



40150201620100103

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2016
OF THE CONDITION AND AFFAIRS OF THE
MGA Insurance Company, Inc.

NAIC Group Code 0000, NAIC Company Code 40150, Employer's ID Number 75-1767545
Organized under the Laws of Texas, State of Domicile or Port of Entry Texas
Country of Domicile United States of America
Incorporated/Organized May 22, 1981, Commenced Business August 13, 1981
Statutory Home Office 3333 Lee Parkway Suite 1200, Dallas, TX US 75219
Main Administrative Office 3333 Lee Parkway Suite 1200, Dallas, TX US 75219
Mail Address Post Office Box 199023, Dallas, TX US 75219-9023
Primary Location of Books and Records 3333 Lee Parkway Suite 1200, Dallas, TX US 75219
Internet Website Address www.gainsco.com
Statutory Statement Contact Donald Alan Baker, 972-629-4379

OFFICERS

Table with 2 columns: Name, Title. Rows: 1. Glenn Walden Anderson, President; 2. Brian Christopher Dosser, Secretary; 3. Daniel Jay Coots, Treasurer.

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Lists names and titles for various vice-presidents.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Lists names and titles for directors or trustees.

State of Texas
County of Dallas 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.

Signature and Title lines for Glenn Walden Anderson (President), Brian Christopher Dosser (Secretary), and Daniel Jay Coots (Treasurer).

Subscribed and sworn to before me this 10th day of November, 2016

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

Susan Morrison

## 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	153,646,584		153,646,584	160,067,777
2. Stocks:				
2.1 Preferred stocks	853,576		853,576	
2.2 Common stocks	4,635,405		4,635,405	4,172,287
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)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (4,488,695)), cash equivalents (\$ 0), and short-term investments (\$ 35,708,372)	31,219,677		31,219,677	18,310,539
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	13,715,222		13,715,222	13,596,884
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	204,070,464		204,070,464	196,147,487
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	2,055,109		2,055,109	1,712,596
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,933,057	73,606	2,859,451	2,848,103
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	44,078,832		44,078,832	40,246,463
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	146,331		146,331	
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	11,688,000		11,688,000	12,365,000
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	1,174,036		1,174,036	1,339,067
21. Furniture and equipment, including health care delivery assets (\$ 0)	2,778,705	2,750,058	28,647	43,614
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	319,209		319,209	3,793,518
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	696,162	696,162		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	269,939,905	3,519,826	266,420,079	258,495,848
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	269,939,905	3,519,826	266,420,079	258,495,848

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	695,912	695,912		
2502. Other assets	250	250		
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	696,162	696,162		

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 46,343,967)	74,018,465	75,289,338
2. Reinsurance payable on paid losses and loss adjustment expenses	8,524	5,785
3. Loss adjustment expenses	9,039,195	12,374,238
4. Commissions payable, contingent commissions and other similar charges	186,527	158,010
5. Other expenses (excluding taxes, licenses and fees)	7,777,437	7,674,014
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,342,270	1,698,908
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	593,923	62,619
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 \$ 0 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)	63,825,173	59,023,147
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		66,128
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	10,946	29,850
16. Provision for reinsurance (including \$ 0 certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	1,631,488	1,572,980
20. Derivatives		
21. Payable for securities	2,053,409	
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	557,151	8,240
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	161,044,508	157,963,257
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	161,044,508	157,963,257
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	12,000,000	12,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	80,325,157	80,325,157
35. Unassigned funds (surplus)	19,050,414	14,207,434
36. Less treasury stock, at cost:		
36.1. 6,000,000 shares common (value included in Line 30 \$ 6,000,000)	6,000,000	6,000,000
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	105,375,571	100,532,591
38. Totals (Page 2, Line 28, Col. 3)	266,420,079	258,495,848

DETAILS OF WRITE-IN LINES		
2501. Unclaimed property	557,151	8,240
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	557,151	8,240
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.		
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)		

## STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 183,042,218)	178,242,321	161,833,625	219,240,955
1.2 Assumed (written \$ 175,883)	173,755	203,407	262,976
1.3 Ceded (written \$ 313,668)	313,669	410,040	543,628
1.4 Net (written \$ 182,904,433)	178,102,407	161,626,992	218,960,303
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 111,173,129):			
2.1 Direct	106,110,606	89,936,029	125,213,865
2.2 Assumed	6,821	(327,245)	(308,885)
2.3 Ceded	(348)	(379)	(501)
2.4 Net	106,117,775	89,609,163	124,905,481
3. Loss adjustment expenses incurred	19,735,473	24,426,810	32,969,066
4. Other underwriting expenses incurred	48,353,584	44,608,857	58,567,923
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	174,206,832	158,644,830	216,442,470
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	3,895,575	2,982,162	2,517,833
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	4,416,818	3,215,015	4,579,740
10. Net realized capital gains (losses) less capital gains tax of \$ 0	(237,432)	86,991	125,264
11. Net investment gain (loss) (Lines 9 + 10)	4,179,386	3,302,006	4,705,004
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	(101,708)	2,215	13,493
15. Total other income (Lines 12 through 14)	(101,708)	2,215	13,493
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	7,973,253	6,286,383	7,236,330
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)	7,973,253	6,286,383	7,236,330
19. Federal and foreign income taxes incurred	531,304	71,714	62,619
20. Net income (Line 18 minus Line 19) (to Line 22)	7,441,949	6,214,669	7,173,711
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	100,532,591	110,583,061	110,583,061
22. Net income (from Line 20)	7,441,949	6,214,669	7,173,711
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 632,721	1,228,223	(37,758)	(1,687,067)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(44,279)	(902,000)	(2,241,095)
27. Change in nonadmitted assets	1,037,087	(796,717)	(1,890,833)
28. Change in provision for reinsurance		4,814	4,814
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	(4,820,000)	(9,180,000)	(11,410,000)
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)	4,842,980	(4,696,992)	(10,050,470)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	105,375,571	105,886,069	100,532,591

<b>DETAILS OF WRITE-IN LINES</b>			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Miscellaneous income	(101,708)	2,215	13,493
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(101,708)	2,215	13,493
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
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	179,180,536	163,935,912	221,296,103
2. Net investment income	5,466,492	4,731,455	7,026,478
3. Miscellaneous income	(101,708)	2,215	13,493
4. Total (Lines 1 to 3)	184,545,320	168,669,582	228,336,074
5. Benefit and loss related payments	107,392,738	88,117,901	118,712,566
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	71,641,969	65,216,907	85,428,692
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		208,932	208,932
10. Total (Lines 5 through 9)	179,034,707	153,543,740	204,350,190
11. Net cash from operations (Line 4 minus Line 10)	5,510,613	15,125,842	23,985,884
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	35,863,887	32,525,531	46,106,946
12.2 Stocks		501,989	1,001,989
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets	276,838	173,767	5,223,991
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		1,767	2,664
12.7 Miscellaneous proceeds	2,053,409		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	38,194,134	33,203,054	52,335,590
13. Cost of investments acquired (long-term only):			
13.1 Bonds	30,801,563	30,359,000	45,751,280
13.2 Stocks		850,000	5,900,224
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets	121,676	1,999,755	2,137,617
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	30,923,239	33,208,755	53,789,121
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)	7,270,895	(5,701)	(1,453,531)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders	4,820,000	9,180,000	11,410,000
16.6 Other cash provided (applied)	4,947,630	(1,591,941)	(5,916,832)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	127,630	(10,771,941)	(17,326,832)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	12,909,138	4,348,200	5,205,521
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	18,310,539	13,105,018	13,105,018
19.2 End of period (Line 18 plus Line 19.1)	31,219,677	17,453,218	18,310,539

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 statutory financial statements of MGA Insurance Company, Inc. (Company) have been prepared on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance. The state of Texas requires insurance companies domiciled in the state of Texas to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) subject to any deviations prescribed or permitted by the Texas Department of Insurance.

In these statements, the only difference between Texas prescribed practices and NAIC SAP is that Texas regulations allow furniture and equipment to be admitted assets whereas NAIC SAP does not. Reconciliations of net income and policyholders' surplus between amounts presented in the financial statements (Texas basis) and NAIC SAP are as follows:

	9-30-16	12-31-15
<u>Net Income</u>		
(1) Net income, Texas basis	7,441,949	7,173,711
(2) State Prescribed Practices for Furniture and Equipment that increase/(decrease) NAIC SAP	-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP	-	-
(4) NAIC SAP	7,441,949	7,173,711
<u>Surplus</u>		
(5) Policyholders' surplus, Texas basis	105,375,571	100,532,591
(6) State Prescribed Practices for Furniture and Equipment that increase/(decrease) NAIC SAP	1,202,684	1,382,681
(7) State Permitted Practices that increase/(decrease) NAIC SAP	-	-
(8) NAIC SAP	104,172,887	99,149,910

#### (B) Use of Estimates

No significant changes

#### (C) Accounting Policies

(1) through (5) No significant changes.

(6) Investment grade loan-backed securities, excluding residential mortgage-backed securities, are stated at amortized cost. The prospective adjustment method is used to value all such securities. In order to value loan-backed securities subject to multiple designations, including residential mortgage-backed securities, the Company followed the procedures established by the NAIC Modeling Process. This two-step process determined the carrying value method and NAIC designation.

(7) through (13) No significant changes

#### (D) Going Concern

Management's evaluation determined there are no principal conditions or events that raise substantial doubt about the Company's ability to continue as a going concern.

### (2) Accounting Changes and Corrections of Errors

No significant changes

### (3) Business Combinations and Goodwill

No significant changes

### (4) Discontinued Operations

There were no operations that were discontinued in the current or prior year.

### (5) Investments

#### (A) Mortgage Loans

Not applicable

#### (B) Troubled Debt Restructuring for Debtors

Not applicable

#### (C) Reverse Mortgages

Not applicable

#### (D) Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage-backed securities were obtained from estimates consistent with the current interest rates and economic environment and provided by a third party service.

## NOTES TO FINANCIAL STATEMENTS

- (2) The following table summarizes by quarter other-than-temporary impairments (OTTI) recorded during the year because the Company had either the intent to sell the securities or the inability or lack of intent to retain as cited in the table:

	Amortized Cost Before OTTI	OTTI Recognized	Fair Value (1-2)
Other Than Temporary Impairment recognized 1 <sup>st</sup> quarter			
a. Intent to sell			
b. Inability or lack of intent to retain investment in the security for a period of time sufficient to recover the amortized cost basis			
c. Total 1 <sup>st</sup> quarter	0	0	0
Other Than Temporary Impairment recognized 2 <sup>nd</sup> quarter			
d. Intent to sell			
e. Inability or lack of intent to retain investment in the security for a period of time sufficient to recover the amortized cost basis			
f. Total 2 <sup>nd</sup> quarter	0	0	0
Other Than Temporary Impairment recognized 3 <sup>rd</sup> quarter			
g. Intent to sell			
h. Inability or lack of intent to retain investment in the security for a period of time sufficient to recover the amortized cost basis			
i. Total 3 <sup>rd</sup> quarter	0	0	0
Other Than Temporary Impairment recognized 4 <sup>th</sup> quarter			
j. Intent to sell			
k. Inability or lack of intent to retain investment in the security for a period of time sufficient to recover the amortized cost basis			
l. Total 4 <sup>th</sup> quarter	0	0	0
m. Annual aggregate total	XXXXX	0	XXXXX

- (3) The following table reflects securities with an OTTI recognized in current year earnings based on the fact the present value of cash flows expected to be collected was less than the amortized cost basis of the securities:

CUSIP/ Description	Amortized Cost Before OTTI	Present Value of Projected Cash Flows	OTTI Recognized	Amortized Cost After OTTI	Fair Value at Time of OTTI	Financial Statement Date Reported
Total OTTI			0			

- (4) The following table summarizes gross unrealized investment losses on loan-backed securities based on length of time continuously in these unrealized loss positions as of quarter end:

a. Aggregate amount of unrealized losses:	
1. Less than 12 months	1,655
2. 12 months or longer	161,383
3. Total	163,038
b. Aggregate fair value of securities with unrealized loss:	
1. Less than 12 months	846,518
2. 12 months or longer	1,474,240
3. Total	2,320,758

- (5) All loan-backed securities in an unrealized loss position were reviewed to determine whether an OTTI should be recognized. For those securities in an unrealized loss position as of September 30, 2016, the Company has made a decision not to sell any such securities. The Company has 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. The conclusions are supported by a detailed analysis of the underlying credit and projected cash flows on each security. It is possible that the Company could recognize an OTTI in the future on some of the securities held if future events, information and the passage of time cause it to conclude that declines in value are other-than-temporary.

(E) Repurchase Agreements and/or Securities Lending Transactions

(1-2) No significant changes

(3) There were no agreements or transactions involving collateral.

(F) Writedowns for Impairment of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features

Not applicable

(G) Low Income Housing Tax Credits

Not applicable

(H) Restricted Assets

No significant changes

(I) Working Capital Finance Investments

Not applicable

(J) Offsetting and Netting of Assets and Liabilities

Not applicable

(6) **Joint Ventures, Partnerships and Limited Liability Companies**

No significant changes

## NOTES TO FINANCIAL STATEMENTS

- (7) **Investment Income**  
No significant changes
- (8) **Derivative Instruments**  
The Company does not own derivative instruments.
- (9) **Income Taxes**  
No significant changes
- (10) **Information Concerning Parent, Subsidiaries and Affiliates**  
No significant changes
- (11) **Debt**
- (A) Amount, Interest, Maturities, Collateral, Covenants  
The Company has no debt outstanding.
- (B) Funding Agreements with Federal Home Loan Bank (FHLB)  
The Company has no Federal Home Loan Bank agreements.
- (12) **Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**
- (A) Defined Benefit Plan  
The company does not have a defined benefit plan.
- (B through F) No significant changes
- (13) **Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**  
No significant changes
- (14) **Contingencies**  
No significant changes
- (15) **Leases**  
No significant changes
- (16) **Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**  
The Company does not have any financial instruments where there is off-balance-sheet-risk of accounting loss due to credit or market risk.
- (17) **Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**
- (A) Transfer of Receivables Reported as Sales  
Not applicable
- (B) Transfer and Servicing of Financial Assets  
There were no transactions involving the transfer or servicing of financial assets.
- (C) Wash Sales
- (1) In the course of the Company's asset management, securities may be sold and reacquired within thirty days of the sale date to enhance the yield on the investments and to offset realized loss carryforwards for federal income tax purposes.
- (2) There were no wash sale transactions involving unrated securities or securities with an NAIC designation of 3 or below.
- (18) **Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**  
The Company has no such plans.
- (19) **Direct Premium Written / Produced by Managing General Agents / Third Party Administrators**  
No significant changes
- (20) **Fair Value Measurement**
- (A) Inputs Used for Assets and Liabilities Measured and Reported at Fair Value
- (1) Items Measured and Reported at Fair Value 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 levels are defined as follows:
- Level 1 – Quoted Prices in Active Markets for Identical Assets and Liabilities:* This category, for items measured at fair value on a recurring basis, includes exchange-traded preferred and common stocks. The estimated fair value of the equity securities within this category are based on quoted prices in active markets.
- Level 2 – Significant Other Observable Inputs:* This category for items measured at fair value on a recurring basis includes bonds, loan-back securities, preferred stocks and common stocks which are not exchange-traded. The estimated fair values of some of these items were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded.
- Level 3 – Significant Unobservable Inputs:* This category includes valuations based on models where significant inputs are not observable. The unobservable inputs reflect the Company's own estimates as to the assumptions that market participants would use. Investments classified as Level 3 are comprised of securities for which values provided by an independent pricing service or quoted market prices were not used, many of which are not publicly traded or are not actively traded.



## NOTES TO FINANCIAL STATEMENTS

Description	Level 1	Level 2	Level 3	Total
Assets at Fair Value				
Bonds				
Issuer obligations	-	2,447,232	-	2,447,232
Residential mortgage-backed	-	1,465,577	-	1,465,577
Common stock	-	4,634,880	-	4,634,880
Preferred stock	-	-	-	-
<b>Total Assets at Fair Value</b>	<b>0</b>	<b>8,547,689</b>	<b>0</b>	<b>8,547,689</b>

All of the Company's Level 1 and Level 2 invested assets held as of September 30, 2016 were priced using either independent pricing services or available market prices to determine fair value. The Company classifies such instruments in active markets as Level 1 and those not in active markets as Level 2. Those for which the independent pricing service value is used are classified as Level 2. 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 between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph 3 below. There were no transfers between Levels 1 and 2 during the third quarter of 2016.

(2) Rollforward of Level 3 Items:

Description	Level 3 Balance at 12-31-15	Gains (Losses) Included in Income	Gains (Losses) Included in Surplus	Purchases	Sales	Transfers into Level 3	Transfers out of Level 3	Level 3 Balance at 9-30-16
Assets at Fair Value								
Bonds and asset-backed securities	-	-	-	-	-	-	-	-
<b>Total Assets at Fair Value</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(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. The above table of Level 3 assets begins with the prior period balance and adjusts the balance for the gains or losses (realized and unrealized) that occurred during the current period. Any new purchases that are identified as Level 3 securities are added, and any sales of securities which were previously identified as Level 3 are subtracted. Next, any securities which were previously identified as Level 1 or Level 2 securities and which are currently identified as Level 3 are added. Finally, securities which were previously identified as Level 3 and which are now designated as Level 1 or as Level 2 are subtracted.

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

Level 2 securities have a fair value derived from a market price estimate provided by an independent pricing service. This generally involves a matrix pricing approach which looks at the characteristics of securities traded in actual market transactions and maps them into categories. If the specific security to be priced has not recently traded, it is also categorized, and the market yield on deemed similar instruments is applied to that issue. For securities backed by mortgage loans, key inputs include the market required loss adjusted yield, and the projected default rate, severity, and voluntary prepayment speed on the underlying collateral.

(5) Derivative Fair Values  
Not applicable

(B) Other Fair Value Disclosures  
Not applicable

(C) Fair Values for All Financial Instruments by Levels 1, 2 and 3

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, partnerships). The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20(A). The Company does not have any liabilities measured at fair value.

Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practical (Carrying Value)
Bonds	154,250,357	153,646,584	6,801,646	147,448,711	-	-
Common stock - unaffiliated	4,634,880	4,634,880	-	4,634,880	-	-
Preferred stock	848,579	853,576	350,579	498,000	-	-
Cash, cash equivalents and short-term investments	31,220,425	31,219,677	5,761,001	25,459,424	-	-
<b>Total Assets</b>	<b>190,954,241</b>	<b>190,354,717</b>	<b>12,913,226</b>	<b>178,041,015</b>	<b>0</b>	<b>0</b>

(D) Financial Instruments for Which Not Practical to Estimate Fair Values  
Not applicable

(21) **Other Items**  
Not applicable

(22) **Events Subsequent**

There were no events occurring subsequent to the close of the books for this statement that would have a material effect on the financial condition of the Company.

(23) **Reinsurance**  
No significant changes

## NOTES TO FINANCIAL STATEMENTS

---

**(24) Retrospectively Rated Contracts and Contracts Subject to Redetermination**

Not applicable

**(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 decreased by \$5,654,000 during the current year as a result of ongoing analysis of recent loss development. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

**(26) Intercompany Pooling Arrangements**

Not applicable

**(27) Structured Settlements**

The Company has not entered into any structured settlements.

**(28) Health Care Receivables**

Not applicable

**(29) Participating Policies**

Not applicable

**(30) Premium Deficiency Reserves**

On October 28, 2016, the Company evaluated the need to record a premium deficiency reserve and determined no reserve is necessary.

**(31) High Deductibles**

The Company does not write high deductible coverages.

**(32) Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses**

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

**(33) Asbestos / Environmental Reserves**

Not applicable

**(34) Subscriber Savings Accounts**

Not applicable

**(35) Multiple Peril Crop Insurance**

Not applicable

**(36) Financial Guaranty Insurance**

(A) The Company does not write financial guaranty insurance.

(B) The Company does not have insured financial obligations.

# GENERAL INTERROGATORIES

## PART 1 – COMMON INTERROGATORIES

### GENERAL

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

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

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

2.2 If yes, date of change: \_\_\_\_\_

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

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

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

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

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

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]  
 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. \_\_\_\_\_ 12/31/2013 \_\_\_\_\_

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). \_\_\_\_\_ 10/16/2014 \_\_\_\_\_

6.4 By what department or departments?  
 Texas Department of Insurance  
 .....  
 .....

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: \$ 40,803

### 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>525</u>	\$ <u>525</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>525</u>	\$ <u>525</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
Wells Fargo Bank, N.A. Attn: Institutional Trust-Risk Management	Northstar East - 5th Floor MAC N9032-054 608 2nd Avenue South, Minneapolis, MN 55479

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 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
.....	.....	.....

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:

.....  
 .....  
 .....

## 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. \$ \_\_\_\_\_

**NONE**    **Schedule F**



## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

### Current Year To Date - Allocated by States and Territories

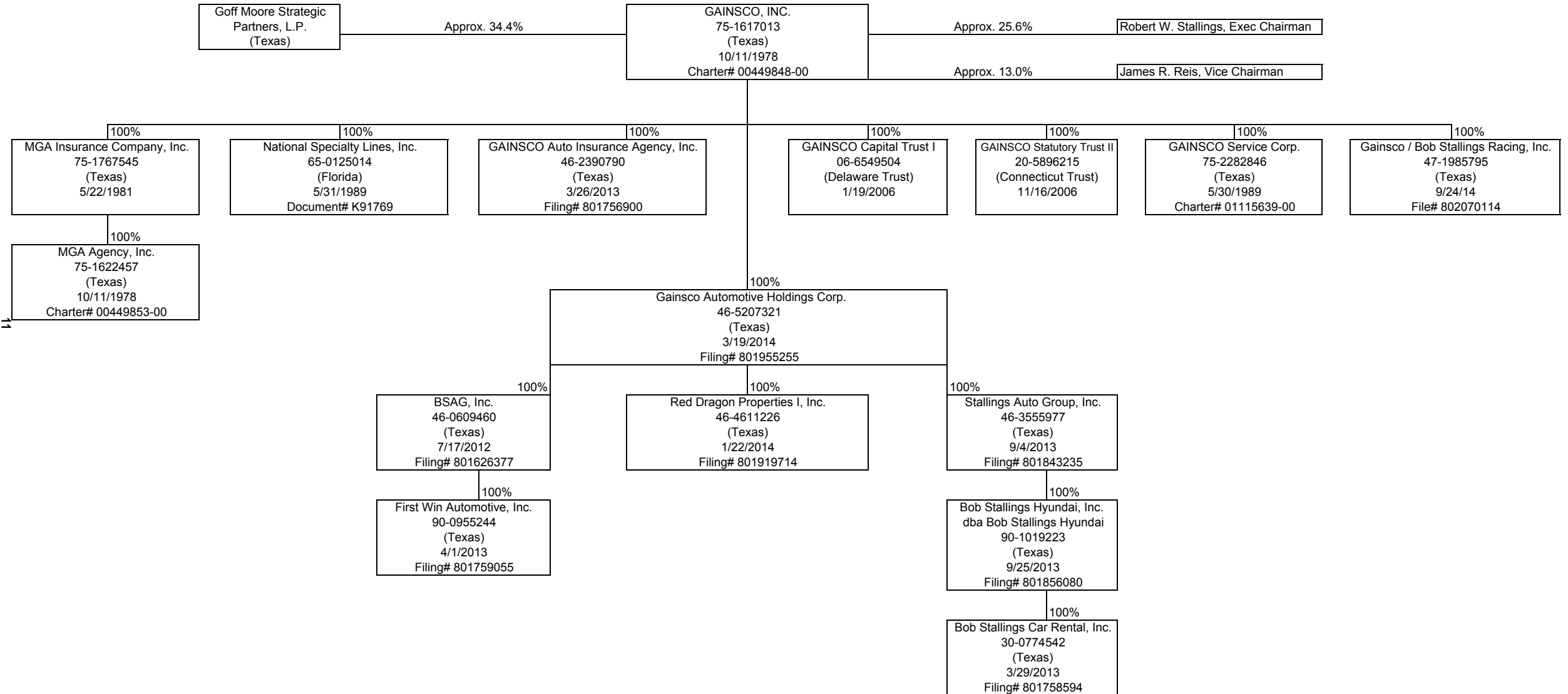
States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama	AL	L					
2. Alaska	AK	N					
3. Arizona	AZ	L	12,359,043	12,975,353	8,322,086	6,486,684	5,506,250
4. Arkansas	AR	L					5,200,358
5. California	CA	L	17,865	23,718	11,314	7,075	25,603
6. Colorado	CO	L					48,450
7. Connecticut	CT	N					
8. Delaware	DE	L					
9. District of Columbia	DC	L					
10. Florida	FL	L	51,812,802	45,723,666	25,177,202	23,636,958	17,240,025
11. Georgia	GA	L	9,371,897	8,531,950	6,012,942	4,314,642	4,404,110
12. Hawaii	HI	N					17,245,428
13. Idaho	ID	L					4,005,196
14. Illinois	IL	L					
15. Indiana	IN	L					
16. Iowa	IA	L					
17. Kansas	KS	L					
18. Kentucky	KY	N					
19. Louisiana	LA	L					
20. Maine	ME	N					
21. Maryland	MD	L					
22. Massachusetts	MA	N					
23. Michigan	MI	N					
24. Minnesota	MN	N					
25. Mississippi	MS	L					
26. Missouri	MO	L					
27. Montana	MT	L					
28. Nebraska	NE	L					
29. Nevada	NV	L		(159)	(2,385)		
30. New Hampshire	NH	N					
31. New Jersey	NJ	N					
32. New Mexico	NM	L	6,950,225	5,995,777	3,392,054	3,424,815	3,607,648
33. New York	NY	N					4,489,506
34. North Carolina	NC	L					
35. North Dakota	ND	N					
36. Ohio	OH	L					
37. Oklahoma	OK	L	3,105,014	2,655,884	1,767,298	1,282,822	1,633,076
38. Oregon	OR	L					1,379,492
39. Pennsylvania	PA	L					
40. Rhode Island	RI	N					
41. South Carolina	SC	L	20,925,625	15,710,979	10,720,825	6,367,574	9,881,320
42. South Dakota	SD	N					7,745,125
43. Tennessee	TN	L	3,598,132	996,827	1,647,217	13,357	1,363,286
44. Texas	TX	L	68,047,558	71,230,567	46,387,388	39,517,046	93,000
45. Utah	UT	L					27,179,401
46. Vermont	VT	N					
47. Virginia	VA	L	6,854,057	6,926,203	3,904,765	3,031,165	3,211,405
48. Washington	WA	L					3,224,633
49. West Virginia	WV	L					
50. Wisconsin	WI	N					
51. Wyoming	WY	L					
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	(a) 35		183,042,218	170,770,765	107,340,706	88,082,138	73,927,215
							70,610,589

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					

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer;  
 (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.  
 (a) Insert the number of L responses except for Canada and Other Alien.

# 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
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)	*
		00000	75-1617013		786344	OTC Pink	GAINSCO, INC.	TX	UDP	See Organizational Chart	Ownership		See Organizational Chart	1
		00000	75-2282846				GAINSCO Service Corp.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	0
		40150	75-1767545				MGA Insurance Company, Inc.	TX		GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	0
		00000	75-1622457				MGA Agency, Inc.	TX	DS	MGA Insurance Company, Inc.	Ownership	100.0	GAINSCO, INC.	0
		00000	06-6549504				GAINSCO Capital Trust I	DE	OTH	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	2
		00000	20-5896215				GAINSCO Statutory Trust II	CT	OTH	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	2
		00000	65-0125014				National Specialty Lines, Inc.	FL	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	0
		00000	46-0609460				BSAG, Inc.	TX	NIA	Gainsco Automotive Holdings Corp.	Ownership	100.0	GAINSCO, INC.	0
		00000	46-2390790				GAINSCO Auto Insurance Agency, Inc.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	0
		00000	46-3555977				Stallings Auto Group, Inc.	TX	NIA	Gainsco Automotive Holdings Corp.	Ownership	100.0	GAINSCO, INC.	0
		00000	30-0774542				Bob Stallings Car Rental, Inc.	TX	NIA	Bob Stallings Hyundai, Inc dba Bob Stallings Hyundai	Ownership	100.0	GAINSCO, INC.	0
		00000	90-0955244				First Win Automotive, Inc.	TX	NIA	BSAG, Inc.	Ownership	100.0	GAINSCO, INC.	0
		00000	90-1019223				Bob Stallings Hyundai, Inc. dba Bob Stallings Hyundai	TX	NIA	Stallings Auto Group, Inc.	Ownership	100.0	GAINSCO, INC.	0
		00000	46-4611226				Red Dragon Properties I, Inc.	TX	NIA	Gainsco Automotive Holdings Corp.	Ownership	100.0	GAINSCO, INC.	0
		00000	46-5207321				Gainsco Automotive Holdings Corp.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	0
		00000	47-1985795				Gainsco / Bob Stallings Racing, Inc.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	0



**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				
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	132,935,333	76,301,922	57.4	55.4
19.3, 19.4 Commercial auto liability				
21. Auto physical damage	45,306,987	29,808,684	65.8	56.2
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	178,242,320	106,110,606	59.5	55.6

DETAILS OF WRITE-INS				
3401.				
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	2	3
	Current Quarter	Current Year to Date	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			
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	46,819,259	137,110,137	126,560,261
19.3, 19.4 Commercial auto liability			
21. Auto physical damage	15,499,627	45,932,081	44,210,504
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	62,318,886	183,042,218	170,770,765

DETAILS OF WRITE-INS			
3401.			
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)	2016 Loss and LAE Payments on Claims Reported as of Prior Year-End	2016 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2016 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. 2013 + prior	6,212	4,186	10,398	5,088	25	5,113	3,267	5	1,952	5,224	2,143	(2,204)	(61)
2. 2014	8,348	6,088	14,436	6,495	130	6,625	3,953	36	1,907	5,896	2,100	(4,015)	(1,915)
3. Subtotals 2014 + prior	14,560	10,274	24,834	11,583	155	11,738	7,220	41	3,859	11,120	4,243	(6,219)	(1,976)
4. 2015	32,842	29,987	62,829	34,350	2,371	36,721	11,525	1,054	9,851	22,430	13,033	(16,711)	(3,678)
5. Subtotals 2015 + prior	47,402	40,261	87,663	45,933	2,526	48,459	18,745	1,095	13,710	33,550	17,276	(22,930)	(5,654)
6. 2016	X X X	X X X	X X X	X X X	81,999	81,999	X X X	27,921	21,587	49,508	X X X	X X X	X X X
7. Totals	47,402	40,261	87,663	45,933	84,525	130,458	18,745	29,016	35,297	83,058	17,276	(22,930)	(5,654)

8. Prior Year-End Surplus As Regards Policyholders

100,533

Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
As % of Col. 1,	As % of Col. 2,	As % of Col. 3,
Line 7	Line 7	Line 7
1. 36.446	2. -56.953	3. -6.450
		Col. 13, Line 7
		Line 8
		4. -5.624

## 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:**



40150201649000030



40150201645500030



40150201636500030



40150201650500030

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**OVERFLOW PAGE FOR WRITE-INS**

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**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		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

**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)		

**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	13,596,884	16,442,291
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition	121,676	2,137,617
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	273,500	240,967
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	276,838	5,223,991
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)	13,715,222	13,596,884
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	13,715,222	13,596,884

**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	164,240,065	164,956,142
2. Cost of bonds and stocks acquired	30,801,563	51,651,504
3. Accrual of discount	411,170	48,104
4. Unrealized valuation increase (decrease)	1,587,445	(2,797,130)
5. Total gain (loss) on disposals	(120,714)	160,988
6. Deduct consideration for bonds and stocks disposed of	35,863,888	47,108,933
7. Deduct amortization of premium	1,803,357	2,632,223
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	116,718	38,387
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	159,135,566	164,240,065
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	159,135,566	164,240,065

## 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

2012

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
<b>BONDS</b>								
1. NAIC 1 (a)	55,596,882	24,460,073	19,277,810	1,770	52,506,179	55,596,882	60,780,915	55,458,830
2. NAIC 2 (a)	123,128,723	7,952,484	7,003,233	(2,639,636)	122,950,351	123,128,723	121,438,338	120,195,873
3. NAIC 3 (a)	1,762,834		1,362,747	2,047,144	4,479,484	1,762,834	2,447,231	5,354,399
4. NAIC 4 (a)	534,591		34,422	1,599	560,099	534,591	501,768	1,358,414
5. NAIC 5 (a)				2,395,380	640,000		2,395,380	2,325,000
6. NAIC 6 (a)	4,037,508		62,604	(2,183,580)	2,218,542	4,037,508	1,791,324	
7. Total Bonds	185,060,538	32,412,557	27,740,816	(377,323)	183,354,655	185,060,538	189,354,956	184,692,516
<b>PREFERRED STOCK</b>								
8. NAIC 1								
9. NAIC 2	359,728				359,728	359,728	359,728	
10. NAIC 3	492,389			1,459	488,800	492,389	493,848	
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	852,117			1,459	848,528	852,117	853,576	
15. Total Bonds & Preferred Stock	185,912,655	32,412,557	27,740,816	(375,864)	184,203,183	185,912,655	190,208,532	184,692,516

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

NAIC 1 \$ 22,960,039; NAIC 2 \$ 12,748,333; 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	35,708,372	X X X	35,901,770	241,372	102,878

**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	24,624,738	17,555,244
2. Cost of short-term investments acquired	77,684,354	44,730,902
3. Accrual of discount	5,001	1,288
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		2,664
6. Deduct consideration received on disposals	66,339,721	37,271,187
7. Deduct amortization of premium	266,000	394,173
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)	35,708,372	24,624,738
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	35,708,372	24,624,738

**NONE Schedule DB - Part A and B Verification**

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

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

**NONE Schedule DB - Verification**

**NONE Schedule E Verification**

**NONE Schedule A - Part 2 and 3**

**NONE Schedule B - Part 2 and 3**

### 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									
000000-00-0	CapitalSpring Direct Lending Partners	New York	NY	CSDLP General Partner, LLC		08/17/2016			121,676			
1599999	Common Stocks - Joint Venture, Partnership or Limited Liability Interests - Unaffiliated											X X X
4499999	Subtotal Unaffiliated											X X X
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.						
000000-00-0	CapitalSpring Direct Lending Part	New York	NY	CSDLP General Partner, LLC	05/16/2013	09/19/2016							213,491	213,491					
1599999	Common Stocks - Joint Venture/Partnership Interests - Unaffiliated											213,491	213,491						
4499999	Total Unaffiliated											213,491	213,491						
4699999	Totals											213,491	213,491						

### 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)
912828-2F-6	UNITED STATES TREASURY		09/15/2016	WELLS FARGO SECURITIES LLC		498,828	500,000.00	249	1
0599999	Total Bonds U. S. Government				X X X	498,828	500,000.00	249	X X X
14912L-4D-0	CATERPILLAR FINANCIAL SERVICES CORPORATI		09/19/2016	Unknown		559,950	500,000.00	16,842	1FE
174610-AN-5	CITIZENS FINANCIAL GROUP INC		08/30/2016	WELLS FARGO SECURITIES LLC		1,008,100	1,000,000.00	2,243	2FE
482480-AD-2	KLA-TENCOR CORP		08/25/2016	Wells Fargo		1,080,470	1,000,000.00	13,635	2FE
631103-AD-0	NASDAQ OMX GROUP INC		09/07/2016	Unknown		1,113,650	1,000,000.00	8,788	2FE
68389X-BK-0	ORACLE CORP		09/08/2016	WELLS FARGO SECURITIES LLC		1,004,500	1,000,000.00	3,483	1FE
278062-AC-8	TURLOCK CORP	R	07/27/2016	Unknown		1,032,420	1,000,000.00	6,799	2FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	5,799,090	5,500,000.00	51,790	X X X
8399997	Total Bonds Part 3				X X X	6,297,918	6,000,000.00	52,039	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	6,297,918	6,000,000.00	52,039	X X X
9999999	Totals				X X X	6,297,918	X X X	52,039	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 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	For eign	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 Indicator (a)
31339M-SK-5	CMO/RMBS - FHR 2399A PG		09/15/2016	Direct		7,252	7,252.28	7,796	7,353		(101)		(101)		7,252				289	01/15/2017	1
3137A9-PB-6	CMO/RMBS - FHR 3842E BY		09/15/2016	Direct		17,194	17,193.92	18,083	17,404		(210)		(210)		17,194				444	08/15/2024	1
3137AE-LS-2	CMO/RMBS - FHR 3910E JC		09/15/2016	Direct		64,773	64,772.62	65,542	65,421		(648)		(648)		64,773				844	12/15/2037	1
31396Y-SC-7	CMO/RMBS - FNR 0817D UF		09/26/2016	Direct		2,924	2,923.90	2,922	2,922		2		2		2,924				23	03/25/2038	1
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Oblig				X X X	92,143	92,142.72	94,343	93,100		(957)		(957)		92,143				1,600	X X X	X X X
30219G-AD-0	ARISTOTLE HOLDING INC		07/06/2016	Unknown		1,011,300	1,000,000.00	1,019,920	1,005,013		(2,268)		(2,268)		1,002,745		8,555	8,555	23,703	02/15/2017	2FE
064207-UV-3	BANK OF OKLAHOMA NA		08/15/2016	Redemption		1,000,000	1,000,000.00	999,280	999,593		185		185		999,778		222	222	9,319	05/15/2017	2FE
127055-AG-6	CABOT CORP		09/27/2016	Maturity		1,000,000	1,000,000.00	1,126,450	1,025,110		(24,743)		(24,743)		1,000,367		(367)	(367)	49,953	10/01/2016	2FE
75115D-AF-2	CMO/RMBS - RALI 06QS13 1A6		09/26/2016	Direct		29,947	43,738.26	37,898	34,978	2,807	5,953		8,760		43,738		(13,792)	(13,792)	1,764	09/25/2036	6FE
74922S-AA-6	CMO/RMBS - RALI 06QS17 A1		09/26/2016	Direct		14,612	18,866.03	15,245	15,236		3,630		3,630		18,866		(4,254)	(4,254)	100	12/25/2036	6FE
75114T-AC-5	CMO/RMBS - RALI 06QS5 A3		09/26/2016	Direct		26,070	34,421.63	30,073	29,687	329	4,406		4,735		34,422		(8,352)	(8,352)	1,388	05/25/2036	4FM
235851-AH-5	DANAHER CORP		08/15/2016	Not Provided		1,105,950	1,000,000.00	1,116,040	1,101,770		(19,405)		(19,405)		1,082,365		23,585	23,585	51,600	03/01/2019	1FE
240019-BS-7	DAYTON POWER AND LIGHT CO		08/26/2016	Not Provided		1,000,750	1,000,000.00	1,011,020	1,004,438		(4,095)		(4,095)		1,000,343		407	407	17,760	09/15/2016	2FE
381427-AA-1	GOLDMAN SACHS CAPITAL TRUST II		09/01/2016	Unknown		(308,250)	(411,000.00)	(343,185)	302,445	59,051	1,250		60,301		(346,709)		38,459	38,459	8,129	06/01/2043	3FE
69362B-AX-0	PSEG POWER LLC		09/15/2016	Maturity		1,000,000	1,000,000.00	1,041,280	1,010,759		(10,759)		(10,759)		1,000,000				27,500	09/15/2016	2FE
863667-AC-5	STRYKER CORP		09/30/2016	Maturity		500,000	500,000.00	499,069	499,856		144		144		500,000				10,000	09/30/2016	1FE
91529Y-AG-1	UNUM GROUP		09/30/2016	Maturity		1,000,000	1,000,000.00	1,114,630	1,045,171		(45,171)		(45,171)		1,000,000				71,250	09/30/2016	2FE
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	7,380,379	7,186,025.92	7,667,720	8,074,056	62,187	(90,873)		(28,686)		7,335,915		44,463	44,463	272,466	X X X	X X X
025816-AU-3	AMERICAN EXPRESS CO		09/01/2016	Redemption		1,000,000	1,000,000.00	1,030,000	1,004,274		(4,274)		(4,274)		1,000,000				68,000	09/01/2066	3FE
381427-AA-1	GOLDMAN SACHS CAPITAL TRUST II		09/01/2016	Adjustment		664,320	840,000.00	701,400							709,456		(45,136)	(45,136)	4,312	06/01/2043	3FE
4899999	Total - Bonds - Hybrid Securities				X X X	1,664,320	1,840,000.00	1,731,400	1,004,274		(4,274)		(4,274)		1,709,456		(45,136)	(45,136)	72,312	X X X	X X X
8399997	Total - Bonds - Part 4				X X X	9,136,842	9,118,168.64	9,493,463	9,171,430	62,187	(96,104)		(33,917)		9,137,514		(673)	(673)	346,378	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
8399999	Total Bonds				X X X	9,136,842	9,118,168.64	9,493,463	9,171,430	62,187	(96,104)		(33,917)		9,137,514		(673)	(673)	346,378	X X X	X X X
9999999	Totals					9,136,842	X X X	9,493,463	9,171,430	62,187	(96,104)		(33,917)		9,137,514		(673)	(673)	346,378	X X X	X X X

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

- 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**



## SCHEDULE E - PART 1 - CASH

### Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
Frost Bank, NA Dallas, TX					38,296	29,106	5,237	
Northern Trust, NA Dallas, TX					(6,821,762)	(6,207,925)	(4,599,026)	
Wells Fargo Bank, CD Maturity 08/2017	SD	0.050	25	6	100,000	100,000	100,000	
0199998 Deposits in ( ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	X X X	X X X			4,594	4,594	4,594	X X X
0199999 Total - Open Depositories	X X X	X X X	25	6	(6,678,872)	(6,074,225)	(4,489,195)	X X X
Suspended Depositories								
0299998 Deposits in ( ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	X X X	X X X						X X X
0299999 Total Suspended Depositories	X X X	X X X						X X X
0399999 Total Cash on Deposit	X X X	X X X	25	6	(6,678,872)	(6,074,225)	(4,489,195)	X X X
0499999 Cash in Company's Office	X X X	X X X	X X X	X X X	500	500	500	X X X
0599999 Total	X X X	X X X	25	6	(6,678,372)	(6,073,725)	(4,488,695)	X X X

**NONE**    **Schedule E - Part 2**

**NONE**    **Trusted Surplus Statement**

**NONE**    **Medicare Part D**

Designate the type of health care providers reported on this page.



40150201645000030

**SUPPLEMENT "A" TO SCHEDULE T  
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES**

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama	AL							
2. Alaska	AK							
3. Arizona	AZ							
4. Arkansas	AR							
5. California	CA							
6. Colorado	CO							
7. Connecticut	CT							
8. Delaware	DE							
9. District of Columbia	DC							
10. Florida	FL							
11. Georgia	GA							
12. Hawaii	HI							
13. Idaho	ID							
14. Illinois	IL							
15. Indiana	IN							
16. Iowa	IA							
17. Kansas	KS							
18. Kentucky	KY							
19. Louisiana	LA							
20. Maine	ME							
21. Maryland	MD							
22. Massachusetts	MA							
23. Michigan	MI							
24. Minnesota	MN							
25. Mississippi	MS							
26. Missouri	MO							
27. Montana	MT							
28. Nebraska	NE							
29. Nevada	NV							
30. New Hampshire	NH							
31. New Jersey	NJ							
32. New Mexico	NM							
33. New York	NY							
34. North Carolina	NC							
35. North Dakota	ND							
36. Ohio	OH							
37. Oklahoma	OK							
38. Oregon	OR							
39. Pennsylvania	PA							
40. Rhode Island	RI							
41. South Carolina	SC							
42. South Dakota	SD							
43. Tennessee	TN							
44. Texas	TX							
45. Utah	UT							
46. Vermont	VT							
47. Virginia	VA							
48. Washington	WA							
49. West Virginia	WV							
50. Wisconsin	WI							
51. Wyoming	WY							
52. American Samoa	AS							
53. Guam	GU							
54. Puerto Rico	PR							
55. US Virgin Islands	VI							
56. Northern Mariana Islands	MP							
57. Canada	CAN							
58. Aggregate Other Alien	OT							
59. Totals								

**NONE**

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

**NONE**



40150201650500003

## DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For The Period Ended 2016

NAIC Group Code ..... 0000

NAIC Company Code ..... 40150

Company Name MGA Insurance Company, Inc.

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$ _____	\$ _____	\$ _____

2. Commercial Multiple Peril (CMP) Packaged Policies

2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes [ ] No [ X ]

2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? Yes [ ] No [ X ]

2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified: \$ \_\_\_\_\_

2.32 Amount estimated using reasonable assumptions: \$ \_\_\_\_\_

2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies. \$ \_\_\_\_\_