

QUARTERLY STATEMENT

OF THE

MGA Insurance Company, Inc.

of **Dallas**

in the state of **Texas**

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTERLY ENDED

September 30, 2013

PROPERTY AND CASUALTY

2013



40150201320100103

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2013
OF THE CONDITION AND AFFAIRS OF THE

MGA Insurance Company, Inc.

NAIC Group Code 0000 , 0000 NAIC Company Code 40150 Employer's ID Number 75-1767545
(Current Period) (Prior Period)

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
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 3333 Lee Parkway Suite 1200
(Street and Number)
Dallas, TX US 75219 972-629-4301
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address Post Office Box 199023 , Dallas, TX US 75219-9023
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 3333 Lee Parkway Suite 1200 Dallas, TX US 75219 972-629-4301
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.gainsco.com
Statutory Statement Contact Donald Alan Baker 972-629-4379
(Name) (Area Code) (Telephone Number) (Extension)

don.baker@gainsco.com 972-629-4339
(E-Mail Address) (Fax Number)

OFFICERS

	Name	Title
1.	<u>Glenn Walden Anderson</u>	<u>President</u>
2.	<u>Richard Millard Buxton</u>	<u>Secretary</u>
3.	<u>Daniel Jay Coots</u>	<u>Treasurer</u>

VICE-PRESIDENTS

Name	Title	Name	Title
<u>Richard Millard Buxton</u>	<u>Senior Vice President</u>	<u>Gregory Alan Castleman</u>	<u>Senior Vice President</u>
<u>Daniel Jay Coots</u>	<u>Senior Vice President</u>	<u>Terence James Lynch</u>	<u>Senior Vice President</u>
<u>Brian Christopher Dosser</u>	<u>Senior Vice President</u>	<u>Phillip John West</u>	<u>Senior Vice President</u>
<u>Danny Ray Earnest</u>	<u>Vice President</u>	<u>Donald Alan Baker</u>	<u>Vice President</u>
<u>Jin Liu</u>	<u>Vice President</u>	<u>Scott David Harris #</u>	<u>Vice President</u>

DIRECTORS OR TRUSTEES

<u>Robert William Stallings</u>	<u>Glenn Walden Anderson</u>	<u>Gregory Alan Castleman</u>	<u>Daniel Jay Coots</u>
<u>Richard Millard Buxton</u>	<u>Jin Liu</u>	<u>Phillip John West</u>	

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.

<u>Glenn Walden Anderson</u>	<u>Richard Millard Buxton</u>	<u>Daniel Jay Coots</u>
(Signature)	(Signature)	(Signature)
<u>1.</u>	<u>2.</u>	<u>3.</u>
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this 8 day of November, 2013

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

K.C. Dulanski

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	158,665,816		158,665,816	152,596,311
2. Stocks:				
2.1 Preferred stocks	1,500,000		1,500,000	1,497,200
2.2 Common stocks	525		525	525
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 (\$ (5,137,425)), cash equivalents (\$ 0), and short-term investments (\$ 17,053,408)	11,915,983		11,915,983	23,152,235
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	7,608,984		7,608,984	2,691,522
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)	179,691,308		179,691,308	179,937,793
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,932,549		1,932,549	1,664,114
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,695,869		2,695,869	2,773,086
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	33,587,774		33,587,774	30,313,308
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	6,591		6,591	3,928
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	174,101		174,101	115,352
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				19,641
18.2 Net deferred tax asset	3,072,000		3,072,000	3,072,000
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	1,999,725		1,999,725	2,052,509
21. Furniture and equipment, including health care delivery assets (\$ 0)	178,429	169,924	8,505	29,470
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	890,973		890,973	1,882,426
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	613,214	613,214		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	224,842,533	783,138	224,059,395	221,863,627
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	224,842,533	783,138	224,059,395	221,863,627

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	613,214	613,214		
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)	613,214	613,214		

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 46,236,193)	65,484,389	70,593,328
2. Reinsurance payable on paid losses and loss adjustment expenses	10,953	80,088
3. Loss adjustment expenses	6,721,109	8,150,439
4. Commissions payable, contingent commissions and other similar charges	309,430	429,251
5. Other expenses (excluding taxes, licenses and fees)	3,458,517	2,656,544
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	725,588	567,100
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	14,446	
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)	48,493,968	44,922,921
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties		2,738
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	169,143	22,672
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	1,105,993	1,480,142
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	422,137	711,279
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	126,915,673	129,616,502
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	126,915,673	129,616,502
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)	10,818,565	5,921,968
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)	97,143,722	92,247,125
38. Totals (Page 2, Line 28, Col. 3)	224,059,395	221,863,627

DETAILS OF WRITE-IN LINES		
2501. Unclaimed property	260,766	464,476
2502. Unearned interest	161,371	246,803
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	422,137	711,279
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
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 147,797,714)	144,194,971	140,030,446	186,166,150
1.2 Assumed (written \$ 358,788)	390,484	622,453	780,829
1.3 Ceded (written \$ 506,453)	506,453	810,113	1,031,253
1.4 Net (written \$ 147,650,049)	144,079,002	139,842,786	185,915,726
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 85,553,076):			
2.1 Direct	81,101,408	77,550,375	109,632,214
2.2 Assumed	271,739	237,681	215,069
2.3 Ceded	426	(5,859)	(5,888)
2.4 Net	81,372,721	77,793,915	109,853,171
3. Loss adjustment expenses incurred	25,103,071	23,837,641	36,022,522
4. Other underwriting expenses incurred	37,785,878	36,499,998	45,797,987
5. Aggregate write-ins for underwriting deductions		(84,337)	(84,337)
6. Total underwriting deductions (Lines 2 through 5)	144,261,670	138,047,217	191,589,343
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(182,668)	1,795,569	(5,673,617)
INVESTMENT INCOME			
9. Net investment income earned	3,133,176	3,642,945	4,774,789
10. Net realized capital gains (losses) less capital gains tax of \$ 0	593,178	(98,645)	1,902,660
11. Net investment gain (loss) (Lines 9 + 10)	3,726,354	3,544,300	6,677,449
OTHER INCOME			
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	15,810	(26,831)	(26,796)
15. Total other income (Lines 12 through 14)	15,810	(26,831)	(26,796)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	3,559,496	5,313,038	977,036
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)	3,559,496	5,313,038	977,036
19. Federal and foreign income taxes incurred	34,087	26,857	(19,641)
20. Net income (Line 18 minus Line 19) (to Line 22)	3,525,409	5,286,181	996,677
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	92,247,124	100,683,959	100,683,959
22. Net income (from Line 20)	3,525,409	5,286,181	996,677
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 186,681	549,061	1,433,413	739,506
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			(16,041,814)
27. Change in nonadmitted assets	822,128	674,502	15,935,909
28. Change in provision for reinsurance			887
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		(7,068,000)	(10,068,000)
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)	4,896,598	326,096	(8,436,835)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	97,143,722	101,010,055	92,247,124

DETAILS OF WRITE-IN LINES			
0501. Premium deficiency reserve		(84,337)	(84,337)
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)		(84,337)	(84,337)
1401. Miscellaneous income (loss)	15,810	(26,831)	(26,796)
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)	15,810	(26,831)	(26,796)
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

Cash from Operations	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	144,386,299	158,400,645	204,042,640
2. Net investment income	4,798,074	4,766,240	6,865,308
3. Miscellaneous income	23,561	(124,857)	96,322
4. Total (Lines 1 to 3)	149,207,934	163,042,028	211,004,270
5. Benefit and loss related payments	86,566,643	74,264,143	105,926,183
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	63,464,454	58,581,735	81,939,523
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		498,231	44,402
10. Total (Lines 5 through 9)	150,031,097	133,344,109	187,910,108
11. Net cash from operations (Line 4 minus Line 10)	(823,163)	29,697,919	23,094,162
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	44,783,053	48,878,121	90,630,749
12.2 Stocks			1,121,476
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets	1,177,324		
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments	873	1,899	11,958
12.7 Miscellaneous proceeds		1,487,100	506,571
12.8 Total investment proceeds (Lines 12.1 to 12.7)	45,961,250	50,367,120	92,270,754
13. Cost of investments acquired (long-term only):			
13.1 Bonds	51,676,653	60,317,187	96,612,553
13.2 Stocks		1,000,000	1,500,000
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets	6,065,458	500,000	2,532,778
13.6 Miscellaneous applications		283,914	284,920
13.7 Total investments acquired (Lines 13.1 to 13.6)	57,742,111	62,101,101	100,930,251
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)	(11,780,861)	(11,733,981)	(8,659,497)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders		7,068,000	10,068,000
16.6 Other cash provided (applied)	1,367,772	(5,975,229)	(4,026,557)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	1,367,772	(13,043,229)	(14,094,557)
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)	(11,236,252)	4,920,709	340,108
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	23,152,235	22,812,127	22,812,127
19.2 End of period (Line 18 plus Line 19.1)	11,915,983	27,732,836	23,152,235

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.

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:

Description	9/30/13	12/31/12
Net income, Texas basis	\$3,525,409	\$996,678
Effect of Texas prescribed practice for Furniture and Equipment	0	0
Net Income, NAIC SAP basis	\$3,525,409	\$996,678
Policyholders' surplus, Texas basis	\$97,143,722	\$92,247,125
Effect of Texas prescribed practice for Furniture and Equipment	2,008,230	2,081,979
Policyholders' surplus, NAIC SAP basis	\$95,135,492	\$90,165,146

(B) Use of Estimates

No significant changes

(C) Accounting Policies

No significant changes

(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 through C) No significant changes

(D) Loan-Backed Securities

- Prepayment assumptions for single class and multi-class mortgage-backed securities were obtained from internal estimates consistent with the current interest rates and economic environment and projections of security dealers available on the Bloomberg information system.
- 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 st 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 st quarter	0	0	0
Other Than Temporary Impairment recognized 2 nd 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 nd quarter	0	0	0
Other Than Temporary Impairment recognized 3 rd 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	\$619,527	\$14,270	\$605,257
i. Total 3 rd quarter	\$619,527	\$14,270	\$605,257
Other Than Temporary Impairment recognized 4 th 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 th quarter			
m. Annual aggregate total	XXXXX	\$14,270	XXXXX

NOTES TO FINANCIAL STATEMENTS

- (3) The following security is a Non-Agency residential mortgage-backed security tranche backed by Alt-A residential mortgage loans. An other-than-temporary impairment charge was previously taken on this security. As the underlying credit metrics have not performed as well as previously anticipated, assumptions as to the future values of these inputs have been adjusted. This resulted in a modest increase in projected losses, and lowered the present value of anticipated cash flows below amortized cost, necessitating an additional writedown.

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
74922SAA6 RALI2006 QS-17	\$619,527	\$605,257	\$14,270	\$605,303	\$457,798	9/30/2013
Total OTTI			\$14,270			

- (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	\$76,063
2. 12 months or longer	839,841
2. Total	\$915,904
b. Aggregate fair value of securities with unrealized loss:	
1. Less than 12 months	\$3,702,317
2. 12 months or longer	3,887,624
3. Total	\$7,589,941

- (5) All loan-backed securities in an unrealized loss position were reviewed to determine whether an other-than-temporary impairment should be recognized. For those securities in an unrealized loss position as of September 30, 2013, 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 other-than-temporary impairments 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) The Company had no repurchase agreements or securities lending transactions in the third quarter of 2013.

(F through G) No significant changes

(6) Joint Ventures, Partnerships and Limited Liability Companies

No significant changes

(7) Investment Income

No significant changes

(8) Derivative Instruments

The Company does not own any derivative instruments.

(9) Income Taxes

No significant changes

(10) Information Concerning Parent, Subsidiaries and Affiliates

No significant changes

(11) Debt

The Company has no debt outstanding.

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

(A) 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.

NOTES TO FINANCIAL STATEMENTS

(17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

(A) Not applicable

(B) The Company had no transactions involving the transfer and 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 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 change

(20) Fair Value Measurements

(A) Inputs Used for Assets and Liabilities Measured at Fair Value

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

The Company has categorized its assets 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 is determined.

The three 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 and are thus classified as Level 1.

Level 2 – Significant Other Observable Inputs: This category for items measured at fair value on a recurring basis includes bonds, loan-backed securities, preferred stocks and common stocks which are not exchange-traded. The estimated fair values of these items were determined by independent pricing services using primarily observable inputs.

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 primarily comprised of private placement corporate debt in an inactive market where trades in similar securities do not occur.

Description	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Bonds and asset-backed securities				
Industrial and miscellaneous: issuer obligations		\$955,027		\$955,027
Industrial and misc: residential mortgage-backed		3,515,886		3,515,886
Hybrid securities		3,459,947		3,459,947
Total bonds and asset-backed securities	0	\$7,930,860	0	\$7,930,860

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. There were no transfers between Levels 1 and 2 based upon a resulting change in the character of the observable inputs.

(2) Rollforward of Level 3 Items

The Company had no securities characterized as Level 3 during the third quarter of 2013.

Description	Level 3 Balance at 7/1/13	Transfers In or Out of Level 3	Gains (Losses) Included in Income	Total Gains (Losses) Included in Surplus	Purchases	Sales	Level 3 Balance at 9/30/13
Assets at fair value							
Bonds and asset-backed securities							
Preferred stock							
Common stock							
Total assets at fair value	0	0	0	0	0	0	0

(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 based upon the change in the character of the inputs employed to estimate fair value. The above table of Level 3 assets begins with the prior period balance and adds any securities which were previously identified as Level 1 or 2 which are currently identified as Level 3. Also, securities which were previously identified as Level 3 and are now designated as Level 1 or Level 2 are subtracted. Next, adjustments are made for the gains or losses (realized and unrealized) that occurred during the current period. Finally, 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.

NOTES TO FINANCIAL STATEMENTS

(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. The Level 2 securities measured at fair value are primarily loan-backed securities where the underlying assets are Alt-A or subprime mortgage loans. 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. The independent pricing service derives these inputs primarily from observed historical values of collateral performance and the analysis of the profile of the remaining loans.

The Company owns one Level 3 instrument, a CAPCO bond whose principal is repaid through premium tax credits granted by a program established by the State of Texas. It is valued through the cash flow method. The estimated premium tax credit utilization schedule is discounted by a rate equal to a spread to the US Treasury curve which was utilized for pricing the bond at the time of issuance.

(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 that are financial instruments excluding those accounted for under the equity method. The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20A. The company had no liabilities that are financial instruments.

	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practical (Carrying Value)
Bonds	\$158,841,998	\$159,665,816	\$11,732,714	\$145,827,258	\$1,282,025	
Perpetual preferred stock	437,800	500,000	437,800			
Cash, cash equivalents and short-term Investments	11,910,736	11,915,983	-582,927	12,493,663		
Total assets	\$171,190,534	\$172,081,799	\$11,587,587	\$158,320,921	\$1,282,025	0

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

Not applicable

(21) Other Items

No significant changes

(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

The Company's catastrophe reinsurance limit for auto physical damage exposures has been reduced to \$6.5 million in excess of \$1.0 million for 2013. The limit in the previous year was \$14.0 million in excess of \$1.0 million. The reduction of the reinsurance limit was a direct result of Florida legislation which substantially reduced the Company's exposure related to Citizen's Insurance assessments for catastrophe events.

(24) Retrospectively Rated Contracts and Contracts Subject to Redetermination

The Company has no retrospectively rated contracts or contracts subject to redetermination.

(25) Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years increased by \$1,273,000 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

The Company does not have any intercompany pooling arrangements.

(27) Structured Settlements

The Company has not entered into any structured settlements.

(28) Health Care Receivables

The Company has no health care receivables.

(29) Participating Accident and Health Care Policies

The Company does not write accident and health care policies.

(30) Premium Deficiency Reserves

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.

NOTES TO FINANCIAL STATEMENTS

(33) Asbestos/Environmental Reserves

The Company has no exposure to asbestos or environmental claims.

(34) Subscriber Savings Accounts

The Company has no subscriber savings accounts.

(35) Multiple Peril Crop

The Company does not write multiple peril crop insurance.

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

3.2 If the response to 3.1 is yes, provide a brief description of those changes.

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

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

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2010

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. _____ 12/31/2010

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). _____ 12/09/2011

6.4 By what department or departments?
 Texas

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 [X] No [] N/A []

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]

7.2 If yes, give full information

GENERAL INTERROGATORIES

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: \$ _____ 123

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]

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

.....

GENERAL INTERROGATORIES

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	\$ 525	\$ 525
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)	\$ 525	\$ 525
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, NA	Attn: Institutional Trust - Risk Management North Star 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 Securities Valuation 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	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		Active Status	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
1. Alabama	AL	L					
2. Alaska	AK	N					
3. Arizona	AZ	L	11,863,232	12,768,343	7,290,251	6,381,602	6,665,158
4. Arkansas	AR	L					6,268,984
5. California	CA	L	183,783	242,333	98,442	175,514	108,000
6. Colorado	CO	N					120,654
7. Connecticut	CT	N					
8. Delaware	DE	L					
9. District of Columbia	DC	L					
10. Florida	FL	L	64,744,507	71,718,842	45,031,838	38,667,491	28,600,106
11. Georgia	GA	L	5,212,298	5,212,743	3,335,950	2,639,840	3,388,608
12. Hawaii	HI	N					37,540,165
13. Idaho	ID	L					2,688,250
14. Illinois	IL	L					
15. Indiana	IN	L					
16. Iowa	IA	L					
17. Kansas	KS	L					
18. Kentucky	KY	L					
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	10,050	36,881	(32,366)	12,797	21,500
30. New Hampshire	NH	N					17,000
31. New Jersey	NJ	N					
32. New Mexico	NM	L	7,145,201	6,593,899	3,397,416	2,504,140	4,634,919
33. New York	NY	N					3,664,450
34. North Carolina	NC	L					
35. North Dakota	ND	N					
36. Ohio	OH	L					
37. Oklahoma	OK	L	1,643,510	1,609,146	1,016,440	493,907	919,187
38. Oregon	OR	L					801,355
39. Pennsylvania	PA	L					35,396
40. Rhode Island	RI	N					
41. South Carolina	SC	L	8,546,468	7,369,961	4,101,890	4,438,646	4,159,306
42. South Dakota	SD	N					3,928,226
43. Tennessee	TN	L					
44. Texas	TX	L	47,424,062	40,584,777	21,864,562	18,038,724	15,481,956
45. Utah	UT	L					14,466,171
46. Vermont	VT	N					
47. Virginia	VA	L	1,024,603		62,365		158,649
48. Washington	WA	L					
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		147,797,714	146,136,925	86,166,788	73,352,661	64,137,389
							69,530,651

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					

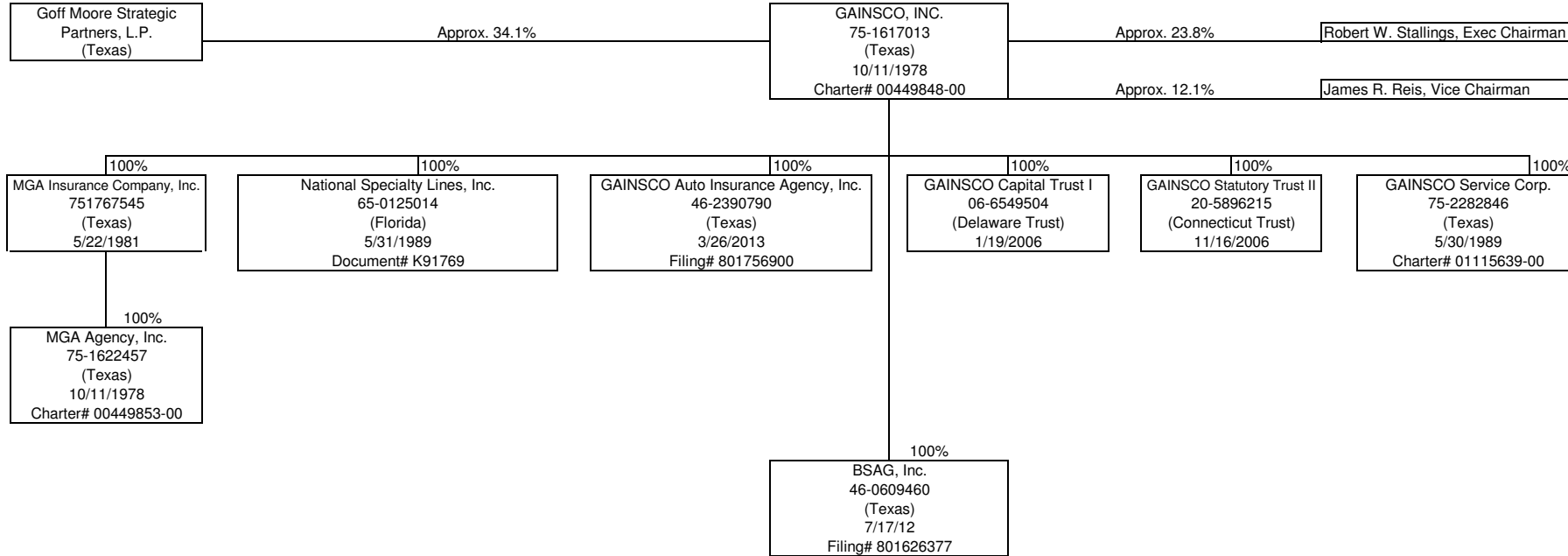
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer;

(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	Federal 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)	*
0		00000	75-1617013	0	786344	OTC Pink	GAINSCO, INC.	TX	UDP	Other	Ownership			1
0		00000	75-2282846	0	0		GAINSCO Service Corp.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	0
0		40150	75-1767545	0	0		MGA Insurance Company, Inc.	TX		GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	0
0		00000	75-1622457	0	0		MGA Agency, Inc.	TX	DS	MGA Insurance Company, Inc.	Ownership	100.0	GAINSCO, INC.	0
0		00000	06-6549504	0	0		GAINSCO Capital Trust I	DE	OTH	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	2
0		00000	20-5896215	0	0		GAINSCO Statutory Trust II	CT	OTH	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	2
0		00000	65-0125014	0	0		National Specialty Lines, Inc.	FL	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	0
0		00000	46-0609460	0	0		BSAG, Inc.	TX	N/A	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	0
0		00000	46-2390790	0	0		GAINSCO Auto Insurance Agency, Inc.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	0

12

Asterik	Explanation
1 2	Goff Moore Strategic Partners, LP and John Goff own 34.1% of the outstanding stock of GAINSCO, INC., Robert W. Stallings owns 23.8% of the outstanding stock of GAINSCO, INC. and James R. Reis owns 12.1% of the outstanding stock of GAINSCO, INC. Grantor Trust

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	115,036,705	68,703,850	59.7	57.5
19.3, 19.4 Commercial auto liability		(35,396)		
21. Auto physical damage	29,158,266	12,432,954	42.6	46.8
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	144,194,971	81,101,408	56.2	55.4

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

	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	37,765,971	117,205,892	117,661,664
19.3, 19.4 Commercial auto liability			
21. Auto physical damage	10,171,056	30,591,822	28,475,261
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	47,937,027	147,797,714	146,136,925

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

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2013 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2013 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2013 Loss and LAE Payments (Cols 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss & LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2010 + prior	10,990	2,568	13,558	16,777	132	16,909	6,536	12	(263)	6,285	12,323	(2,687)	9,636
2. 2011	9,043	5,649	14,692	13,139	45	13,184	4,937	15	377	5,329	9,033	(5,212)	3,821
3. Subtotals 2011 + prior	20,033	8,217	28,250	29,916	177	30,093	11,473	27	114	11,614	21,356	(7,899)	13,457
4. 2012	20,940	29,554	50,494	25,701	1,821	27,522	8,820	419	1,549	10,788	13,581	(25,765)	(12,184)
5. Subtotals 2012 + prior	40,973	37,771	78,744	55,617	1,998	57,615	20,293	446	1,663	22,402	34,937	(33,664)	1,273
6. 2013	X X X	X X X	X X X	X X X	55,400	55,400	X X X	18,906	30,898	49,804	X X X	X X X	X X X
7. Totals	40,973	37,771	78,744	55,617	57,398	113,015	20,293	19,352	32,561	72,206	34,937	(33,664)	1,273

8. Prior Year-End Surplus As Regards Policyholders

92,247

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. 85.268 2. -89.127 3. 1.617

Col. 13, Line 7
Line 8

4. 1.380

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 Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

- Question 1: Not required

- Question 2: Not required

- Question 3: Not required

- Question 4: Not required

Bar Code:



40150201349000030



40150201345500030



40150201336500030



40150201350500030

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
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)		

NONE**SCHEDULE B - VERIFICATION****Mortgage Loans**

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

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

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	2,691,522	179,394
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	3,407,246	2,532,778
2.2 Additional investment made after acquisition	2,658,212	
3. Capitalized deferred interest and other	37,712	(20,650)
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals	29,329	
7. Deduct amounts received on disposals	1,215,037	
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)	7,608,984	2,691,522
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	7,608,984	2,691,522

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	154,094,036	146,893,650
2. Cost of bonds and stocks acquired	51,676,653	98,112,552
3. Accrual of discount	(38,700)	129,896
4. Unrealized valuation increase (decrease)	549,061	1,120,463
5. Total gain (loss) on disposals	577,247	2,175,620
6. Deduct consideration for bonds and stocks disposed of	44,783,054	91,752,223
7. Deduct amortization of premium	1,894,633	2,301,005
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	14,270	284,917
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	160,166,340	154,094,036
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	160,166,340	154,094,036

SCHEDULE D - PART 1B

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

	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. Class 1 (a)	53,860,145	7,043,318	11,544,800	(1,299,872)	58,383,316	53,860,145	48,058,791	73,051,412
2. Class 2 (a)	115,209,726	16,955,364	13,571,095	(1,554,369)	109,317,716	115,209,726	117,039,626	101,773,090
3. Class 3 (a)	6,820,739	1,144,275	2,828,262	1,968,166	5,104,902	6,820,739	7,104,918	6,584,336
4. Class 4 (a)	1,862,860		52,742	8,392	1,954,779	1,862,860	1,818,510	1,679,385
5. Class 5 (a)	1,689,742		28,582	36,214	1,719,362	1,689,742	1,697,374	1,576,259
6. Class 6 (a)								
7. Total Bonds	179,443,212	25,142,957	28,025,481	(841,469)	176,480,075	179,443,212	175,719,219	184,664,482
PREFERRED STOCK								
8. Class 1								
9. Class 2	1,000,000				1,000,000	1,000,000	1,000,000	1,000,000
10. Class 3	500,000				500,000	500,000	500,000	497,200
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	1,500,000				1,500,000	1,500,000	1,500,000	1,497,200
15. Total Bonds & Preferred Stock	180,943,212	25,142,957	28,025,481	(841,469)	177,980,075	180,943,212	177,219,219	186,161,682

(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 \$ 7,101,944; NAIC 2 \$ 9,951,464; 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	17,053,408	X X X	17,197,425	99,365	105,220

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	23,908,063	22,226,400
2. Cost of short-term investments acquired	28,466,646	54,563,122
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	873	11,958
6. Deduct consideration received on disposals	34,862,067	52,267,887
7. Deduct amortization of premium	460,107	625,530
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)	17,053,408	23,908,063
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	17,053,408	23,908,063

NONE Schedule DB - Part A and B Verification

NONE Schedule DB - Part C - Section 1

NONE Schedule DB - Part C - Section 2

NONE Schedule DB - Verification

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	8,160,112	6,499,586
2. Cost of cash equivalents acquired	8,195,121	53,786,251
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	16,355,233	52,122,380
7. Deduct amortization of premium		3,345
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)		8,160,112
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		8,160,112

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	Bounty Minerals II LLC	Ft. Worth	TX	Bounty Minerals LLC		08/05/2013		1,250,000			3,750,000	2.430	
000000-00-0	Bounty Minerals LLC	Ft. Worth	TX	Bounty Minerals LLC		09/26/2012			440,000			1.286	
000000-00-0	CapitalSpring Direct Lending Partners, LP	New York	NY	CapitalSpring Direct Lending Partners, LP		05/16/2013			203,047		1,434,880	2.353	
000000-00-0	Fortress Worldwide Transportation and Infrastruct	New York	NY	Fortress Worldwide Transportation		12/27/2012			311,547		1,532,667	1.768	
000000-00-0	KKR Renaissance Co-Invest LP	New York	NY	KKR Capital Markets LLC		07/26/2013		2,110,000				0.621	
1999999	Other - Joint Venture, Partnership or Limited Liability Interests - Unaffiliated							3,360,000	954,594			6,717,547	X X X
3999999	Subtotal Unaffiliated							3,360,000	954,594			6,717,547	X X X
4199999	Totals							3,360,000	954,594			6,717,547	X X X

E03

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	Commerce Street Lending Partn	Dallas	TX	Commerce Street Lending Par	05/01/2008	07/01/2013	158,744				2,884	2,884								
1799999	Real Estate - Joint Venture/Partnership Interests - Unaffiliated							158,744				2,884	2,884							
000000-00-0	Bounty Minerals LLC	Ft. Worth	TX	Bounty Minerals LLC	09/26/2012	07/01/2013	500,000				(12,149)	(12,149)								
000000-00-0	CapitalSpring Direct Lending Par	New York	NY	CapitalSpring Direct Lending	05/16/2013	07/01/2013					(4,912)	(4,912)								
000000-00-0	Fortress Worldwide Transportati	New York	NY	Fortress Worldwide Transport	12/27/2012	07/01/2013	2,032,778				32,297	32,297					29,329	29,329		
1999999	Other - Joint Venture/Partnership Interests - Unaffiliated							2,532,778				15,236	15,236					29,329	29,329	
3999999	Total Unaffiliated							2,691,522				18,120	18,120					29,329	29,329	
4199999	Totals							2,691,522				18,120	18,120					29,329	29,329	

E03.1

SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
3134G3-QL-7 912828-SJ-0	Federal Home Loan Mtg Corp U.S. Treasury Note		07/10/2013 09/25/2013	Wells Fargo Bank Wells Fargo Bank		2,349,295 2,501,953	2,350,000.00 2,500,000.00	8,160 1,571	1FE 1
0599999	Total Bonds U. S. Government				X X X	4,851,248	4,850,000.00	9,731	X X X
053332-AK-8 081437-AG-0 14149Y-AL-2 125509-BR-9 126117-AL-4 349631-AL-5 652482-BG-4 69320D-AA-7 90985F-AD-8	Autozone Inc Bemis Company Inc Cardinal Health Inc Cigna Corp CNA Financial Corp Fortune Brands Inc. News America Inc PC Finl Partnership United Comm BK Blairsvl		09/13/2013 07/02/2013 07/12/2013 07/11/2013 09/11/2013 07/02/2013 09/19/2013 09/05/2013 08/08/2013	Shay Financial Services Southwest Securities Bank of Oklahoma Shay Financial Services Southwest Securities Shay Financial Services Wells Fargo Bank Southwest Securities Wells Fargo Bank		1,064,610 1,048,050 1,142,040 1,042,520 1,011,889 549,280 1,057,109 523,830 500,000	1,000,000.00 1,000,000.00 1,000,000.00 1,000,000.00 955,000.00 500,000.00 1,000,000.00 500,000.00 500,000.00	10,063 24,640 14,822 4,660 14,122 12,915 14,575 7,986 2FE	2FE 2FE 2FE 2FE 2FE 2FE 2FE 2FE 2FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	7,939,328	7,455,000.00	103,783	X X X
E04 020002-AV-3 69352P-AC-7 743315-AM-5	Allstate Corp PPL Capital Funding Inc Progressive Corp		09/20/2013 08/07/2013 07/01/2013	Southwest Securities Wells Fargo Bank Southwest Securities		314,250 1,144,275 1,517,250	300,000.00 1,095,000.00 1,400,000.00	6,635 26,901 5,211	2FE 3FE 2FE
4899999	Total Bonds Hybrid Securities				X X X	2,975,775	2,795,000.00	38,747	X X X
8399997	Total Bonds Part 3				X X X	15,766,351	15,100,000	152,261	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	15,766,351	15,100,000.00	152,261	X X X
9999999	Totals				X X X	15,766,351	X X X	152,261	X X X

(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 e i g n	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)
3134G3-QL-7 3133XP-JJ-4	Federal Home Loan Mtg Corp FHLB 00-1239		07/23/2013 09/20/2013	Wells Fargo Bank PRINCIPAL RECEIPT		2,347,885 18,277	2,350,000.00 18,277.02	2,349,295 19,328	18,923		8 (646)		8 (646)		2,349,303 18,277		(1,418)	(1,418)	9,008 570	09/06/2016 08/20/2015	1FE 1
0599999	Total - Bonds - U.S. Governments				X X X	2,366,162	2,368,277.02	2,368,623	18,923		(638)		(638)		2,367,580		(1,418)	(1,418)	9,578	X X X	X X X
31396Q-WZ-8 31398P-4W-6 3137AE-LS-2 31339M-SK-5 31396Y-SC-7 31398W-2U-7 31395V-4L-0 31397G-HH-6 3137A9-PB-6 915137-4W-0	Fannie Mae-FNR 2009-63 LD Fannie Mae-FNR 2010-49 PA FHLMC Series 3910 FHR 2399 PG FNR 2008-17 UF Freddie Mac 3629 AB Freddie Mac-FHR 2990 TD Freddie Mac-FHR 3313 GP Freddie Mac-FHR 3842 BY University Texas Univ Rev Bnd		09/25/2013 09/25/2013 09/16/2013 09/16/2013 09/25/2013 09/16/2013 09/16/2013 09/16/2013 09/16/2013 08/15/2013	PRINCIPAL RECEIPT PRINCIPAL RECEIPT PRINCIPAL RECEIPT PRINCIPAL RECEIPT PRINCIPAL RECEIPT PRINCIPAL RECEIPT PRINCIPAL RECEIPT PRINCIPAL RECEIPT PRINCIPAL RECEIPT MATURITY		70,712 21,664 78,784 29,951 52,000 79,247 75,550 29,121 50,676 500,000	70,712.09 21,663.53 78,784.40 29,950.71 51,999.64 79,246.90 75,550.11 29,120.54 50,676.42 500,000.00	73,784 22,395 79,720 31,393 51,967 81,845 78,226 30,576 53,297 500,000	72,286 22,230 79,709 31,393 51,972 81,845 78,226 30,576 52,680 500,000		(1,574) (567) (924) (1,442) 27 (2,598) (2,676) (1,455) (2,003)		(1,574) (567) (924) (1,442) 27 (2,598) (2,676) (1,455) (2,003)		70,712 21,664 78,784 29,951 52,000 79,247 75,550 29,121 50,676 500,000				2,339 581 904 1,078 298 2,418 1,858 950 1,232 8,380	02/25/2039 11/25/2035 12/15/2037 01/15/2017 03/25/2038 01/15/2023 05/15/2035 04/15/2037 08/15/2024 08/15/2013	1 1 1 1 1 1 1 1 1 1FE
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obl				X X X	987,705	987,704.34	1,006,046	1,000,917		(13,212)		(13,212)		987,705				20,038	X X X	X X X
037411-AU-9 086516-AJ-0 14312Y-AC-3 12668X-AC-9 415864-AH-0 441060-AK-6 50172C-AA-8 677347-CD-6 69352J-AM-9 74922S-AA-6 75114T-AC-5 75115D-AF-2 760488-AA-4 790849-AG-8 89233P-4H-6 914744-AA-5	Apache Corp SRNT Best Buy Co Inc Carmax 2010-3 A3 Countrywide Series 2006-S8 Harsco Corp. Hospira Inc LAI Vehicle Lease Secur Trust Ohio Edison Co PPL Energy Supply LLC RALI 2006-QS-17 RALI 2006-QS5 RALI Ser 2006-QS13 Republic Holdings Texas II, LP St Jude Medical Inc Toyota Motor Credit Corp Univ of Notre Dame		09/16/2013 07/15/2013 09/16/2013 09/25/2013 09/16/2013 09/16/2013 09/16/2013 08/28/2013 07/15/2013 09/25/2013 09/25/2013 09/25/2013 09/01/2013 09/16/2013 08/12/2013 09/03/2013	MATURITY MATURITY PRINCIPAL RECEIPT PRINCIPAL RECEIPT MATURITY CALLED @ 109.142000 PRINCIPAL RECEIPT CALLED @ 115.423870 MATURITY PRINCIPAL RECEIPT PRINCIPAL RECEIPT PRINCIPAL RECEIPT Sink PMT @ 100.00000 MATURITY MATURITY MATURITY		830,000 750,000 177,799 6,145 1,000,000 1,091,420 171,643 577,119 1,000,000 22,437 25,685 27,057 250,000 1,000,000 1,000,000 1,000,000	830,000.00 750,000.00 177,799.26 6,144.88 1,000,000.00 1,000,000.00 171,642.67 500,000.00 1,000,000.00 37,289.20 39,527.18 40,417.23 250,000.00 1,000,000.00 1,000,000.00 1,000,000.00	930,779 826,710 177,788 5,974 1,084,690 1,098,420 172,099 586,900 1,081,660 30,840 34,693 35,229 250,000 999,600 1,010,080 1,068,820	852,862 759,375 177,798 5,233 1,021,620 1,098,420 171,742 586,900 1,023,366 15,408 24,982 26,584 250,000 999,917 1,005,521 1,018,198		(22,862) (17,841) 1 111 (21,620) (20,158) (99) (14,977) (23,366) (21,187) (25,539) (29,863)		(22,862) (9,375) 1 912 (21,620) (20,158) (99) (14,977) (23,366) (5,755) (15,828) (21,218)		830,000 750,000 177,799 6,145 1,000,000 1,078,262 171,643 571,923 1,000,000 (21,187) (25,539) (29,863) 1,000,000 1,000,000 1,000,000 1,000,000		13,158 5,196	13,158 5,196	49,800 54,375 1,233 171 51,250 52,978 2,894 19,822 63,000 120 1,439 1,475 10,679 22,000 13,750 41,410	09/15/2013 07/15/2013 02/17/2015 04/25/2036 09/15/2013 05/15/2015 09/15/2016 07/15/2016 07/15/2013 12/25/2036 05/25/2036 09/25/2036 03/01/2015 09/15/2013 08/12/2013 09/01/2013	1FE 3FE 1FE 5FM 3FE 3FE 1FE 2FE 2FE 5FM 4FM 4FM 1 2FE 1FE 1FE
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	8,929,305	8,802,820.42	9,394,282	7,352,606	43,055	(221,036)		(177,981)		8,759,183		94,943	94,943	386,396	X X X	X X X

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

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
8399997	Total - Bonds - Part 4				X X X	12,283,172	12,158,802	12,768,951	8,372,446	43,055	(234,886)		(191,831)		12,114,468		93,525	93,525	416,012	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	12,283,172	12,158,801.78	12,768,951	8,372,446	43,055	(234,886)		(191,831)		12,114,468		93,525	93,525	416,012	X X X	X X X
9999999	Totals					12,283,172	X X X	12,768,951	8,372,446	43,055	(234,886)		(191,831)		12,114,468		93,525	93,525	416,012	X X X	X X X

E05.1

(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**

NONE Schedule E - Part 2

NONE Trusteed Surplus Statement

NONE Medicare Part D

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



40150201345000030

**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



40150201350500003

DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT

Year To Date For The Period Ended 2013

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. \$ _____