

QUARTERLY STATEMENT

OF THE

of _____

in the state of _____

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

September 30, 2018

PROPERTY AND CASUALTY

2018



40150201820100103

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2018
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 _____, State of Domicile or Port of Entry TX

Country of Domicile _____
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 and Chief Executive Officer</u>
2.	<u>Brian Christopher Dosser</u>	<u>Secretary and Senior Vice President</u>
3.	<u>Daniel Jay Coots</u>	<u>Treasurer and Senior Vice President</u>

VICE-PRESIDENTS

Name	Title	Name	Title
<u>Gregory Alan Castleman</u>	<u>Senior Vice President</u>	<u>Nicole Marie Dalal</u>	<u>Senior Vice President</u>
<u>Michael Shepard Johnston</u>	<u>Senior Vice President</u>	<u>Paul Andre Jordan</u>	<u>Senior Vice President</u>
<u>Jin Liu</u>	<u>Senior Vice President</u>	<u>Terence James Lynch</u>	<u>Senior Vice President</u>
<u>Drew Frederick Nachowiak #</u>	<u>Senior Vice President</u>	<u>Phillip John West</u>	<u>Senior Vice President</u>
<u>Donald Alan Baker</u>	<u>Vice President</u>	<u>Scott David Harris</u>	<u>Vice President</u>
<u>Mark Patrick Hayes</u>	<u>Vice President</u>	<u>Walter Antonio Mendez</u>	<u>Vice President</u>
<u>Paul Joseph Riffel</u>	<u>Vice President</u>	<u>Brian Lee Wakefield #</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>Brian Christopher Dosser</u>	<u>Jin Liu</u>	<u>Michael Shepard Johnston #</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.

_____ (Signature) Glenn Walden Anderson _____ (Printed Name) 1. President and Chief Executive Officer _____ (Title)	_____ (Signature) Brian Christopher Dosser _____ (Printed Name) 2. Secretary and Senior Vice President _____ (Title)	_____ (Signature) Daniel Jay Coots _____ (Printed Name) 3. Treasurer and Senior Vice President _____ (Title)
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Subscribed and sworn to before me this
12th day of November, 2018

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	209,682,741		209,682,741	178,033,131
2. Stocks:				
2.1 Preferred stocks	5,318,470		5,318,470	2,335,400
2.2 Common stocks	7,161,109		7,161,109	7,759,473
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 (\$ (2,058,835)), cash equivalents (\$ 11,472,851), and short-term investments (\$ 7,042,891)	16,456,907		16,456,907	32,455,200
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	15,998,841		15,998,841	16,083,605
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)	254,618,068		254,618,068	236,666,809
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,940,079		1,940,079	1,715,828
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	5,928,543	253,543	5,675,000	4,068,996
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	64,411,437		64,411,437	50,803,156
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				127,756
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	149,743		149,743	
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	5,189,358		5,189,358	4,143,073
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	1,956,170		1,956,170	1,735,153
21. Furniture and equipment, including health care delivery assets (\$ 0)	3,849,125	3,574,151	274,974	69,046
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	109,812		109,812	34,016
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	1,584,223	1,584,223		56,746
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	339,736,558	5,411,917	334,324,641	299,420,579
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	339,736,558	5,411,917	334,324,641	299,420,579

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	1,583,973	1,583,973	
2502. Other assets	250	250	56,746
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,584,223	1,584,223	56,746

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 61,948,731)	89,437,795	79,577,427
2. Reinsurance payable on paid losses and loss adjustment expenses	19,878	4,279
3. Loss adjustment expenses	16,200,672	14,852,486
4. Commissions payable, contingent commissions and other similar charges	262,418	255,117
5. Other expenses (excluding taxes, licenses and fees)	12,803,990	12,414,261
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	2,970,710	3,396,469
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	1,158,084	1,941,142
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)	93,517,273	74,430,052
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		48,149
13. Funds held by company under reinsurance treaties		2,676
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	33,945	16,490
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	3,936,091	3,501,918
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	1,141,356	1,641,656
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	221,482,212	192,082,122
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	221,482,212	192,082,122
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)	26,517,272	21,013,300
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)	112,842,429	107,338,457
38. Totals (Page 2, Line 28, Col. 3)	334,324,641	299,420,579

DETAILS OF WRITE-IN LINES		
2501. Unclaimed property	1,141,356	1,641,656
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)	1,141,356	1,641,656
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 \$ 260,456,605)	241,368,255	202,793,047	275,111,500
1.2 Assumed (written \$ 118,848)	119,977	138,872	181,257
1.3 Ceded (written \$ 420,094)	420,094	388,124	787,759
1.4 Net (written \$ 260,155,359)	241,068,138	202,543,795	274,504,998
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 126,887,352):			
2.1 Direct	122,211,950	107,485,317	142,856,482
2.2 Assumed	82,589	41,338	79,854
2.3 Ceded	(159,052)	2,115,999	2,085,738
2.4 Net	122,453,591	105,410,656	140,850,598
3. Loss adjustment expenses incurred	30,539,187	28,274,542	38,330,527
4. Other underwriting expenses incurred	71,913,334	58,904,812	78,822,524
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	224,906,112	192,590,010	258,003,649
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	16,162,026	9,953,785	16,501,349
INVESTMENT INCOME			
9. Net investment income earned	5,227,588	4,344,084	6,083,290
10. Net realized capital gains (losses) less capital gains tax of \$ 0	962,938	(35,000)	453,846
11. Net investment gain (loss) (Lines 9 + 10)	6,190,526	4,309,084	6,537,136
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	(70,189)	(304,382)	(304,981)
15. Total other income (Lines 12 through 14)	(70,189)	(304,382)	(304,981)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	22,282,363	13,958,487	22,733,504
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)	22,282,363	13,958,487	22,733,504
19. Federal and foreign income taxes incurred	4,334,568	2,714,808	4,655,950
20. Net income (Line 18 minus Line 19) (to Line 22)	17,947,795	11,243,679	18,077,554
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	107,338,457	103,305,108	103,305,108
22. Net income (from Line 20)	17,947,795	11,243,679	18,077,554
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (11,931)	(44,882)	2,412,152	4,093,525
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	1,034,355	(631,363)	(4,329,622)
27. Change in nonadmitted assets	(589,296)	(125,542)	(875,108)
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders	(12,844,000)	(7,700,000)	(12,933,000)
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)	5,503,972	5,198,926	4,033,349
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	112,842,429	108,504,034	107,338,457

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Miscellaneous income	(70,189)	(304,382)	(304,981)
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)	(70,189)	(304,382)	(304,981)
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	244,636,735	206,723,047	278,200,272
2. Net investment income	6,166,400	5,370,572	7,696,398
3. Miscellaneous income	(70,189)	(304,382)	(304,981)
4. Total (Lines 1 to 3)	250,732,946	211,789,237	285,591,689
5. Benefit and loss related payments	112,449,868	103,515,280	134,762,368
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	101,133,064	82,084,778	107,444,470
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	5,117,625	1,996,048	4,350,174
10. Total (Lines 5 through 9)	218,700,557	187,596,106	246,557,012
11. Net cash from operations (Line 4 minus Line 10)	32,032,389	24,193,131	39,034,677
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	27,421,844	23,358,624	39,419,176
12.2 Stocks		340,500	340,501
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets	1,685,009	100,068	1,346,300
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments	(12,043)	(3,983)	(11,891)
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	29,094,810	23,795,209	41,094,086
13. Cost of investments acquired (long-term only):			
13.1 Bonds	60,215,281	41,117,102	60,327,305
13.2 Stocks	3,075,056	1,844,600	2,899,710
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets	10,963		
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	63,301,300	42,961,702	63,227,015
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)	(34,206,490)	(19,166,493)	(22,132,929)
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	12,844,000	7,700,000	12,933,000
16.6 Other cash provided (applied)	(980,192)	6,542	1,084,231
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(13,824,192)	(7,693,458)	(11,848,769)
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)	(15,998,293)	(2,666,820)	5,052,979
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	32,455,200	27,402,221	27,402,221
19.2 End of period (Line 18 plus Line 19.1)	16,456,907	24,735,401	32,455,200

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 and Going Concern

(A) Accounting Practices, Impact of NAIC / State Differences

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 (28 TAC §7.18(c)(2)(C)(3)) 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:

	SSAP #	F/S Page	F/S Line #	2018	2017
Net Income					
(1) Net income, Texas basis	XXX	XXX	XXX	17,947,795	18,077,554
(2) State Prescribed Practices that is an increase/(decrease) from NAIC SAP				-	-
(3) State Permitted Practices that is an increase/(decrease) from NAIC SAP				-	-
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	17,947,795	18,077,554
Surplus					
(5) Policyholders' surplus, Texas basis	XXX	XXX	XXX	112,842,429	107,338,457
(6) State Prescribed Practices that is an increase/(decrease) from NAIC SAP	19	2	21	274,974	69,046
(7) State Permitted Practices that is an increase/(decrease) from NAIC SAP				-	-
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	112,567,455	107,269,411

(B) Use of Estimates in Preparation of the Financial Statements

No significant change

(C) Accounting Policies

(1) through (5) No significant change

(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 change

(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 change

(3) Business Combinations and Goodwill

No significant change

(4) Discontinued Operations

Not applicable

(5) Investments

(A) Mortgage Loans, Including Mezzanine Real Estate Loans

Not applicable

(B) Debt Restructuring

Not applicable

(C) Reverse Mortgages

Not applicable

(D) Loan-Backed and Structured 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 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			
i. Total 3 rd quarter	0	0	0
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	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	9,528
2. 12 months or longer	18,706
3. Total	28,234
b. Aggregate fair value of securities with unrealized loss:	
1. Less than 12 months	2,149,132
2. 12 months or longer	441,845
3. Total	2,590,977

- (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, 2018, 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) Dollar Repurchase Agreements and/or Securities Lending Transactions
(1-2) Not applicable

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

- (F) Repurchase Agreements Transactions Accounted for as Secured Borrowing
Not applicable

- (G) Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Not applicable

- (H) Repurchase Agreements Transactions Accounted for as a Sale
Not applicable

- (I) Reverse Repurchase Agreements Transactions Accounted for as a Sale
Not applicable

- (J) Real Estate
Not applicable

- (K) Low-Income Housing Tax Credits (LIHTC)
Not applicable

- (L) Restricted Assets
No significant change

NOTES TO FINANCIAL STATEMENTS

- (M) Working Capital Finance Investments
Not applicable
- (N) Offsetting and Netting of Assets and Liabilities
Not applicable
- (O) Structured Notes
Not applicable
- (P) 5⁺ Securities
Not applicable
- (Q) Short Sales
Not applicable
- (R) Prepayment Penalty and Acceleration Fees
No significant change
- (6) Joint Ventures, Partnerships and Limited Liability Companies**
No significant change
- (7) Investment Income**
No significant change
- (8) Derivative Instruments**
The Company does not own derivative instruments.
- (9) Income Taxes**
No significant change
- (10) Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**
No significant change
- (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 change
- (13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**
No significant change
- (14) Liabilities, Contingencies and Assessments**
No significant change
- (15) Leases**
No significant change
- (16) Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**
Not applicable
- (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
Not applicable
 - (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 securities with an NAIC designation of 3 or below, or that do not have an NAIC designation, excluding money market mutual funds.
- (18) Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**
Not applicable

NOTES TO FINANCIAL STATEMENTS

(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 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.

Description	Level 1	Level 2	Level 3	Total	Net Asset Value (NAV) Included in Level 2
Assets at Fair Value					
Bonds					
Issuer obligations	-	1,561,451	-	1,561,451	-
Common stock	7,160,584	0	-	7,160,584	-
Preferred stock	3,553,670	987,500	-	4,541,170	-
Total Assets at Fair Value	10,714,254	2,548,951	0	13,263,205	0

All of the Company's Level 1 and Level 2 invested assets held as of September 30, 2018 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 2018.

(2) Rollforward of Level 3 Items:

Description	Level 3 Balance at 12-31-17	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 9-30-18
Assets at Fair Value								
Bonds and asset-backed securities	-	-	-	-	-	-	-	-
Total Assets at Fair Value	0	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. 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

NOTES TO FINANCIAL STATEMENTS

(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)	Net Asset Value (NAV) Included in Level 2
Bonds	206,577,040	209,682,741	6,242,572	200,334,468	-	-	-
Common stock - unaffiliated	7,160,584	7,160,584	7,160,584	-	-	-	-
Preferred stock	5,330,770	5,318,470	4,343,270	987,500	-	-	-
Cash, cash equivalents and short-term investments	4,980,635	16,456,907	-2,058,835	7,039,470	-	-	-
Total Assets	224,049,029	238,618,702	15,687,591	208,361,438	0	0	0

(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 change

(24) Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable

(25) Changes in Incurred Losses and Loss Adjustment Expenses**(A) Reasons for Changes in Incurred Losses Related to Past Events**

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by \$3,145,853 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.

(B) Significant Changes in Reserving Methodologies and Assumptions

None

(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

No significant change

(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.

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

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group 0000786344

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: \$ 109,812

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

1 Name of Firm or Individual	2 Affiliation
Glenn W. Anderson	I
Daniel J. Coots	I
Terence J. Lynch	I

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

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

18.2 If no, list exceptions:

.....

.....

.....

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

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

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

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:
 5.1. A&H loss percent _____ %
 5.2. A&H cost containment percent _____ %
 5.3. A&H expense percent excluding cost containment expenses _____ %

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

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

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

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

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

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

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
Current Year To Date - Allocated by States and Territories

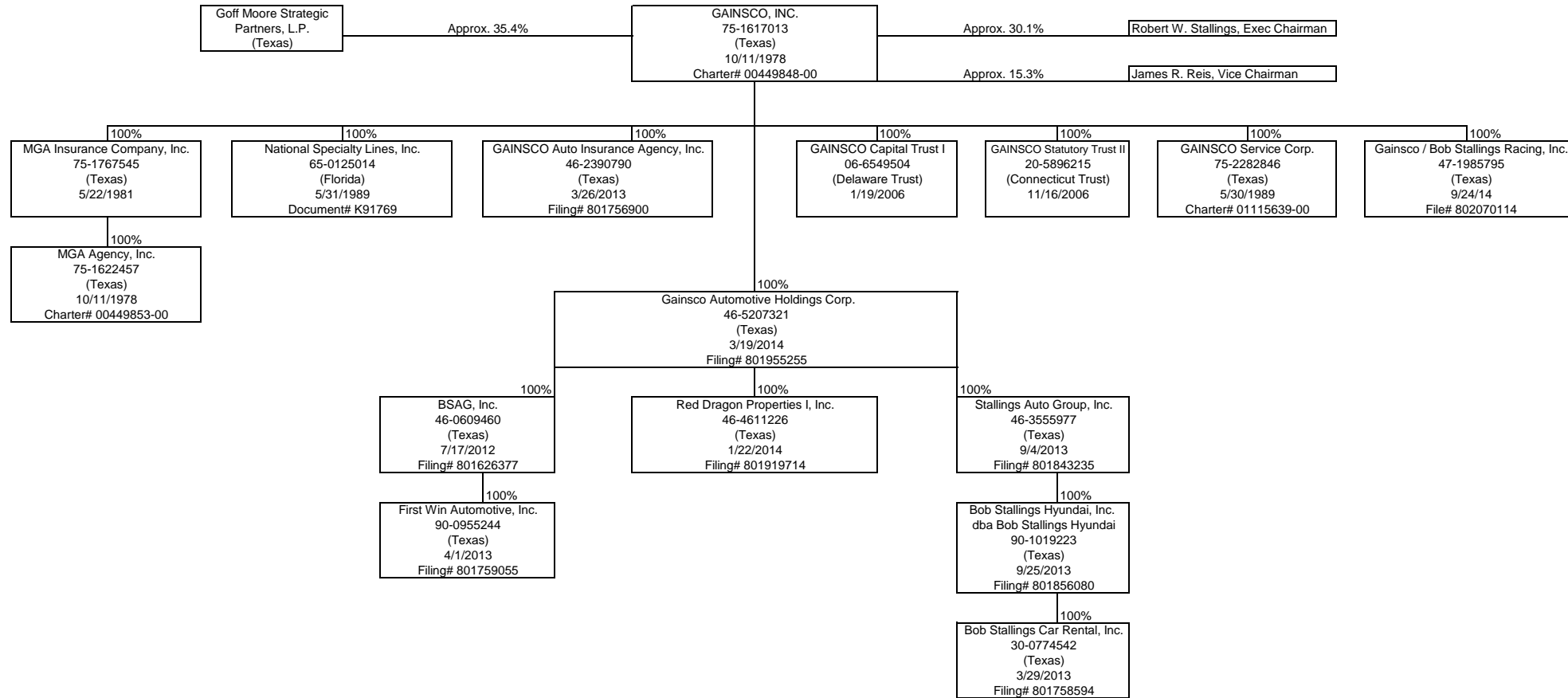
States, Etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama	AL	L					
2. Alaska	AK	N					
3. Arizona	AZ	L	17,914,300	15,485,181	8,262,055	7,850,548	5,554,846
4. Arkansas	AR	L					
5. California	CA	L	10,622	14,808		3,370	5,000
6. Colorado	CO	L					
7. Connecticut	CT	N					
8. Delaware	DE	L					
9. District of Columbia	DC	L					
10. Florida	FL	L	43,339,690	48,490,000	22,086,912	24,585,437	14,783,738
11. Georgia	GA	L	32,390,014	23,459,174	14,232,715	7,949,727	12,748,482
12. Hawaii	HI	N					
13. Idaho	ID	L					
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	N					
30. New Hampshire	NH	N					
31. New Jersey	NJ	N					
32. New Mexico	NM	L	9,411,402	9,167,477	3,893,147	4,538,360	3,691,399
33. New York	NY	N					
34. North Carolina	NC	L					
35. North Dakota	ND	N					
36. Ohio	OH	L					
37. Oklahoma	OK	L	2,782,659	3,173,019	1,068,876	1,524,825	1,208,507
38. Oregon	OR	L					
39. Pennsylvania	PA	L					
40. Rhode Island	RI	N					
41. South Carolina	SC	L	63,726,017	41,763,951	24,562,811	15,339,140	22,773,268
42. South Dakota	SD	N					
43. Tennessee	TN	L	3,023,724	3,145,106	1,715,749	2,019,895	1,240,737
44. Texas	TX	L	76,965,726	69,236,712	32,785,921	36,113,019	23,422,011
45. Utah	UT	L	5,167,398		1,047,196		1,409,900
46. Vermont	VT	N					
47. Virginia	VA	L	5,725,053	6,065,829	2,743,486	3,571,157	2,474,907
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	X X X		260,456,605	220,001,257	112,398,868	103,495,478	89,307,795

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					

- (a) Active Status Counts
- L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG 34
 - E - Eligible - Reporting entities eligible or approved to write surplus lines in the state _____
 - D - Domestic Surplus Lines Insurer (DSL) - Reporting entities authorized to write surplus lines in the state of domicile _____
 - R - Registered - Non-domiciled RRGs _____
 - Q - Qualified - Qualified or accredited reinsurer _____
 - N - None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLI) 23

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

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
		00000	75-1617013		786344	OTC Pink	GAINSCO, INC.	TX	UDP	See Organizational Chart	Ownership		See Organizational Chart	N	
		00000	75-2282846				GAINSCO Service Corp.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	N	
		40150	75-1767545				MGA Insurance Company, Inc.	TX		GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	N	
		00000	75-1622457				MGA Agency, Inc.	TX	DS	MGA Insurance Company, Inc.	Ownership	100.0	GAINSCO, INC.	Y	
		00000	06-6549504				GAINSCO Capital Trust I	DE	OTH	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	N	
		00000	20-5896215				GAINSCO Statutory Trust II	CT	OTH	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	N	
		00000	65-0125014				National Specialty Lines, Inc.	FL	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	N	
		00000	46-0609460				BSAG, Inc.	TX	NIA	Gainsco Automotive Holdings Corp.	Ownership	100.0	GAINSCO, INC.	N	
		00000	46-2390790				GAINSCO Auto Insurance Agency, Inc.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	N	
		00000	46-3555977				Stallings Auto Group, Inc.	TX	NIA	Gainsco Automotive Holdings Corp.	Ownership	100.0	GAINSCO, INC.	N	
		00000	30-0774542				Bob Stallings Car Rental, Inc.	TX	NIA	Bob Stallings Hyundai, Inc dba Bob Stallings Hyundai	Ownership	100.0	GAINSCO, INC.	N	
		00000	90-0955244				First Win Automotive, Inc.	TX	NIA	BSAG, Inc.	Ownership	100.0	GAINSCO, INC.	N	
		00000	90-1019223				Bob Stallings Hyundai, Inc. dba Bob Stallings Hyundai	TX	NIA	Stallings Auto Group, Inc.	Ownership	100.0	GAINSCO, INC.	N	
		00000	46-4611226				Red Dragon Properties I, Inc.	TX	NIA	Gainsco Automotive Holdings Corp.	Ownership	100.0	GAINSCO, INC.	N	
		00000	46-5207321				Gainsco Automotive Holdings Corp.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	N	
		00000	47-1985795				Gainsco / Bob Stallings Racing, Inc.	TX	NIA	GAINSCO, INC.	Ownership	100.0	GAINSCO, INC.	N	

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	188,298,922	101,680,632	54.0	51.8
19.3, 19.4 Commercial auto liability				
21. Auto physical damage	53,069,333	20,531,318	38.7	56.9
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	241,368,255	122,211,950	50.6	53.0

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 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
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	70,480,066	204,175,310	168,323,902
19.3, 19.4 Commercial auto liability			
21. Auto physical damage	19,272,220	56,281,295	51,677,356
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	89,752,286	260,456,605	220,001,258

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)	2018 Loss and LAE Payments on Claims Reported as of Prior Year-End	2018 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2018 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2015 + prior	6,207	2,862	9,069	104	6,442	6,546	8	3,043	1,372	4,423	(6,095)	7,995	1,900
2. 2016	8,131	8,134	16,265	129	7,672	7,801	101	3,255	4,085	7,441	(7,901)	6,878	(1,023)
3. Subtotals 2016 + prior	14,338	10,996	25,334	233	14,114	14,347	109	6,298	5,457	11,864	(13,996)	14,873	877
4. 2017	30,711	38,385	69,096	3,242	36,798	40,040	787	8,633	15,613	25,033	(26,682)	22,659	(4,023)
5. Subtotals 2017 + prior	45,049	49,381	94,430	3,475	50,912	54,387	896	14,931	21,070	36,897	(40,678)	37,532	(3,146)
6. 2018	X X X	X X X	X X X	X X X	87,397	87,397	X X X	31,188	37,553	68,741	X X X	X X X	X X X
7. Totals	45,049	49,381	94,430	3,475	138,309	141,784	896	46,119	58,623	105,638	(40,678)	37,532	(3,146)

8. Prior Year-End Surplus As Regards Policyholders

107,338

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. <u>-90.297</u>	2. <u>76.005</u>	3. <u>-3.332</u>
		Col. 13, Line 7
		Line 8
		4. <u>-2.931</u>

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

Bar Code:



40150201849000030



40150201845500030



40150201836500030



40150201850500030

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)		

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	16,083,605	13,668,734
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition	10,963	
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	485,372	2,990,024
6. Total gain (loss) on disposals	1,103,910	771,147
7. Deduct amounts received on disposals	1,685,009	1,346,300
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)	15,998,841	16,083,605
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	15,998,841	16,083,605

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	188,128,004	164,456,069
2. Cost of bonds and stocks acquired	63,290,336	63,227,015
3. Accrual of discount	164,400	210,590
4. Unrealized valuation increase (decrease)	(540,466)	2,191,653
5. Total gain (loss) on disposals	(130,647)	(311,333)
6. Deduct consideration for bonds and stocks disposed of	27,501,781	39,759,677
7. Deduct amortization of premium	1,327,463	1,892,236
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		(5,923)
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	79,937	
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	222,162,320	188,128,004
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	222,162,320	188,128,004

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

2018

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	76,784,267	12,133,470	12,905,907	(2,173,237)	72,185,864	76,784,267	73,838,593	65,827,950
2. NAIC 2 (a)	129,980,200	12,082,233	6,055,184	722,833	128,645,441	129,980,200	136,730,082	122,351,005
3. NAIC 3 (a)		980,000		1,049,231	997,100		2,029,231	1,982,590
4. NAIC 4 (a)	3,467,877		1,000,157	5,256	3,438,286	3,467,877	2,472,976	1,007,153
5. NAIC 5 (a)								954,475
6. NAIC 6 (a)	1,628,365			26,385	1,537,500	1,628,365	1,654,750	1,445,000
7. Total Bonds	211,860,709	25,195,703	19,961,248	(369,532)	206,804,191	211,860,709	216,725,632	193,568,173
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2	2,582,100	998,611		(27,041)	547,000	2,582,100	3,553,670	545,600
10. NAIC 3	981,200			6,300	993,750	981,200	987,500	1,012,500
11. NAIC 4	777,300				777,300	777,300	777,300	777,300
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	4,340,600	998,611		(20,741)	2,318,050	4,340,600	5,318,470	2,335,400
15. Total Bonds & Preferred Stock	216,201,309	26,194,314	19,961,248	(390,273)	209,122,241	216,201,309	222,044,102	195,903,573

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

NAIC 1 \$ 2,994,204; NAIC 2 \$ 2,999,737; NAIC 3 \$ 1,048,951; 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	7,042,891	X X X	7,055,965	70,326	23,145

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	15,535,042	28,921,358
2. Cost of short-term investments acquired	15,671,917	16,747,318
3. Accrual of discount	48,176	3,289
4. Unrealized valuation increase (decrease)	(1,719)	
5. Total gain (loss) on disposals	(10,325)	(11,891)
6. Deduct consideration received on disposals	24,064,000	29,784,406
7. Deduct amortization of premium	136,200	340,626
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)	7,042,891	15,535,042
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	7,042,891	15,535,042

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

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

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

NONE **Schedule DB - Verification**

SCHEDULE E PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	19,853,794	
2. Cost of cash equivalents acquired	67,610,136	105,798,431
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	75,991,079	85,944,637
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	11,472,851	19,853,794
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	11,472,851	19,853,794

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		05/16/2013			10,963			
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	08/03/2018							10,578	10,578					
1599999	Common Stocks - Joint Venture/Partnership Interests - Unaffiliated											10,578	10,578						
4499999	Total Unaffiliated											10,578	10,578						
4699999	Totals											10,578	10,578						

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)
00287Y-AT-6	ABBVIE INC		08/14/2018	WELLS FARGO SECURITIES LLC		990,890	1,000,000.00	6,389	2FE
040555-CR-3	ARIZONA PUBLIC SERVICE CO		09/21/2018	HILLTOP SECURITIES		989,530	1,000,000.00	4,278	1FE
134429-BD-0	CAMPBELL SOUP CO		08/02/2018	WELLS FARGO SECURITIES LLC		995,080	1,000,000.00	12,833	2FE
17252M-AM-2	CINTAS CORPORATION NO 2		09/05/2018	HILLTOP SECURITIES		983,910	1,000,000.00	12,567	2FE
17325F-AJ-7	CITIBANK NA		08/03/2018	HILLTOP SECURITIES		978,870	1,000,000.00	6,316	1FE
12572Q-AE-5	CME GROUP INC		07/18/2018	HILLTOP SECURITIES		992,910	1,000,000.00	10,417	1FE
210518-CT-1	CONSUMERS ENERGY CO		07/11/2018	HILLTOP SECURITIES		989,560	1,000,000.00	4,592	1FE
30161M-AP-8	EXELON GENERATION CO LLC		07/12/2018	WELLS FARGO SECURITIES LLC		996,780	1,000,000.00	82	2FE
34964C-AC-0	FORTUNE BRANDS HOME & SECURITY INC		09/20/2018	HILLTOP SECURITIES		1,003,410	1,000,000.00	333	2FE
370334-CA-0	GENERAL MILLS INC		08/13/2018	HILLTOP SECURITIES		967,890	1,000,000.00	8,883	2FE
45866F-AG-9	INTERCONTINENTAL EXCHANGE INC		09/18/2018	HILLTOP SECURITIES		996,480	1,000,000.00	3,546	1FE
50540R-AL-6	LABORATORY CORP OF AMERICA HLDG		09/11/2018	HILLTOP SECURITIES		1,006,540	1,000,000.00	2,083	2FE
695114-CP-1	PACIFICORP		07/25/2018	WELLS FARGO SECURITIES LLC		992,810	1,000,000.00	14,422	1FE
696429-AC-3	PALL CORP		07/09/2018	WELLS FARGO SECURITIES LLC		1,036,960	1,000,000.00	3,611	1FE
718172-AH-2	PHILIP MORRIS INTERNATIONAL INC		09/20/2018	WELLS FARGO SECURITIES LLC		1,021,800	1,000,000.00	22,250	1FE
74368C-AA-2	PROTECTIVE LIFE GLOBAL FUNDING		08/13/2018	WELLS FARGO SECURITIES LLC		989,160	1,000,000.00	6,000	1FE
760759-AP-5	REPUBLIC SERVICES INC		07/20/2018	HILLTOP SECURITIES		1,105,763	1,098,000.00	5,739	2FE
78409V-AJ-3	S&P GLOBAL INC		08/08/2018	HILLTOP SECURITIES		1,003,740	1,000,000.00	16,133	2FE
824348-BB-1	SHERWIN-WILLIAMS CO		08/07/2018	WELLS FARGO SECURITIES LLC		1,018,820	1,000,000.00	2,800	2FE
25468P-DU-7	WALT DISNEY CO		07/13/2018	WELLS FARGO SECURITIES LLC		977,780	1,000,000.00	2,100	1FE
958587-BJ-5	WESTERN MASSACHUSETTS ELECTRIC CO		09/28/2018	HILLTOP SECURITIES		1,003,590	1,000,000.00	1,264	1FE
772739-AQ-1	WESTROCK RKT CO		07/17/2018	WELLS FARGO SECURITIES LLC		1,013,980	1,000,000.00	15,333	2FE
026609-AC-1	WYETH LLC		07/26/2018	HILLTOP SECURITIES		1,164,020	1,000,000.00	30,007	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	23,220,273	23,098,000.00	191,978	X X X
269246-BR-4	E*TRADE FINANCIAL CORP		07/05/2018	HILLTOP SECURITIES		980,000	1,000,000.00	31,358	3FE
4899999	Subtotal - Bonds - Hybrid Securities				X X X	980,000	1,000,000.00	31,358	X X X
8399997	Subtotal - Bonds - Part 3				X X X	24,200,273	24,098,000.00	223,336	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total - Bonds				X X X	24,200,273	24,098,000.00	223,336	X X X
369604-BQ-5	GENERAL ELECTRIC CO		08/15/2018	HILLTOP SECURITIES	1,000,000.000	998,611			P2VFE
8499999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	998,611	X X X		X X X
8999997	Subtotal - Preferred Stock - Part 3				X X X	998,611	X X X		X X X

E04

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

- 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**

