |
| 29. Aggregate write-ins for special surplus funds | 0 | 0 |
| 30. Common capital stock | 4,000,000 | 4,000,000 |
| 31. Preferred capital stock | | 0 |
| 32. Aggregate write-ins for other than special surplus funds | 0 | 0 |
| 33. Surplus notes | | 0 |
| 34. Gross paid in and contributed surplus | 83,007,995 | 83,007,995 |
| 35. Unassigned funds (surplus) | 16,162,976 | 25,985,109 |
| 36. Less treasury stock, at cost: | | |
| 36.1 shares common (value included in Line 30 \$) | | 0 |
| 36.2 shares preferred (value included in Line 31 \$) | | 0 |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) | 103,170,971 | 112,993,104 |
| 38. Totals (Page 2, Line 28, Col. 3) | 320,466,219 | 278,154,101 |
| DETAILS OF WRITE-INS | | |
| 2501. AMOUNTS TO BE ESCHEATED | 1,422,685 | 609,472 |
| 2502. | | 0 |
| 2503. | | 0 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 1,422,685 | 609,472 |
| 2901. | | 0 |
| 2902. | | 0 |
| 2903. | | 0 |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | 0 | 0 |
| 2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) | 0 | 0 |
| 3201. | | 0 |
| 3202. | | 0 |
| 3203. | | 0 |
| 3298. Summary of remaining write-ins for Line 32 from overflow page | 0 | 0 |
| 3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above) | 0 | 0 |

STATEMENT OF INCOME

| | 1 Current Year to Date | 2 Prior Year to Date | 3 Prior Year Ended December 31 |
|---|------------------------------|----------------------------|--------------------------------------|
| UNDERWRITING INCOME | | | |
| 1. Premiums earned: | | | |
| 1.1 Direct (written \$ 268,006,383) | 257,763,004 | 248,387,040 | 334,259,770 |
| 1.2 Assumed (written \$) | | 0 | 0 |
| 1.3 Ceded (written \$ 214,041,166) | 192,962,416 | 194,683,517 | 259,770,172 |
| 1.4 Net (written \$ 53,965,217) | 64,800,588 | 53,703,523 | 74,489,598 |
| DEDUCTIONS: | | | |
| 2. Losses incurred (current accident year \$ 37,151,199): | | | |
| 2.1 Direct | 113,932,297 | 141,206,048 | 174,926,279 |
| 2.2 Assumed | 0 | 0 | 0 |
| 2.3 Ceded | 78,102,503 | 112,379,205 | 135,425,883 |
| 2.4 Net | 35,829,794 | 28,826,843 | 39,500,396 |
| 3. Loss adjustment expenses incurred | 8,809,802 | 8,580,627 | 10,793,953 |
| 4. Other underwriting expenses incurred | 37,979,690 | 27,382,432 | 30,604,760 |
| 5. Aggregate write-ins for underwriting deductions | 0 | 0 | 0 |
| 6. Total underwriting deductions (Lines 2 through 5) | 82,619,286 | 64,789,902 | 80,899,109 |
| 7. Net income of protected cells | 0 | 0 | 0 |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7) | (17,818,698) | (11,086,379) | (6,409,511) |
| INVESTMENT INCOME | | | |
| 9. Net investment income earned | 3,124,559 | 2,404,322 | 3,491,804 |
| 10. Net realized capital gains (losses) less capital gains tax of \$ (97,724) | (97,724) | (33,212) | (43,405) |
| 11. Net investment gain (loss) (Lines 9 + 10) | 3,026,835 | 2,371,110 | 3,448,399 |
| OTHER INCOME | | | |
| 12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$) | (630,825) | (524,035) | (743,926) |
| 13. Finance and service charges not included in premiums | 1,133,149 | 1,101,841 | 1,482,963 |
| 14. Aggregate write-ins for miscellaneous income | 1,512,451 | 1,160,502 | 2,248,609 |
| 15. Total other income (Lines 12 through 14) | 2,014,775 | 1,738,308 | 2,987,646 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) | (12,777,088) | (6,976,961) | 26,533 |
| 17. Dividends to policyholders | 0 | 0 | 0 |
| 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) | (12,777,088) | (6,976,961) | 26,533 |
| 19. Federal and foreign income taxes incurred | (1,920,542) | 2,344,527 | 3,650,479 |
| 20. Net income (Line 18 minus Line 19)(to Line 22) | (10,856,546) | (9,321,488) | (3,623,946) |
| CAPITAL AND SURPLUS ACCOUNT | | | |
| 21. Surplus as regards policyholders, December 31 prior year | 112,993,104 | 111,104,919 | 111,104,919 |
| 22. Net income (from Line 20) | (10,856,546) | (9,321,488) | (3,623,946) |
| 23. Net transfers (to) from Protected Cell accounts | 0 | 0 | 0 |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 528,042 | 528,042 | 1,368,311 | 1,438,226 |
| 25. Change in net unrealized foreign exchange capital gain (loss) | 0 | 0 | 0 |
| 26. Change in net deferred income tax | 706,602 | 3,700,361 | 3,589,775 |
| 27. Change in nonadmitted assets | (200,231) | 227,098 | 478,123 |
| 28. Change in provision for reinsurance | 0 | 0 | (10,000) |
| 29. Change in surplus notes | 0 | 0 | 0 |
| 30. Surplus (contributed to) withdrawn from protected cells | 0 | 0 | 0 |
| 31. Cumulative effect of changes in accounting principles | 0 | 0 | 0 |
| 32. Capital changes: | | | |
| 32.1 Paid in | 0 | 0 | 0 |
| 32.2 Transferred from surplus (Stock Dividend) | 0 | 0 | 0 |
| 32.3 Transferred to surplus | 0 | 0 | 0 |
| 33. Surplus adjustments: | | | |
| 33.1 Paid in | 0 | 0 | 0 |
| 33.2 Transferred to capital (Stock Dividend) | 0 | 0 | 0 |
| 33.3 Transferred from capital | 0 | 0 | 0 |
| 34. Net remittances from or (to) Home Office | 0 | 0 | 0 |
| 35. Dividends to stockholders | 0 | 0 | 0 |
| 36. Change in treasury stock | 0 | 0 | 0 |
| 37. Aggregate write-ins for gains and losses in surplus | 0 | 0 | 16,007 |
| 38. Change in surplus as regards policyholders (Lines 22 through 37) | (9,822,133) | (4,025,718) | 1,888,185 |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38) | 103,170,971 | 107,079,201 | 112,993,104 |
| DETAILS OF WRITE-INS | | | |
| 0501. | | 0 | 0 |
| 0502. | | 0 | 0 |
| 0503. | | 0 | 0 |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | 0 | 0 | 0 |
| 0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | 0 | 0 | 0 |
| 1401. FEE INCOME | 1,435,061 | 1,159,453 | 2,033,794 |
| 1402. OTHER INCOME | 2,734 | 1,049 | 214,815 |
| 1403. PROFIT SHARING | 74,656 | 0 | 0 |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | 0 | 0 | 0 |
| 1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | 1,512,451 | 1,160,502 | 2,248,609 |
| 3701. PRIOR YEAR TAX ADJUSTMENT | 0 | 0 | 0 |
| 3702. Schedule F Penalty & Other Adj | 0 | 0 | 16,007 |
| 3703. | 0 | 0 | 0 |
| 3798. Summary of remaining write-ins for Line 37 from overflow page | 0 | 0 | 0 |
| 3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above) | 0 | 0 | 16,007 |

CASH FLOW

| | 1 Current Year To Date | 2 Prior Year To Date | 3 Prior Year Ended December 31 |
|---|------------------------------|----------------------------|--------------------------------------|
| Cash from Operations | | | |
| 1. Premiums collected net of reinsurance..... | 108,290,132 | 88,849,887 | 119,150,191 |
| 2. Net investment income | 3,520,560 | 2,855,440 | 3,885,048 |
| 3. Miscellaneous income | 2,014,775 | 1,738,308 | 2,987,646 |
| 4. Total (Lines 1 to 3) | 113,825,467 | 93,443,635 | 126,022,885 |
| 5. Benefit and loss related payments | 58,121,976 | 58,808,519 | 48,057,625 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | 0 | 0 | 0 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 49,012,960 | 31,467,219 | 39,058,649 |
| 8. Dividends paid to policyholders | 0 | 0 | 0 |
| 9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)..... | (6,913,799) | 5,699,999 | 5,700,000 |
| 10. Total (Lines 5 through 9) | 100,221,137 | 95,975,737 | 92,816,274 |
| 11. Net cash from operations (Line 4 minus Line 10) | 13,604,331 | (2,532,102) | 33,206,611 |
| Cash from Investments | | | |
| 12. Proceeds from investments sold, matured or repaid: | | | |
| 12.1 Bonds | 25,959,431 | 6,343,207 | 9,293,584 |
| 12.2 Stocks | 0 | 0 | 0 |
| 12.3 Mortgage loans | 0 | 0 | 0 |
| 12.4 Real estate | 0 | 0 | 0 |
| 12.5 Other invested assets | 0 | 0 | 0 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | 24,532 | 0 | (4,019) |
| 12.7 Miscellaneous proceeds | 6,859 | 13,918 | 0 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 25,990,822 | 6,357,125 | 9,289,565 |
| 13. Cost of investments acquired (long-term only): | | | |
| 13.1 Bonds | 30,819,762 | 2,759,686 | 2,759,686 |
| 13.2 Stocks | 76,600 | 0 | 0 |
| 13.3 Mortgage loans | 0 | 0 | 0 |
| 13.4 Real estate | 0 | 0 | 0 |
| 13.5 Other invested assets | 12,000,000 | 0 | 0 |
| 13.6 Miscellaneous applications | 0 | 9,912 | 10 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 42,896,362 | 2,769,598 | 2,759,696 |
| 14. Net increase (or decrease) in contract loans and premium notes | 0 | 0 | 0 |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) | (16,905,540) | 3,587,527 | 6,529,869 |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. Cash provided (applied): | | | |
| 16.1 Surplus notes, capital notes | 0 | 0 | 0 |
| 16.2 Capital and paid in surplus, less treasury stock..... | 0 | 0 | 0 |
| 16.3 Borrowed funds | 0 | 0 | 0 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | 0 | 0 | 0 |
| 16.5 Dividends to stockholders | 0 | 0 | 0 |
| 16.6 Other cash provided (applied)..... | 5,069,236 | 15,793,065 | 16,185,961 |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)..... | 5,069,236 | 15,793,065 | 16,185,961 |
| 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) | 1,768,027 | 16,848,490 | 55,922,441 |
| 19. Cash, cash equivalents and short-term investments: | | | |
| 19.1 Beginning of year..... | 102,802,124 | 46,879,684 | 46,879,684 |
| 19.2 End of period (Line 18 plus Line 19.1) | 104,570,151 | 63,728,174 | 102,802,124 |

1. Summary of Significant Accounting Practices

A. Accounting Practices

The accompanying financial statements of Narragansett Bay Insurance Company (the “Company”) are presented on the basis of accounting practices prescribed or permitted by the Rhode Island Insurance Department.

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

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and the practice permitted by the Rhode Island Department is shown below:

| | SSAP # | F/S Page | F/S Line # | 2019 | 2018 |
|---|--------|----------|------------|------------------------|-----------------------|
| <u>NET INCOME (LOSS)</u> | | | | | |
| (1) Narragansett Bay Insurance Company state basis (Page 4, Line 20, Columns 1 & 2) | | | | \$ (10,856,546) | \$ (3,623,946) |
| (2) State Prescribed Practices that increase/(decrease) NAIC SAP: | | | | - | - |
| (3) State Prescribed Practices that increase/(decrease) NAIC SAP: | | | | \$ - | \$ - |
| (4) NAIC SAP (1-2-3=4) | | | | <u>\$ (10,856,546)</u> | <u>\$ (3,623,946)</u> |
| <u>SURPLUS</u> | | | | | |
| (5) Narragansett Bay Insurance Company state basis (Page 3, Line 37, Columns 1 & 2) | | | | \$ 103,170,971 | \$ 112,993,104 |
| (6) State Prescribed Practices that increase/(decrease) NAIC SAP: | | | | - | - |
| (7) State Prescribed Practices that increase/(decrease) NAIC SAP: | | | | \$ - | \$ - |
| (8) NAIC SAP (5-6-7=8) | | | | <u>\$ 103,170,971</u> | <u>\$ 112,993,104</u> |

B. – D. No significant changes.

2. - 4. No significant changes.

5. Investments.

A. - C. No significant changes.

D. Loan-Backed Securities.

(1) Prepayments assumptions for Mortgage-Backed Securities, Collateralized Mortgage Obligations and Other Structured Securities were generated using a purchased prepayment model. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels or interest rates (refinancing incentive), economic activity (including housing turnover) and term and age of the underlying collateral (burnout, seasoning).

(2) N/A

(3) N/A

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

a. The aggregate amount of unrealized losses:

| | |
|------------------------|-----------|
| 1. Less than 12 Months | \$ 2,382 |
| 2. 12 Months or Longer | \$ 36,201 |

b. The aggregate related fair value of securities with unrealized losses:

| | |
|------------------------|--------------|
| 1. Less than 12 Months | \$ 1,251,021 |
| 2. 12 Months or Longer | \$ 6,221,223 |

(5) All impaired securities (fair value is less than cost or amortized cost) have been evaluated by management, based on specific criteria to determine if the impairments should be considered other than temporary. Factors considered in determining that other than temporary impairment charges are warranted include: management's consideration of current and near-term liquidity needs and retrospective review of length of loss over credit quality of investment and general market conditions. Management has concluded that the value of the investments for which it reports unrealized losses at September 30, 2019 are not other than temporarily impaired, as management has the intent and ability to hold these securities for a period of time sufficient to allow for any anticipated recovery in market value.

E. - K. No significant changes.

6. - 16. No significant changes.

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

A. - C. N/A

18. - 19. No significant changes.

20. Fair Value Measurements.

A. Asset and Liabilities Measured and Reported at Fair Value.

| Type of Financial Instrument | (Level 1) | (Level 2) | (Level 3) | Total |
|---------------------------------|---------------|---------------|-----------|----------------|
| Financial instruments – assets: | | | | |
| Bonds | \$ - | \$ 97,134,111 | \$ - | \$ 97,134,111 |
| Other money market mutual fund | \$ 51,314,017 | \$ - | \$ - | \$ 51,314,017 |
| Total assets at fair value | \$ 51,314,017 | \$ 97,134,111 | \$ - | \$ 148,448,128 |

B. Other Fair Value Disclosures.

N/A

C. Fair Values for All Financial Instruments.

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Not Practical (Carrying Value) |
|---|----------------------|-----------------|----------------|---------------|---------------|--------------------------------|
| Financial instruments – assets: | | | | | | |
| Bonds | \$ 97,134,111 | \$ 94,621,341 | \$ - | \$ 97,134,111 | \$ - | \$ - |
| Common Stock | 4,188,724 | 4,212,723 | - | - | 4,188,724 | - |
| Other Invested Asset | 12,496,792 | 12,496,792 | - | - | 12,496,792 | - |
| Cash, cash equivalents and short-term investments | 104,575,706 | 104,570,151 | 104,575,706 | - | - | - |
| Total assets | \$ 218,395,334 | \$ 215,901,007 | \$ 104,575,706 | \$ 97,134,111 | \$ 16,685,517 | \$ - |

D. N/A

21. No significant changes.

22. Events Subsequent.

23. Reinsurance.

The Heritage Insurance Holdings, Inc. group reinsurance program, under which Narragansett Bay Insurance Company is an affiliated insurance company, is designed, utilizing its risk management methodology, to address the organization's exposure to catastrophes, including hurricanes, tropical storms, and tornadoes. The reinsurance agreements are part of its catastrophe management strategy intended to provide its stockholders an acceptable return on the risks assumed in its property business, and to reduce variability of earnings, while providing protection to the group's policyholders. The 2019-2020 CAT Reinsurance Program is described below. Items that relate specifically to the Company are described as NBIC.

2019-2020 Excess of Loss Reinsurance Programs:

Catastrophe Excess of Loss Reinsurance

Effective June 1, 2019, we entered into catastrophe excess of loss reinsurance agreements covering Heritage P&C, Zephyr and NBIC. The catastrophe reinsurance programs are allocated amongst traditional reinsurers, catastrophe bonds issued by Citrus Re Ltd., a Bermuda special purpose insurer formed in 2014 ("Citrus Re"), the Florida Hurricane Catastrophe Fund ("FHCF") and Osprey, our captive reinsurer. The FHCF covers Florida risks only and we participate at 90%. Our third-party reinsurers are either rated "A-" or higher by A.M. Best or S&P or are fully collateralized, to reduce credit risk.

The reinsurance program, which is segmented into layers of coverage, protects the Company for excess property catastrophe losses and loss adjustment expenses. The 2019-2020 reinsurance program provides first event coverage up to \$936.0 million for NBIC. NBIC's first event retention is \$13.8 million, and second and third event retentions are \$9.8 million.

The program was placed on a cascading basis which provides greater horizontal protection in a multiple small events scenario and features additional coverage enhancements. This coverage exceeds the requirements established by the Company's rating agency, Demotech, Inc., the Florida Office of Insurance Regulation, the Hawaii Insurance Division, and the Rhode Island Department of Business Regulation.

The Company is responsible for all losses and loss adjustment expenses in excess of our reinsurance program. For second or subsequent catastrophic events, our total available coverage depends on the magnitude of the first event, as we may have coverage remaining from layers that were not previously fully exhausted. An aggregate of \$1.3 billion of limit purchased in 2019 includes reinstatement through the purchase of reinstatement premium protection, including NBIC's retention, for multiple catastrophic events. The Company's ability to access this coverage, however, will be subject to the severity and frequency of such events.

The group estimated net cost for the 2019-2020 catastrophe reinsurance programs is approximately \$249.2 million, of which NBIC's cost is approximately \$59.7 million.

Gross Quota Share Reinsurance

NBIC did not enter into a gross quota share reinsurance program for the fiscal year beginning June 1, 2019. For the previous fiscal year, NBIC purchased an 8% gross quota share reinsurance treaty effective June 1, 2018 which provided ground up loss recoveries of up to \$1.0 billion.

24. No significant changes.

25. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves for losses and loss adjustment expenses as of December 31, 2018 were \$22.5 million. For the period ended September 30, 2019 \$7.2 million had been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. As of September 30, 2019, reserves remaining for prior policy years are \$4.5 million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on the homeowners' line of business. There has been approximately \$1.5 million favorable prior-year development from December 31, 2018 to September 30, 2019, of which \$.2 million related to involuntary pool favorable development. Original estimates are increased or decreased as additional information becomes available. The Company does not issue retrospectively rated policies.

26. - 36. No significant changes.

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 [X] No []
- 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.....0001598665
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.
- 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 [X] NA []
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.12/31/2018
- 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.12/31/2013
- 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).05/07/2015
- 6.4 By what department or departments?
RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION - INSURANCE DIVISION.....
- 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 [] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []
- 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]
- 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 |
|---------------------|--------------------------------|----------|----------|-----------|----------|
| | | | | | |

GENERAL INTERROGATORIES

- 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? Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

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

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

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

FINANCIAL

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

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

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 | \$0 | \$ |
| 14.22 Preferred Stock | \$0 | \$ |
| 14.23 Common Stock | \$4,105,615 | \$4,136,124 |
| 14.24 Short-Term Investments | \$0 | \$ |
| 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)..... | \$4,105,615 | \$4,136,124 |
| 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? Yes No

If no, attach a description with this statement.

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

| | |
|--|-----------|
| 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$0 |
| 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$0 |
| 16.3 Total payable for securities lending reported on the liability page | \$0 |

GENERAL INTERROGATORIES

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 [X] 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..... | 100 WESTMINSTER STREET, PROVIDENCE, RI 02903..... |

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 [X]

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

| 1 Name of Firm or Individual | 2 Affiliation |
|-------------------------------------|------------------|
| KIRK HOWARD LUSK..... | A..... |
| BLACKROCK INVESTMENT MGMT, LLC..... | 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 [X] 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, does the total assets under management aggregate to more than 50% of the reporting entity’s assets?

Yes [X] 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 |
|---|-------------------------------------|------------------------------------|----------------------|--|
| 108928..... | BLACKROCK INVESTMENT MGMT, LLC..... | | | |
| | KIRK HOWARD LUSK..... | | | |

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

Yes [X] No []

18.2 If no, list exceptions:

.....

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

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

Has the reporting entity self-designated 5GI securities?.....

Yes [] No [X]

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- c. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?.....

Yes [] No [X]

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE NARRAGANSETT BAY INSURANCE COMPANY

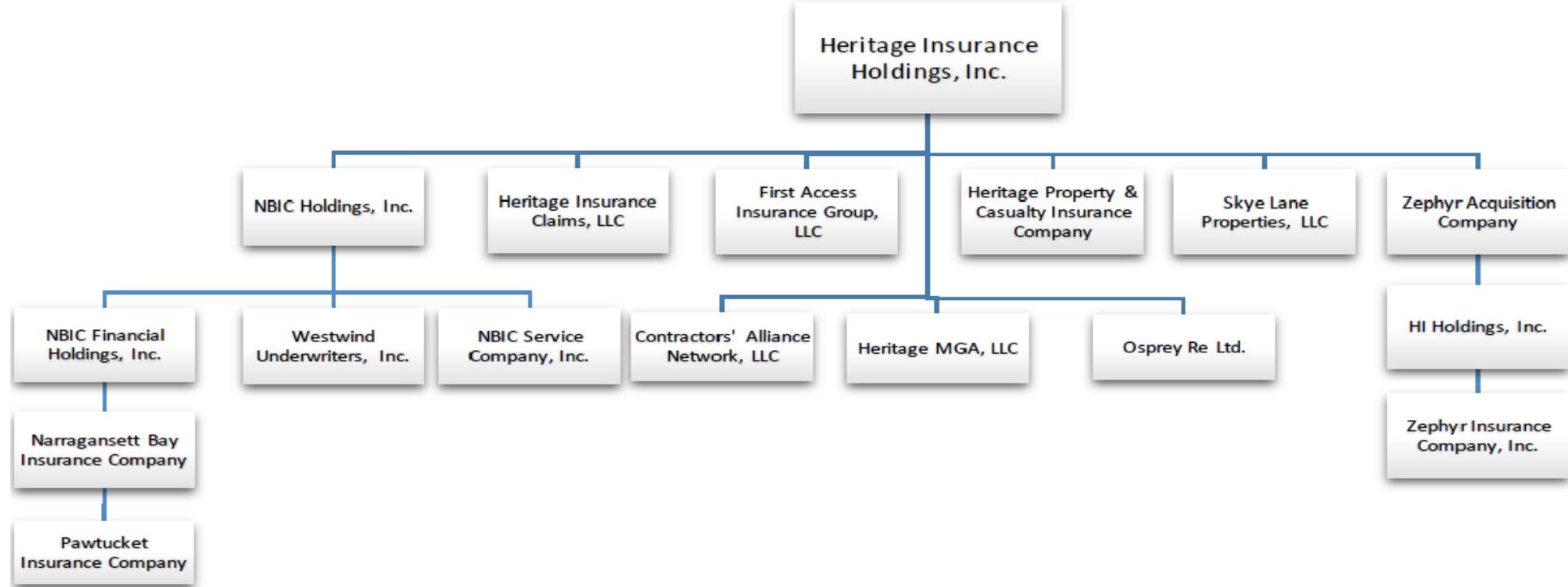
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

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 | 0 | 0 | 0 | 0 | 0 |
| 2. Alaska | AK | N | 0 | 0 | 0 | 0 | 0 |
| 3. Arizona | AZ | N | 0 | 0 | 0 | 0 | 0 |
| 4. Arkansas | AR | N | 0 | 0 | 0 | 0 | 0 |
| 5. California | CA | N | 0 | 0 | 0 | 0 | 0 |
| 6. Colorado | CO | N | 0 | 0 | 0 | 0 | 0 |
| 7. Connecticut | CT | L | 8,961,353 | 5,326,892 | 1,751,411 | 3,278,928 | 1,974,916 |
| 8. Delaware | DE | N | 0 | 0 | 0 | 0 | 0 |
| 9. Dist. Columbia | DC | N | 0 | 0 | 0 | 0 | 0 |
| 10. Florida | FL | N | 0 | 0 | 0 | 0 | 0 |
| 11. Georgia | GA | N | 0 | 0 | 0 | 0 | 0 |
| 12. Hawaii | HI | N | 0 | 0 | 0 | 0 | 0 |
| 13. Idaho | ID | N | 0 | 0 | 0 | 0 | 0 |
| 14. Illinois | IL | N | 0 | 0 | 0 | 0 | 0 |
| 15. Indiana | IN | N | 0 | 0 | 0 | 0 | 0 |
| 16. Iowa | IA | N | 0 | 0 | 0 | 0 | 0 |
| 17. Kansas | KS | N | 0 | 0 | 0 | 0 | 0 |
| 18. Kentucky | KY | N | 0 | 0 | 0 | 0 | 0 |
| 19. Louisiana | LA | N | 0 | 0 | 0 | 0 | 0 |
| 20. Maine | ME | N | 0 | 0 | 0 | 0 | 0 |
| 21. Maryland | MD | N | 0 | 0 | 0 | 0 | 0 |
| 22. Massachusetts | MA | L | 48,041,825 | 45,155,514 | 14,312,356 | 22,710,605 | 12,020,042 |
| 23. Michigan | MI | N | 0 | 0 | 0 | 0 | 0 |
| 24. Minnesota | MN | N | 0 | 0 | 0 | 0 | 0 |
| 25. Mississippi | MS | N | 0 | 0 | 0 | 0 | 0 |
| 26. Missouri | MO | N | 0 | 0 | 0 | 0 | 0 |
| 27. Montana | MT | N | 0 | 0 | 0 | 0 | 0 |
| 28. Nebraska | NE | N | 0 | 0 | 0 | 0 | 0 |
| 29. Nevada | NV | N | 0 | 0 | 0 | 0 | 0 |
| 30. New Hampshire | NH | N | 0 | 0 | 0 | 0 | 0 |
| 31. New Jersey | NJ | L | 54,057,016 | 54,014,528 | 24,851,049 | 25,500,655 | 18,866,907 |
| 32. New Mexico | NM | N | 0 | 0 | 0 | 0 | 0 |
| 33. New York | NY | L | 138,325,297 | 136,128,944 | 69,143,524 | 70,299,235 | 50,704,037 |
| 34. No. Carolina | NC | N | 0 | 0 | 0 | 0 | 0 |
| 35. No. Dakota | ND | N | 0 | 0 | 0 | 0 | 0 |
| 36. Ohio | OH | N | 0 | 0 | 0 | 0 | 0 |
| 37. Oklahoma | OK | N | 0 | 0 | 0 | 0 | 0 |
| 38. Oregon | OR | N | 0 | 0 | 0 | 0 | 0 |
| 39. Pennsylvania | PA | L | 0 | 0 | 0 | 0 | 0 |
| 40. Rhode Island | RI | L | 18,386,113 | 15,467,517 | 6,505,894 | 8,272,047 | 6,807,589 |
| 41. So. Carolina | SC | N | 0 | 0 | 0 | 0 | 0 |
| 42. So. Dakota | SD | N | 0 | 0 | 0 | 0 | 0 |
| 43. Tennessee | TN | N | 0 | 0 | 0 | 0 | 0 |
| 44. Texas | TX | N | 0 | 0 | 0 | 0 | 0 |
| 45. Utah | UT | N | 0 | 0 | 0 | 0 | 0 |
| 46. Vermont | VT | N | 0 | 0 | 0 | 0 | 0 |
| 47. Virginia | VA | L | 234,778 | 0 | 1,500 | 0 | 0 |
| 48. Washington | WA | N | 0 | 0 | 0 | 0 | 0 |
| 49. West Virginia | WV | N | 0 | 0 | 0 | 0 | 0 |
| 50. Wisconsin | WI | N | 0 | 0 | 0 | 0 | 0 |
| 51. Wyoming | WY | N | 0 | 0 | 0 | 0 | 0 |
| 52. American Samoa | AS | N | 0 | 0 | 0 | 0 | 0 |
| 53. Guam | GU | N | 0 | 0 | 0 | 0 | 0 |
| 54. Puerto Rico | PR | N | 0 | 0 | 0 | 0 | 0 |
| 55. U.S. Virgin Islands | VI | N | 0 | 0 | 0 | 0 | 0 |
| 56. Northern Mariana Islands | MP | N | 0 | 0 | 0 | 0 | 0 |
| 57. Canada | CAN | N | 0 | 0 | 0 | 0 | 0 |
| 58. Aggregate Other Alien | OT | XXX | 0 | 0 | 0 | 0 | 0 |
| 59. Totals | XXX | | 268,006,382 | 256,093,395 | 116,565,734 | 130,061,470 | 90,373,491 |
| DETAILS OF WRITE-INS | | | | | | | |
| 58001. | XXX | | | | | | |
| 58002. | XXX | | | | | | |
| 58003. | XXX | | | | | | |
| 58998. Summary of remaining write-ins for Line 58 from overflow page. | XXX | | 0 | 0 | 0 | 0 | 0 |
| 58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) | XXX | | 0 | 0 | 0 | 0 | 0 |

(a) Active Status Counts

L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG 7 R – Registered – Non-domiciled RRGs 0
 E – Eligible – Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile – See DSLI) 0 Q – Qualified – Qualified or accredited reinsurer 0
 D – Domestic Surplus Lines Insurer (DSLII) – Reporting entities authorized to write surplus lines in the state of domicile 0 N – None of the above – Not allowed to write business in the state 50



STATEMENT AS OF SEPTEMBER 30, 2019 OF THE NARRAGANSETT BAY INSURANCE COMPANY

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) | * |
| | | | 45-5338504 | | 0001598665 | NYSE | Heritage Insurance Holdings, Inc. | DE | UDP | Board of Directors | Board of Directors | 0.0 | | N | 0 |
| 04861 | Heritage Ins Holdings Grp. | 14407 | 46-0694063 | | | | Heritage Property & Casualty Insurance Company | FL | RE | Heritage Insurance Holdings, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| | | | 46-0614061 | | | | Heritage MGA, LLC | FL | NIA | Heritage Insurance Holdings, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| | | | 46-0711647 | | | | Heritage Insurance Claims, LLC | FL | NIA | Heritage Insurance Holdings, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| | | | 90-0917421 | | | | Contractors' Alliance Network, LLC | FL | NIA | Heritage Insurance Holdings, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| | | | 80-0872052 | | | | First Access Insurance Group, LLC | FL | NIA | Heritage Insurance Holdings, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| | | | 98-1109773 | | | | Osprey Re LTD | BMU | NIA | Heritage Insurance Holdings, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| | | | 80-0904526 | | | | Skye Lane Properties, LLC | FL | NIA | Heritage Insurance Holdings, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| 04861 | Heritage Ins Holdings Grp. | 11026 | 99-0344514 | | | | Zephyr Insurance Company, Inc | HI | IA | HI Holdins, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| | | | 94-3332555 | | | | HI Holdings, Inc. | HI | NIA | Zephyr Acquisition Company, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| | | | 27-0818506 | | | | Zephyr Acquisition Company | DE | NIA | Heritage Insurance Holdings, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| | | | 26-1736008 | | | | NBIC Holdings, Inc. | DE | NIA | Heritage Insurance Holdings, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| | | | 20-3179005 | | | | NBIC Financial Holdings, Inc. | RI | NIA | NBIC Holdings, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| | | | 26-3867627 | | | | Westwind Underwriters, Inc. | DE | NIA | NBIC Holdings, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| 04861 | Heritage Ins Holdings Grp. | 43001 | 05-0394576 | | | | NBIC Service Company, Inc | RI | NIA | NBIC Holdings, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| | | | | | | | Narragansett Bay Insurance Company | RI | IA | NBIC Financial Holdings, Inc. | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| 04861 | Heritage Ins Holdings Grp. | 14931 | 05-0197250 | | | | Pawtucket Insurance Company | RI | IA | Narragansett Bay Insurance Company | Ownership | 100.0 | Heritage Insurance Holdings, Inc. | N | 0 |
| | | | | | | | | | | | 0.0 | | | N | 0 |

12

| Asterisk | Explanation |
|----------|-------------|
| | |

PART 1 - LOSS EXPERIENCE

| Line 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 | 2,737,058 | 1,007,496 | 36.8 | 125.6 |
| 2. Allied lines | 3,033,743 | 1,839,049 | 60.6 | 49.9 |
| 3. Farmowners multiple peril | | | 0.0 | 0.0 |
| 4. Homeowners multiple peril | 243,684,238 | 107,509,082 | 44.1 | 57.6 |
| 5. Commercial multiple peril | 40,893 | | 0.0 | 0.0 |
| 6. Mortgage guaranty | | | 0.0 | 0.0 |
| 8. Ocean marine | | | 0.0 | 0.0 |
| 9. Inland marine | 2,573,010 | 520,919 | 20.2 | 46.5 |
| 10. Financial guaranty | | | 0.0 | 0.0 |
| 11.1 Medical professional liability -occurrence | | | 0.0 | 0.0 |
| 11.2 Medical professional liability -claims made | | | 0.0 | 0.0 |
| 12. Earthquake | 137,764 | | 0.0 | 0.0 |
| 13. Group accident and health | | | 0.0 | 0.0 |
| 14. Credit accident and health | | | 0.0 | 0.0 |
| 15. Other accident and health | | | 0.0 | 0.0 |
| 16. Workers' compensation | | | 0.0 | 0.0 |
| 17.1 Other liability occurrence | 1,952,405 | 2,452,470 | 125.6 | 35.2 |
| 17.2 Other liability-claims made | | | 0.0 | 0.0 |
| 17.3 Excess Workers' Compensation | | | 0.0 | 0.0 |
| 18.1 Products liability-occurrence | | | 0.0 | 0.0 |
| 18.2 Products liability-claims made | | | 0.0 | 0.0 |
| 19.1,19.2 Private passenger auto liability | | | 0.0 | 0.0 |
| 19.3,19.4 Commercial auto liability | | | 0.0 | 0.0 |
| 21. Auto physical damage | | | 0.0 | 0.0 |
| 22. Aircraft (all perils) | | | 0.0 | 0.0 |
| 23. Fidelity | | | 0.0 | 0.0 |
| 24. Surety | | | 0.0 | 0.0 |
| 26. Burglary and theft | | | 0.0 | 0.0 |
| 27. Boiler and machinery | 3,603,893 | 603,281 | 16.7 | 15.2 |
| 28. Credit | | | 0.0 | 0.0 |
| 29. International | | | 0.0 | 0.0 |
| 30. Warranty | | | 0.0 | 0.0 |
| 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 | 0 | 0 | 0.0 | 0.0 |
| 35. TOTALS | 257,763,004 | 113,932,297 | 44.2 | 56.8 |
| DETAILS OF WRITE-INS | | | | |
| 3401. | | | 0.0 | 0.0 |
| 3402. | | | 0.0 | 0.0 |
| 3403. | | | 0.0 | 0.0 |
| 3498. Sum. of remaining write-ins for Line 34 from overflow page | 0 | 0 | 0.0 | 0.0 |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34) | 0 | 0 | 0.0 | 0.0 |

PART 2 - DIRECT PREMIUMS WRITTEN

| Line of Business | 1 | 2 | 3 |
|--|--------------------|-------------------------|----------------------------|
| | Current Quarter | Current Year to Date | Prior Year Year to Date |
| 1. Fire | 658,717 | 3,331,789 | 1,412,447 |
| 2. Allied lines | 675,499 | 4,362,547 | 2,083,120 |
| 3. Farmowners multiple peril | 0 | 0 | 0 |
| 4. Homeowners multiple peril | 94,884,117 | 251,303,597 | 244,447,377 |
| 5. Commercial multiple peril | 39,921 | 57,667 | 0 |
| 6. Mortgage guaranty | 0 | 0 | 0 |
| 8. Ocean marine | 0 | 0 | 0 |
| 9. Inland marine | 1,092,683 | 2,686,513 | 2,614,266 |
| 10. Financial guaranty | 0 | 0 | 0 |
| 11.1 Medical professional liability-occurrence | 0 | 0 | 0 |
| 11.2 Medical professional liability-claims made | 0 | 0 | 0 |
| 12. Earthquake | 58,983 | 145,625 | 142,183 |
| 13. Group accident and health | 0 | 0 | 0 |
| 14. Credit accident and health | 0 | 0 | 0 |
| 15. Other accident and health | 0 | 0 | 0 |
| 16. Workers' compensation | 0 | 0 | 0 |
| 17.1 Other liability occurrence | 1,079,180 | 2,383,827 | 1,665,282 |
| 17.2 Other liability-claims made | 0 | 0 | 0 |
| 17.3 Excess Workers' Compensation | 0 | 0 | 0 |
| 18.1 Products liability-occurrence | 0 | 0 | 0 |
| 18.2 Products liability-claims made | 0 | 0 | 0 |
| 19.1,19.2 Private passenger auto liability | 0 | 0 | 0 |
| 19.3,19.4 Commercial auto liability | 0 | 0 | 0 |
| 21. Auto physical damage | 0 | 0 | 0 |
| 22. Aircraft (all perils) | 0 | 0 | 0 |
| 23. Fidelity | 0 | 0 | 0 |
| 24. Surety | 0 | 0 | 0 |
| 26. Burglary and theft | 0 | 0 | 0 |
| 27. Boiler and machinery | 1,509,659 | 3,734,818 | 3,728,720 |
| 28. Credit | 0 | 0 | 0 |
| 29. International | 0 | 0 | 0 |
| 30. Warranty | 0 | 0 | 0 |
| 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 | 0 | 0 | 0 |
| 35. TOTALS | 99,998,759 | 268,006,383 | 256,093,395 |
| DETAILS OF WRITE-INS | | | |
| 3401. | 0 | 0 | 0 |
| 3402. | 0 | 0 | 0 |
| 3403. | 0 | 0 | 0 |
| 3498. Sum. of remaining write-ins for Line 34 from overflow page | 0 | 0 | 0 |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34) | 0 | 0 | 0 |

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE NARRAGANSETT BAY INSURANCE COMPANY

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) | 2019 Loss and LAE Payments on Claims Reported as of Prior Year-End | 2019 Loss and LAE Payments on Claims Unreported as of Prior Year-End | Total 2019 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 and 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 minus Col. 1) | Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2) | Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12) |
| 1. 2016 + Prior | 4,562 | 2,699 | 7,261 | 1,359 | 244 | 1,603 | 2,992 | 66 | 791 | 3,849 | (211) | (1,598) | (1,809) |
| 2. 2017 | 796 | 1,498 | 2,294 | 504 | 228 | 732 | 646 | 114 | 648 | 1,408 | 354 | (508) | (154) |
| 3. Subtotals 2017 + prior | 5,358 | 4,197 | 9,555 | 1,863 | 472 | 2,335 | 3,638 | 180 | 1,439 | 5,257 | 143 | (2,106) | (1,963) |
| 4. 2018 | 5,557 | 7,396 | 12,953 | 5,344 | 1,937 | 7,281 | 888 | 797 | 4,467 | 6,152 | 675 | (195) | 480 |
| 5. Subtotals 2018 + prior | 10,915 | 11,593 | 22,508 | 7,207 | 2,409 | 9,616 | 4,526 | 977 | 5,906 | 11,409 | 818 | (2,301) | (1,483) |
| 6. 2019 | XXX | XXX | XXX | XXX | 28,442 | 28,442 | XXX | 6,753 | 10,799 | 17,552 | XXX | XXX | XXX |
| 7. Totals | 10,915 | 11,593 | 22,508 | 7,207 | 30,851 | 38,058 | 4,526 | 7,730 | 16,705 | 28,961 | 818 | (2,301) | (1,483) |
| 8. Prior Year-End Surplus As Regards Policy-holders | 112,993 | | | | | | | | | | | | |
| | | | | | | | | | | | Col. 11, Line 7 As % of Col. 1, Line 7 | Col. 12, Line 7 As % of Col. 2, Line 7 | Col. 13, Line 7 As % of Col. 3, Line 7 |
| | | | | | | | | | | | 1. 7.5 | 2. (19.8) | 3. (6.6) |
| | | | | | | | | | | | | | Col. 13, Line 7 Line 8 |
| | | | | | | | | | | | | | 4. (1.3) |

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:

Bar Code:

- | | |
|----|--|
| 1. |  4 3 0 0 1 2 0 1 9 4 9 0 0 0 0 0 3 |
| 2. |  4 3 0 0 1 2 0 1 9 4 5 5 0 0 0 0 3 |
| 3. |  4 3 0 0 1 2 0 1 9 3 6 5 0 0 0 0 3 |
| 4. |  4 3 0 0 1 2 0 1 9 5 0 5 0 0 0 0 3 |

OVERFLOW PAGE FOR WRITE-INS

PQ002 Additional Aggregate Lines for Page 02 Line 25.

*ASSETS

| | 1 | 2 | 3 | 4 |
|---|---------|--------------------|--------------------------------------|--|
| | Assets | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | December 31 Prior Year Net Admitted Assets |
| 2504. PREPAID OUTSIDE SERVICES..... | 306,133 | 306,133 | 0 | |
| 2505. | 0 | | 0 | |
| 2597. Summary of remaining write-ins for Line 25 from Page 02 | 306,133 | 306,133 | 0 | 0 |

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 | 0 | 0 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | 0 | 0 |
| 2.2 Additional investment made after acquisition | 0 | 0 |
| 3. Current year change in encumbrances | NONE | 0 |
| 4. Total gain (loss) on disposals | 0 | 0 |
| 5. Deduct amounts received on disposals | 0 | 0 |
| 6. Total foreign exchange change in book/adjusted carrying value | 0 | 0 |
| 7. Deduct current year's other-than-temporary impairment recognized | 0 | 0 |
| 8. Deduct current year's depreciation | 0 | 0 |
| 9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) | 0 | 0 |
| 10. Deduct total nonadmitted amounts | 0 | 0 |
| 11. Statement value at end of current period (Line 9 minus Line 10) | 0 | 0 |

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 | 0 | 0 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | 0 | 0 |
| 2.2 Additional investment made after acquisition | 0 | 0 |
| 3. Capitalized deferred interest and other | 0 | 0 |
| 4. Accrual of discount | 0 | 0 |
| 5. Unrealized valuation increase (decrease) | NONE | 0 |
| 6. Total gain (loss) on disposals | 0 | 0 |
| 7. Deduct amounts received on disposals | 0 | 0 |
| 8. Deduct amortization of premium and mortgage interest points and commitment fees | 0 | 0 |
| 9. Total foreign exchange change in book value/recorded investment excluding accrued interest | 0 | 0 |
| 10. Deduct current year's other-than-temporary impairment recognized | 0 | 0 |
| 11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | 0 | 0 |
| 12. Total valuation allowance | 0 | 0 |
| 13. Subtotal (Line 11 plus Line 12) | 0 | 0 |
| 14. Deduct total nonadmitted amounts | 0 | 0 |
| 15. Statement value at end of current period (Line 13 minus Line 14) | 0 | 0 |

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 | 0 | 0 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | 12,000,000 | 0 |
| 2.2 Additional investment made after acquisition | 0 | 0 |
| 3. Capitalized deferred interest and other | 0 | 0 |
| 4. Accrual of discount | 0 | 0 |
| 5. Unrealized valuation increase (decrease) | 496,792 | 0 |
| 6. Total gain (loss) on disposals | 0 | 0 |
| 7. Deduct amounts received on disposals | 0 | 0 |
| 8. Deduct amortization of premium and depreciation | 0 | 0 |
| 9. Total foreign exchange change in book/adjusted carrying value | 0 | 0 |
| 10. Deduct current year's other-than-temporary impairment recognized | 0 | 0 |
| 11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | 12,496,792 | 0 |
| 12. Deduct total nonadmitted amounts | 0 | 0 |
| 13. Statement value at end of current period (Line 11 minus Line 12) | 12,496,792 | 0 |

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 | 94,357,211 | 99,920,368 |
| 2. Cost of bonds and stocks acquired | 30,896,362 | 2,759,686 |
| 3. Accrual of discount | 15,455 | 14,575 |
| 4. Unrealized valuation increase (decrease) | 30,509 | 1,438,226 |
| 5. Total gain (loss) on disposals | (97,865) | (39,376) |
| 6. Deduct consideration for bonds and stocks disposed of | 25,977,564 | 9,293,584 |
| 7. Deduct amortization of premium | 390,467 | 443,787 |
| 8. Total foreign exchange change in book/adjusted carrying value | 0 | 0 |
| 9. Deduct current year's other-than-temporary impairment recognized | 0 | 0 |
| 10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees | 426 | 1,103 |
| 11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10) | 98,834,067 | 94,357,211 |
| 12. Deduct total nonadmitted amounts | 0 | 0 |
| 13. Statement value at end of current period (Line 11 minus Line 12) | 98,834,067 | 94,357,211 |

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE NARRAGANSETT BAY INSURANCE COMPANY

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)..... | 78,210,921 | 22,710,515 | 11,207,665 | (105,647) | 86,798,815 | 78,210,921 | 89,608,125 | 82,751,713 |
| 2. NAIC 2 (a)..... | 11,469,178 | | 500,000 | (8,605) | 10,734,445 | 11,469,178 | 10,960,572 | 10,196,893 |
| 3. NAIC 3 (a)..... | 0 | | | | 0 | 0 | 0 | 0 |
| 4. NAIC 4 (a)..... | 0 | | | | 0 | 0 | 0 | 0 |
| 5. NAIC 5 (a)..... | 0 | | | | 0 | 0 | 0 | 0 |
| 6. NAIC 6 (a)..... | 0 | | | | 0 | 0 | 0 | 0 |
| 7. Total Bonds | 89,680,099 | 22,710,515 | 11,707,665 | (114,252) | 97,533,260 | 89,680,099 | 100,568,698 | 92,948,607 |
| PREFERRED STOCK | | | | | | | | |
| 8. NAIC 1..... | 0 | | | | 0 | 0 | 0 | 0 |
| 9. NAIC 2..... | 0 | | | | 0 | 0 | 0 | 0 |
| 10. NAIC 3..... | 0 | | | | 0 | 0 | 0 | 0 |
| 11. NAIC 4..... | 0 | | | | 0 | 0 | 0 | 0 |
| 12. NAIC 5..... | 0 | | | | 0 | 0 | 0 | 0 |
| 13. NAIC 6..... | 0 | | | | 0 | 0 | 0 | 0 |
| 14. Total Preferred Stock..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15. Total Bonds & Preferred Stock | 89,680,099 | 22,710,515 | 11,707,665 | (114,252) | 97,533,260 | 89,680,099 | 100,568,698 | 92,948,607 |

(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 \$; NAIC 2 \$;
NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

S102

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 | 15,850,847 | XXX | 15,720,586 | 107,079 | 125 |

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..... | 1,997,987 | 0 |
| 2. Cost of short-term investments acquired | 22,634,466 | 5,965,258 |
| 3. Accrual of discount | 218,394 | 32,729 |
| 4. Unrealized valuation increase (decrease)..... | 0 | 0 |
| 5. Total gain (loss) on disposals | 0 | 0 |
| 6. Deduct consideration received on disposals | 9,000,000 | 4,000,000 |
| 7. Deduct amortization of premium..... | 0 | 0 |
| 8. Total foreign exchange change in book/adjusted carrying value..... | 0 | 0 |
| 9. Deduct current year's other-than-temporary impairment recognized..... | 0 | 0 |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... | 15,850,847 | 1,997,987 |
| 11. Deduct total nonadmitted amounts..... | 0 | 0 |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 15,850,847 | 1,997,987 |

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E – PART 2 – VERIFICATION

(Cash Equivalents)

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|---|----------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year..... | 48,591,004 | 5,423,044 |
| 2. Cost of cash equivalents acquired | 42,058,067 | 83,659,985 |
| 3. Accrual of discount | 17,420 | 16,716 |
| 4. Unrealized valuation increase (decrease) | 24,532 | 10 |
| 5. Total gain (loss) on disposals..... | 0 | (4,029) |
| 6. Deduct consideration received on disposals | 47,109,679 | 40,504,722 |
| 7. Deduct amortization of premium | 0 | 0 |
| 8. Total foreign exchange change in book/adjusted carrying value | 0 | 0 |
| 9. Deduct current year's other than temporary impairment recognized | 0 | 0 |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 43,581,344 | 48,591,004 |
| 11. Deduct total nonadmitted amounts | 0 | 0 |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 43,581,344 | 48,591,004 |

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE NARRAGANSETT BAY INSURANCE COMPANY

SCHEDULE BA - PART 2

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

| 1 CUSIP Identification | 2 Name or Description | 3 Location | | 5 Name of Vendor or General Partner | 6 NAIC Designation and Administrative Symbol/Market Indicator | 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 |
|---|---------------------------|---------------|-------|---|--|-------------------------------------|------------------------------|---|---|---------------------------------|--|-------------------------------------|
| | | City | State | | | | | | | | | |
| Joint Venture, Partnership or Limited Liability Company Interests that have the Underlying Characteristics - Real Estate - Unaffiliated | | | | | | | | | | | | |
| ...000000-00-0... | Freehold Properties, Inc. | Franklin | TN | Compass Point Research & Trading, LLC | | 09/27/2019 | | 2,000,000 | | | | 3.000 |
| 1799999 - Joint Venture, Partnership or Limited Liability Company Interests that have the Underlying Characteristics - Real Estate - Unaffiliated | | | | | | | | | | | | |
| | | | | | | | | 2,000,000 | 0 | 0 | 0 | XXX |
| Joint, Partnership or Limited Liability Company Interests that have the Underlying Characteristics - Mortgage Loans - Unaffiliated | | | | | | | | | | | | |
| ...000000-00-0... | | | | | | | | | | | | |
| 4499999 - Subtotals - Unaffiliated | | | | | | | | | | | | |
| | | | | | | | | 2,000,000 | 0 | 0 | 0 | XXX |
| 4599999 - Subtotals - Affiliated | | | | | | | | | | | | |
| | | | | | | | | 0 | 0 | 0 | 0 | XXX |
| 4699999 Totals | | | | | | | | | | | | |
| | | | | | | | | 2,000,000 | 0 | 0 | 0 | XXX |

E03

SCHEDULE BA - PART 3

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

| 1 CUSIP Identification | 2 Name or Description | 3 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 |
|------------------------------------|-----------------------------|---------------|-------|---|-------------------------------------|-----------------------|--|--|---|--|--|--|--|---|---------------------|---|---|--|----------------------------|
| | | City | 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 | | | | | | | | | | | | | | | | | | | |
| 4499999 - Subtotals - Unaffiliated | | | | | | | | | | | | | | | | | | | |
| 4599999 - Subtotals - Affiliated | | | | | | | | | | | | | | | | | | | |
| 4699999 Totals | | | | | | | | | | | | | | | | | | | |

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE NARRAGANSETT BAY INSURANCE COMPANY

SCHEDULE D - PART 3

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---------|---------------|-------------------------------|---------------------------|-------------|------------|---|--|
| CUSIP Identification | Description | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends | NAIC Designation and Administrative Symbol/Market Indicator ^(a) |
| Bonds - U.S. Governments | | | | | | | | | |
| 912828-07-2 | UNITED STATES TREASURY | | 07/25/2019 | NOMURA SECS | XXX | 1,002,931 | 1,000,000 | | 1 |
| 912828-XX-3 | UNITED STATES TREASURY | | 07/25/2019 | JP MORGAN SECURITIES INC | XXX | 1,006,603 | 1,000,000 | | 1 |
| 0599999 - Bonds - U.S. Governments | | | | | | 2,009,535 | 2,000,000 | 0 | XXX |
| Bonds - U.S. States, Territories and Possessions | | | | | | | | | |
| 373385-FH-1 | GEORGIA ST | | 07/23/2019 | WELLS FARGO BANK, N.A./SIG | XXX | 1,003,070 | 1,000,000 | | 1FE |
| 1799999 - Bonds - U.S. States, Territories and Possessions | | | | | | 1,003,070 | 1,000,000 | 0 | XXX |
| Bonds - U.S. Political Subdivisions of States, Territories and Possessions | | | | | | | | | |
| 05914F-D8-0 | BALTIMORE CNTY MD | | 07/24/2019 | JANNEY MONTGOMERY SCOTT INC | XXX | 1,020,850 | 1,000,000 | | 1FE |
| 2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions | | | | | | 1,020,850 | 1,000,000 | 0 | XXX |
| Bonds - U.S. Special Revenue | | | | | | | | | |
| 798170-AN-6 | SUCCESSOR AGENCY TO THE REDEV AGENCY OF | | 07/25/2019 | JEFFERIES & COMPANY, INC | XXX | 1,033,640 | 1,000,000 | | 1FE |
| 914713-P2-2 | UNIVERSITY N C CHAPEL HILL REV | | 07/23/2019 | JEFFERIES & COMPANY, INC | XXX | 1,066,740 | 1,000,000 | | 1FE |
| 3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | 2,100,380 | 2,000,000 | 0 | XXX |
| Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | |
| 025816-BM-0 | AMERICAN EXPRESS CO | | 07/01/2019 | Merrill Lynch | XXX | 754,770 | 750,000 | | 1FE |
| 05531F-BF-9 | BB&T CORP | | 07/01/2019 | PERSHING/DONALDSON LUFKIN | XXX | 1,058,870 | 1,000,000 | | 1FE |
| 06367W-HH-9 | BANK OF MONTREAL | C | 07/02/2019 | MIZUHO SECURITIES USA INC | XXX | 779,025 | 750,000 | | 1FE |
| 06406R-AA-5 | BANK OF NEW YORK MELLON CORP | | 07/01/2019 | TORONTO DOMINION BK | XXX | 1,010,040 | 1,000,000 | | 1FE |
| 084670-BR-8 | BERKSHIRE HATHAWAY FINANCE CORP | | 07/01/2019 | CITIGROUP GLOBAL MARKETS INC | XXX | 1,020,140 | 1,000,000 | | 1FE |
| 17275R-BE-1 | CISCO SYSTEMS INC | | 07/02/2019 | GOLDMAN | XXX | 1,018,050 | 1,000,000 | | 1FE |
| 369550-AY-4 | GENERAL DYNAMICS CORP | | 07/03/2019 | DEUTSCHE BANK SECURITIES, INC | XXX | 1,010,590 | 1,000,000 | | 1FE |
| 404280-AN-9 | HSBC HOLDINGS PLC | C | 07/02/2019 | PERSHING/DONALDSON LUFKIN | XXX | 782,408 | 750,000 | | 1FE |
| 857477-AM-5 | STATE STREET CORP | | 07/02/2019 | PERSHING/DONALDSON LUFKIN | XXX | 1,062,260 | 1,000,000 | | 1FE |
| 89233P-7F-7 | TOYOTA MOTOR CREDIT CORPORATION | | 07/02/2019 | PERSHING/DONALDSON LUFKIN | XXX | 1,014,090 | 1,000,000 | | 1FE |
| 91324P-DJ-8 | UNITEDHEALTH GROUP INC | | 07/01/2019 | Morgan Stanley | XXX | 1,044,860 | 1,000,000 | | 1FE |
| 92826C-AD-4 | VISA INC | | 07/02/2019 | GOLDMAN | XXX | 1,049,510 | 1,000,000 | | 1FE |
| 3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | 11,604,613 | 11,250,000 | 0 | XXX |
| 8399997 - Subtotals - Bonds - Part 3 | | | | | | 17,738,447 | 17,250,000 | 0 | XXX |
| 8399999 - Subtotals - Bonds | | | | | | 17,738,447 | 17,250,000 | 0 | XXX |
| 9999999 Totals | | | | | | 17,738,447 | XXX | 0 | XXX |

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

E04

STATEMENT AS OF SEPTEMBER 30, 2019 OF THE NARRAGANSETT BAY INSURANCE COMPANY

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 | Foreign | 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 and Administrative Symbol/Market Indicator ^(a) |
| Bonds - U.S. Governments | | | | | | | | | | | | | | | | | | | | | |
| 36179R-D7-1 | G2 MA2826 - RMBS | | 09/01/2019 | Paydown | XXX | 26,853 | 26,853 | 48,980 | 28,413 | 0 | (1,560) | 0 | (1,560) | 0 | 26,853 | 0 | 0 | 0 | 616 | 05/20/2045 | 1 |
| 38377G-YS-2 | GNR 1069E YE - CMO/RMBS | | 09/01/2019 | Paydown | XXX | 4,474 | 4,474 | 4,665 | 4,549 | 0 | (75) | 0 | (75) | 0 | 4,474 | 0 | 0 | 0 | 85 | 05/20/2039 | 1 |
| 0599999 - Bonds - U.S. Governments | | | | | | 31,326 | 31,326 | 53,645 | 32,962 | 0 | (1,635) | 0 | (1,635) | 0 | 31,326 | 0 | 0 | 0 | 701 | XXX | XXX |
| Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | | | | | | | | | | | | | | | | |
| 3128MA-BS-7 | FH G07849 - RMBS | | 09/01/2019 | Paydown | XXX | 19,347 | 19,347 | 29,460 | 20,047 | 0 | (700) | 0 | (700) | 0 | 19,347 | 0 | 0 | 0 | 447 | 05/01/2044 | 1 |
| 3128MB-V5-3 | FH G13136 - RMBS | | 09/01/2019 | Paydown | XXX | 1,154 | 1,154 | 1,127 | 1,137 | 0 | 17 | 0 | 17 | 0 | 1,154 | 0 | 0 | 0 | 33 | 05/01/2023 | 1 |
| 3128MJ-VY-8 | FH G08706 - RMBS | | 09/01/2019 | Paydown | XXX | 59,736 | 59,736 | 62,798 | 62,757 | 0 | (3,020) | 0 | (3,020) | 0 | 59,736 | 0 | 0 | 0 | 1,378 | 05/01/2046 | 1 |
| 3128PG-NN-9 | FH J04897 - RMBS | | 09/01/2019 | Paydown | XXX | 1,314 | 1,314 | 1,341 | 1,326 | 0 | (13) | 0 | (13) | 0 | 1,314 | 0 | 0 | 0 | 36 | 05/01/2022 | 1 |
| 3128PP-RO-8 | FH J10495 - RMBS | | 09/01/2019 | Paydown | XXX | 363 | 363 | 370 | 370 | 0 | (6) | 0 | (6) | 0 | 363 | 0 | 0 | 0 | 10 | 08/01/2024 | 1 |
| 3128PP-LD-3 | FH J10580 - RMBS | | 09/01/2019 | Paydown | XXX | 1,051 | 1,051 | 1,065 | 1,065 | 0 | (14) | 0 | (14) | 0 | 1,051 | 0 | 0 | 0 | 31 | 09/01/2024 | 1 |
| 3129L-K9-5 | FH C03920 - RMBS | | 09/01/2019 | Paydown | XXX | 52,634 | 52,634 | 54,764 | 54,686 | 0 | (2,052) | 0 | (2,052) | 0 | 52,634 | 0 | 0 | 0 | 1,288 | 05/01/2042 | 1 |
| 3132L7-F7-9 | FH V81990 - RMBS | | 09/01/2019 | Paydown | XXX | 17,982 | 17,982 | 27,304 | 19,143 | 0 | (1,161) | 0 | (1,161) | 0 | 17,982 | 0 | 0 | 0 | 467 | 10/01/2045 | 1 |
| 3132UJ-3B-7 | FH Q37993 - RMBS | | 09/01/2019 | Paydown | XXX | 41,202 | 41,202 | 43,886 | 43,628 | 0 | (2,426) | 0 | (2,426) | 0 | 41,202 | 0 | 0 | 0 | 1,170 | 12/01/2045 | 1 |
| 3132XT-KH-0 | FH Q51195 - RMBS | | 09/01/2019 | Paydown | XXX | 53,609 | 53,609 | 58,181 | 56,300 | 0 | (2,691) | 0 | (2,691) | 0 | 53,609 | 0 | 0 | 0 | 1,565 | 10/01/2047 | 1 |
| 3136AB-TC-4 | FNR 1299A BD - CMO/RMBS | | 09/01/2019 | Paydown | XXX | 5,232 | 5,232 | 5,279 | 5,279 | 0 | (47) | 0 | (47) | 0 | 5,232 | 0 | 0 | 0 | 68 | 08/25/2041 | 1 |
| 3137AA-SU-3 | FHR 3854A HA - CMO/RMBS | | 09/16/2019 | Paydown | XXX | 5,357 | 5,357 | 5,543 | 5,386 | 0 | (29) | 0 | (29) | 0 | 5,357 | 0 | 0 | 0 | 185 | 07/15/2025 | 1 |
| 3138EP-WS-9 | FN AL6956 - RMBS | | 09/01/2019 | Paydown | XXX | 9,636 | 9,636 | 9,991 | 9,983 | 0 | (348) | 0 | (348) | 0 | 9,636 | 0 | 0 | 0 | 231 | 06/01/2045 | 1 |
| 3138ET-DZ-6 | FN AL8219 - RMBS | | 09/01/2019 | Paydown | XXX | 85,788 | 85,788 | 92,182 | 91,730 | 0 | (5,942) | 0 | (5,942) | 0 | 85,788 | 0 | 0 | 0 | 2,247 | 02/01/2046 | 1 |
| 3138WB-PT-6 | FN AS2233 - RMBS | | 09/01/2019 | Paydown | XXX | 99,848 | 99,848 | 105,729 | 104,372 | 0 | (4,524) | 0 | (4,524) | 0 | 99,848 | 0 | 0 | 0 | 2,284 | 04/01/2029 | 1 |
| 3138WE-C5-6 | FN AS4591 - RMBS | | 09/01/2019 | Paydown | XXX | 7,702 | 7,702 | 8,333 | 8,293 | 0 | (591) | 0 | (591) | 0 | 7,702 | 0 | 0 | 0 | 219 | 03/01/2045 | 1 |
| 3138WF-3X-2 | FN AS6213 - RMBS | | 09/01/2019 | Paydown | XXX | 70,009 | 70,009 | 74,587 | 74,378 | 0 | (4,370) | 0 | (4,370) | 0 | 70,009 | 0 | 0 | 0 | 1,917 | 11/01/2045 | 1 |
| 3138WJ-YB-8 | FN AS8805 - RMBS | | 09/01/2019 | Paydown | XXX | 10,113 | 10,113 | 10,502 | 10,477 | 0 | (364) | 0 | (364) | 0 | 10,113 | 0 | 0 | 0 | 215 | 02/01/2042 | 1 |
| 3138WK-UN-3 | FN AS9588 - RMBS | | 09/01/2019 | Paydown | XXX | 30,047 | 30,047 | 31,742 | 31,619 | 0 | (1,572) | 0 | (1,572) | 0 | 30,047 | 0 | 0 | 0 | 810 | 05/01/2047 | 1 |
| 3138Y9-S8-2 | FN AX7742 - RMBS | | 09/01/2019 | Paydown | XXX | 16,366 | 16,366 | 27,552 | 17,085 | 0 | (719) | 0 | (719) | 0 | 16,366 | 0 | 0 | 0 | 419 | 01/01/2045 | 1 |
| 3138YM-Q2-8 | FN AY7672 - RMBS | | 09/01/2019 | Paydown | XXX | 25,238 | 25,238 | 26,519 | 26,457 | 0 | (1,220) | 0 | (1,220) | 0 | 25,238 | 0 | 0 | 0 | 578 | 04/01/2045 | 1 |
| 3138YT-MQ-4 | FN AZ2166 - RMBS | | 09/01/2019 | Paydown | XXX | 10,625 | 10,625 | 11,278 | 11,152 | 0 | (526) | 0 | (526) | 0 | 10,625 | 0 | 0 | 0 | 248 | 07/01/2045 | 1 |
| 31398S-OU-0 | FNR 10137C MC - CMO/RMBS | | 09/01/2019 | Paydown | XXX | 6,938 | 6,938 | 7,345 | 7,345 | 0 | (119) | 0 | (119) | 0 | 6,938 | 0 | 0 | 0 | 121 | 10/25/2038 | 1 |
| 31398S-RE-5 | FNR 10137H CJ - CMO/RMBS | | 09/01/2019 | Paydown | XXX | 12,153 | 12,153 | 12,148 | 12,148 | 0 | 5 | 0 | 5 | 0 | 12,153 | 0 | 0 | 0 | 190 | 12/25/2025 | 1 |
| 3140EU-4L-0 | FN BC0826 - RMBS | | 09/01/2019 | Paydown | XXX | 16,844 | 16,844 | 18,088 | 17,925 | 0 | (1,081) | 0 | (1,081) | 0 | 16,844 | 0 | 0 | 0 | 464 | 04/01/2046 | 1 |
| 3140GW-TY-9 | FN BH7766 - RMBS | | 09/01/2019 | Paydown | XXX | 84,463 | 84,463 | 88,949 | 88,473 | 0 | (4,011) | 0 | (4,011) | 0 | 84,463 | 0 | 0 | 0 | 2,297 | 08/01/2047 | 1 |
| 31412U-L7-3 | FN 935150 - RMBS | | 09/01/2019 | Paydown | XXX | 4,025 | 4,025 | 4,164 | 4,105 | 0 | (80) | 0 | (80) | 0 | 4,025 | 0 | 0 | 0 | 115 | 04/01/2024 | 1 |
| 677377-2M-4 | OHIO HSG FIN AGY SINGLE FAMILY MTG REV | | 09/01/2019 | Call @ 100.00 | XXX | 5,000 | 5,000 | 5,053 | 5,024 | 0 | (6) | 0 | (6) | 0 | 5,018 | 0 | (18) | (18) | 91 | 11/01/2041 | 1FE |
| 3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions | | | | | | 753,776 | 753,776 | 825,347 | 791,404 | 0 | (37,610) | 0 | (37,610) | 0 | 753,794 | 0 | (18) | (18) | 19,105 | XXX | XXX |
| Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | | | | | | | | | | |
| 02007C-AE-2 | ALLYA 161 A4 - ABS | | 09/16/2019 | Paydown | XXX | 1,146,044 | 1,146,044 | 1,145,732 | 1,145,994 | 0 | 50 | 0 | 50 | 0 | 1,146,044 | 0 | 0 | 0 | 14,472 | 11/16/2020 | 1FE |
| 23305V-AD-1 | DBUBS 11LC3 A4 - CMBS | C | 09/01/2019 | Paydown | XXX | 4,606 | 4,606 | 5,292 | 4,795 | 0 | (189) | 0 | (189) | 0 | 4,606 | 0 | 0 | 0 | 163 | 08/12/2044 | 1FE |
| 254683-AY-1 | DCENT 126 A - ABS | | 07/15/2019 | VARIOUS | XXX | 125,000 | 125,000 | 125,176 | 125,036 | 0 | (36) | 0 | (36) | 0 | 125,000 | 0 | 0 | 0 | 1,218 | 01/18/2022 | 1FE |
| 278642-AH-6 | EBAY INC | | 08/01/2019 | Maturity @ 100.00 | XXX | 500,000 | 500,000 | 502,445 | 500,395 | 0 | (395) | 0 | (395) | 0 | 500,000 | 0 | 0 | 0 | 11,000 | 08/01/2019 | 2FE |
| 29157T-AA-4 | EMORY UNIVERSITY | | 08/28/2019 | VARIOUS | XXX | 375,104 | 375,000 | 409,147 | 409,147 | 0 | (2,729) | 0 | (2,729) | 0 | 375,046 | 0 | (46) | (46) | 21,022 | 09/01/2019 | 1FE |
| 34528Q-EV-2 | FORDF 163 A2 - ABS | | 07/15/2019 | VARIOUS | XXX | 1,200,000 | 1,200,000 | 1,210,406 | 1,203,888 | 0 | (3,888) | 0 | (3,888) | 0 | 1,200,000 | 0 | 0 | 0 | 21,586 | 07/15/2021 | 1FE |
| 46638U-AC-0 | JPMCC 12C8 A3 - CMBS | | 08/01/2019 | Paydown | XXX | 13,935 | 13,935 | 14,283 | 14,082 | 0 | (147) | 0 | (147) | 0 | 13,935 | 0 | 0 | 0 | 244 | 10/17/2045 | 1FE |
| 65478U-AE-9 | NAROT 16A A4 - ABS | | 09/15/2019 | Paydown | XXX | 1,503 | 1,503 | 1,503 | 1,503 | 0 | 0 | 0 | 0 | 0 | 1,503 | 0 | 0 | 0 | 18 | 07/15/2022 | 1FE |
| 90131H-AR-6 | INC | | 09/18/2019 | Not Available | XXX | 513,605 | 500,000 | 516,085 | 509,559 | 0 | (1,766) | 0 | (1,766) | 0 | 507,794 | 0 | 5,811 | 5,811 | 15,000 | 09/15/2022 | 1FE |
| 94988H-AC-5 | WFCM 12LC5 A3 - CMBS | | 09/01/2019 | VARIOUS | XXX | 48,938 | 48,616 | 50,110 | 49,172 | 0 | (556) | 0 | (556) | 0 | 48,616 | 0 | 0 | 0 | 972 | 10/17/2045 | 1FE |
| 3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | 3,928,736 | 3,914,705 | 3,980,180 | 3,932,199 | 0 | (9,655) | 0 | (9,655) | 0 | 3,922,544 | 0 | 5,765 | 5,765 | 85,695 | XXX | XXX |
| 8399997 - Subtotals - Bonds - Part 4 | | | | | | 4,713,838 | 4,699,807 | 4,859,172 | 4,756,565 | 0 | (48,900) | 0 | (48,900) | 0 | 4,707,665 | 0 | 5,747 | 5,747 | 105,501 | XXX | XXX |
| 8399999 - Subtotals - Bonds | | | | | | 4,713,838 | 4,699,807 | 4,859,172 | 4,756,565 | 0 | (48,900) | 0 | (48,900) | 0 | 4,707,665 | 0 | 5,747 | 5,747 | 105,501 | XXX | XXX |
| 9999999 Totals | | | | | | 4,713,838 | XXX | 4,859,172 | 4,756,565 | 0 | (48,900) | 0 | (48,900) | 0 | 4,707,665 | 0 | 5,747 | 5,747 | 105,501 | XXX | XXX |

E05

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

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

