



40150202020100102

QUARTERLY STATEMENT

AS OF JUNE 30, 2020
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

Organized under the Laws of Texas State of Domicile or Port of Entry TX

Country of Domicile US

Incorporated/Organized May 22, 1981 Commenced Business August 13, 1981

Statutory Home Office 3333 Lee Parkway Suite 1200, Dallas, TX US 75219

Main Administrative Office 3333 Lee Parkway Suite 1200, Dallas, TX US 75219 972-629-4301

Mail Address Post Office Box 199023, Dallas, TX US 75219-9023

Primary Location of Books and Records 3333 Lee Parkway Suite 1200, Dallas, TX US 75219 972-629-4301

Internet Website Address www.gainsco.com

Statutory Statement Contact Donald Alan Baker, 972-629-4379, don.baker@gainsco.com, 972-677-4152

OFFICERS

Table with 2 columns: Name, Title. Includes Glenn Walden Anderson (President and Chief Executive Officer), Brian Christopher Dosser (Secretary and Senior Vice President), Daniel Jay Coots (Treasurer and Senior Vice President).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Lists various vice-presidents such as Gregory Alan Castleman, Michael Shepard Johnston, Terence James Lynch, Phillip John West, Jessica Morna Friedman, Mark Patrick Hayes, Paul Joseph Riffel, Nicole Marie Dalal, Jin Liu, Drew Frederick Nachowiak, Donald Alan Baker, Scott David Harris, Walter Antonio Mendez, Brian Lee Wakefield.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Lists directors/trustees: Robert William Stallings, Glenn Walden Anderson, Brian Christopher Dosser, Jin Liu, Gregory Alan Castleman, Michael Shepard Johnston, Daniel Jay Coots.

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)

Subscribed and sworn to before me this 13th day of August, 2020

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

ASSETS

| | Current Statement Date | | | 4 December 31 Prior Year Net Admitted Assets |
|---|------------------------|----------------------------|--|---|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | |
| 1. Bonds | 219,892,455 | | 219,892,455 | 228,610,156 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | 5,400,575 | | 5,400,575 | 5,468,170 |
| 2.2 Common stocks | 7,001,905 | 525 | 7,001,380 | 11,646,928 |
| 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 (\$ 2,547,554), cash equivalents (\$ 12,375,577), and short-term investments (\$ 6,809,359) | 21,732,490 | | 21,732,490 | 19,570,937 |
| 6. Contract loans (including \$ 0 premium notes) | | | | |
| 7. Derivatives | | | | |
| 8. Other invested assets | 10,127,921 | | 10,127,921 | 13,635,553 |
| 9. Receivables for securities | | | | 725,310 |
| 10. Securities lending reinvested collateral assets | | | | |
| 11. Aggregate write-ins for invested assets | | | | |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 264,155,346 | 525 | 264,154,821 | 279,657,054 |
| 13. Title plants less \$ 0 charged off (for Title insurers only) | | | | |
| 14. Investment income due and accrued | 1,956,125 | | 1,956,125 | 2,020,571 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 5,685,907 | 269,614 | 5,416,293 | 5,025,627 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums) | 61,494,699 | | 61,494,699 | 59,546,045 |
| 15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0) | | | | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | | | | |
| 16.2 Funds held by or deposited with reinsured companies | | | | |
| 16.3 Other amounts receivable under reinsurance contracts | 119,019 | | 119,019 | 66,100 |
| 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 | 8,451,648 | | 8,451,648 | 5,704,453 |
| 19. Guaranty funds receivable or on deposit | | | | |
| 20. Electronic data processing equipment and software | 7,977,793 | 6,229,083 | 1,748,710 | 1,977,036 |
| 21. Furniture and equipment, including health care delivery assets (\$ 0) | 3,499,209 | 3,238,663 | 260,546 | 353,633 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23. Receivables from parent, subsidiaries and affiliates | 476,582 | | 476,582 | 512,527 |
| 24. Health care (\$ 0) and other amounts receivable | | | | |
| 25. Aggregate write-ins for other-than-invested assets | 4,162,534 | 4,141,776 | 20,758 | 7,739 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 357,978,862 | 13,879,661 | 344,099,201 | 354,870,785 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. Total (Lines 26 and 27) | 357,978,862 | 13,879,661 | 344,099,201 | 354,870,785 |

| 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 | 3,231,026 | 3,231,026 | |
| 2502. Other assets | 931,508 | 910,750 | 20,758 |
| 2503. | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 4,162,534 | 4,141,776 | 20,758 |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | 1 | 2 |
|---|---------------------------|----------------------------|
| | Current Statement Date | December 31, Prior Year |
| 1. Losses (current accident year \$ 46,781,120) | 88,047,672 | 98,500,198 |
| 2. Reinsurance payable on paid losses and loss adjustment expenses | 2,126 | 1,743 |
| 3. Loss adjustment expenses | 15,207,781 | 15,823,663 |
| 4. Commissions payable, contingent commissions and other similar charges | 629,209 | 316,014 |
| 5. Other expenses (excluding taxes, licenses and fees) | 14,513,341 | 14,453,427 |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) | 3,256,911 | 3,858,568 |
| 7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses)) | 2,295,339 | 1,368,344 |
| 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) | 89,153,497 | 86,030,626 |
| 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 | | |
| 14. Amounts withheld or retained by company for account of others | | |
| 15. Remittances and items not allocated | | 14,181 |
| 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 | 4,546,137 | 7,505,913 |
| 20. Derivatives | | |
| 21. Payable for securities | 997,725 | |
| 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 | 2,356,714 | 2,020,043 |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25) | 221,006,452 | 229,892,720 |
| 27. Protected cell liabilities | | |
| 28. Total liabilities (Lines 26 and 27) | 221,006,452 | 229,892,720 |
| 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) | 36,767,592 | 38,652,908 |
| 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) | 123,092,749 | 124,978,065 |
| 38. Totals (Page 2, Line 28, Col. 3) | 344,099,201 | 354,870,785 |

| DETAILS OF WRITE-IN LINES | | |
|---|-----------|-----------|
| 2501. Unclaimed property | 2,356,714 | 2,020,043 |
| 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) | 2,356,714 | 2,020,043 |
| 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 \$ 171,924,548) | 168,799,605 | 173,027,827 | 343,341,107 |
| 1.2 Assumed (written \$ 53,288) | 55,360 | 67,689 | 131,978 |
| 1.3 Ceded (written \$ 220,406) | 220,406 | 256,683 | 496,400 |
| 1.4 Net (written \$ 171,757,430) | 168,634,559 | 172,838,833 | 342,976,685 |
| DEDUCTIONS: | | | |
| 2. Losses incurred (current accident year \$ 82,482,402): | | | |
| 2.1 Direct | 76,162,800 | 90,483,015 | 180,077,266 |
| 2.2 Assumed | (12,759) | 18,783 | 34,510 |
| 2.3 Ceded | | 125 | 125 |
| 2.4 Net | 76,150,041 | 90,501,673 | 180,111,651 |
| 3. Loss adjustment expenses incurred | 19,345,142 | 20,956,613 | 41,195,909 |
| 4. Other underwriting expenses incurred | 52,576,271 | 51,564,423 | 102,690,270 |
| 5. Aggregate write-ins for underwriting deductions | | | |
| 6. Total underwriting deductions (Lines 2 through 5) | 148,071,454 | 163,022,709 | 323,997,830 |
| 7. Net income of protected cells | | | |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7) | 20,563,105 | 9,816,124 | 18,978,855 |
| INVESTMENT INCOME | | | |
| 9. Net investment income earned | 4,102,048 | 4,120,069 | 8,211,933 |
| 10. Net realized capital gains (losses) less capital gains tax of \$ 0 | 159,034 | (829,306) | 236,751 |
| 11. Net investment gain (loss) (Lines 9 + 10) | 4,261,082 | 3,290,763 | 8,448,684 |
| 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 | 43,880 | 53,222 | 102,929 |
| 15. Total other income (Lines 12 through 14) | 43,880 | 53,222 | 102,929 |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) | 24,868,067 | 13,160,109 | 27,530,468 |
| 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) | 24,868,067 | 13,160,109 | 27,530,468 |
| 19. Federal and foreign income taxes incurred | 5,476,995 | 3,271,360 | 5,931,789 |
| 20. Net income (Line 18 minus Line 19) (to Line 22) | 19,391,072 | 9,888,749 | 21,598,679 |
| CAPITAL AND SURPLUS ACCOUNT | | | |
| 21. Surplus as regards policyholders, December 31 prior year | 124,978,065 | 109,160,883 | 109,160,883 |
| 22. Net income (from Line 20) | 19,391,072 | 9,888,749 | 21,598,679 |
| 23. Net transfers (to) from Protected Cell accounts | | | |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (1,667,494) | (6,272,955) | 1,724,567 | 6,595,102 |
| 25. Change in net unrealized foreign exchange capital gain (loss) | | | |
| 26. Change in net deferred income tax | 1,079,702 | 446,271 | 1,139,551 |
| 27. Change in nonadmitted assets | (4,083,135) | 285,517 | (3,516,150) |
| 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 | (12,000,000) | (10,000,000) | (10,000,000) |
| 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) | (1,885,316) | 2,345,104 | 15,817,182 |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38) | 123,092,749 | 111,505,987 | 124,978,065 |

| 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 | 43,880 | 53,222 | 102,929 |
| 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) | 43,880 | 53,222 | 102,929 |
| 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 | 169,364,014 | 173,538,210 | 342,729,048 |
| 2. Net investment income | 4,862,272 | 4,848,298 | 9,595,313 |
| 3. Miscellaneous income | 43,880 | 53,222 | 102,929 |
| 4. Total (Lines 1 to 3) | 174,270,166 | 178,439,730 | 352,427,290 |
| 5. Benefit and loss related payments | 86,602,184 | 85,945,924 | 175,467,981 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 72,765,843 | 75,264,854 | 144,455,245 |
| 8. Dividends paid to policyholders | | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses) | 4,549,999 | 3,600,000 | 6,150,000 |
| 10. Total (Lines 5 through 9) | 163,918,026 | 164,810,778 | 326,073,226 |
| 11. Net cash from operations (Line 4 minus Line 10) | 10,352,140 | 13,628,952 | 26,354,064 |
| Cash from Investments | | | |
| 12. Proceeds from investments sold, matured or repaid: | | | |
| 12.1 Bonds | 31,338,628 | 18,114,273 | 52,858,721 |
| 12.2 Stocks | 983,004 | | 5,041,292 |
| 12.3 Mortgage loans | | | |
| 12.4 Real estate | | | |
| 12.5 Other invested assets | 1,414,545 | 372,120 | 1,083,641 |
| 12.6 Net gains (or losses) on cash, cash equivalents and short-term investments | 33,031 | (247) | 1,543 |
| 12.7 Miscellaneous proceeds | 1,723,035 | | |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 35,492,243 | 18,486,146 | 58,985,197 |
| 13. Cost of investments acquired (long-term only): | | | |
| 13.1 Bonds | 24,788,902 | 23,918,490 | 67,451,681 |
| 13.2 Stocks | 499,375 | | 2,835,101 |
| 13.3 Mortgage loans | | | |
| 13.4 Real estate | | | |
| 13.5 Other invested assets | 19,648 | 116,594 | 116,594 |
| 13.6 Miscellaneous applications | | | 725,310 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 25,307,925 | 24,035,084 | 71,128,686 |
| 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) | 10,184,318 | (5,548,938) | (12,143,489) |
| 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 | 12,000,000 | 10,000,000 | 10,000,000 |
| 16.6 Other cash provided (applied) | (6,374,905) | (3,167,030) | (692,847) |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) | (18,374,905) | (13,167,030) | (10,692,847) |
| 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) | 2,161,553 | (5,087,016) | 3,517,728 |
| 19. Cash, cash equivalents and short-term investments: | | | |
| 19.1 Beginning of year | 19,570,937 | 16,053,209 | 16,053,209 |
| 19.2 End of period (Line 18 plus Line 19.1) | 21,732,490 | 10,966,193 | 19,570,937 |

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 # | 6-30-20 | 12-31-19 |
|---|--------|----------|------------|-------------|-------------|
| <u>Net Income</u> | | | | | |
| (1) Net income, Texas basis | XXX | XXX | XXX | 19,391,072 | 21,598,679 |
| (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 | 19,391,072 | 21,598,679 |
| <u>Surplus</u> | | | | | |
| (5) Policyholders' surplus, Texas basis | XXX | XXX | XXX | 123,092,749 | 124,978,065 |
| (6) State Prescribed Practices that is an increase/(decrease) from NAIC SAP | 19 | 2 | 21 | 260,546 | 353,633 |
| (7) State Permitted Practices that is an increase/(decrease) from NAIC SAP | | | | - | - |
| (8) NAIC SAP (5-6-7=8) | XXX | XXX | XXX | 122,832,203 | 124,624,432 |

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

No significant change

(C) Accounting Policies

(1) No significant change

(2) There are no SVO-identified investments that have been reacquired and reported using a different measurement method from what was previously used for the investment.

(3) 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 | | | |
| 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 | 10,497 |
| 2. 12 months or longer | 0 |
| 3. Total | 10,497 |
| b. Aggregate fair value of securities with unrealized loss: | |
| 1. Less than 12 months | 3,347,078 |
| 2. 12 months or longer | 0 |
| 3. Total | 3,347,078 |

- (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 June 30, 2020, 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 Accounted for as Secured Borrowing
Not applicable

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

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

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

- (J) Writedowns for Impairment of Real Estate, Real Estate Sales, Retail Land Operations and Real Estate with Participating Mortgage Loan Features
Not applicable

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

NOTES TO FINANCIAL STATEMENTS

- (L) Restricted Assets
No significant change
- (M) Working Capital Finance Investments
Not applicable
- (N) Offsetting and Netting of Assets and Liabilities
Not applicable
- (O) 5GI Securities
Not applicable
- (P) Short Sales
Not applicable

- (Q) Prepayment Penalty and Acceleration Fees

| | | General Account | Protected Cells |
|-----|---------------------------------------|-----------------|-----------------|
| (1) | Number of CUSIPs | 13 | XXX |
| (2) | Aggregate Amount of Investment Income | 313,107 | XXX |

- (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 | Net Asset Value (NAV) Included in Level 2 | Total |
|----------------------------|------------|-----------|---------|---|------------|
| Assets at Fair Value | | | | | |
| Bonds | | | | | |
| Issuer obligations | 0 | 6,159,309 | 0 | 0 | 6,159,309 |
| Common stock | 7,001,380 | 0 | 0 | 0 | 7,001,380 |
| Preferred stock | 4,901,200 | 0 | 0 | 0 | 4,901,200 |
| Total Assets at Fair Value | 11,902,580 | 6,159,309 | 0 | 0 | 18,061,889 |

All of the Company's Level 1 and Level 2 invested assets held as of June 30, 2020 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 second quarter of 2020.

(2) Rollforward of Level 3 Items:

| Description | Level 3 Balance at 12-31-19 | 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 6-30-20 |
|-----------------------------------|-----------------------------|-----------------------------------|------------------------------------|-----------|-------|------------------------|--------------------------|----------------------------|
| 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 | Aggregate Fair Value | Admitted Value | Level 1 | Level 2 | Level 3 | Net Asset Value (NAV) Included in Level 2 | Not Practicable (Carrying Value) |
|---|----------------------|--------------------|-------------------|--------------------|----------|---|----------------------------------|
| Bonds | 223,259,348 | 219,892,455 | 6,646,958 | 216,612,390 | - | - | - |
| Common stock - unaffiliated | 7,001,380 | 7,001,380 | 7,001,380 | 0 | - | - | - |
| Preferred stock | 5,408,700 | 5,400,575 | 5,408,700 | 0 | - | - | - |
| Cash, cash equivalents and short-term investments | 20,735,915 | 22,732,490 | 13,925,406 | 6,810,509 | - | - | - |
| Total Assets | 256,405,343 | 255,026,900 | 32,982,444 | 223,422,899 | 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 \$4,560,000 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.

(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
Not applicable

(33) Asbestos / Environmental Reserves
Not applicable

(34) Subscriber Savings Accounts
Not applicable

(35) Multiple Peril Crop Insurance
Not applicable

(36) Financial Guaranty Insurance
Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

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

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

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]

If yes, complete and file the merger history data file with the NAIC.

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. 12/31/2018

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2018

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). 06/30/2020

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 []

GENERAL INTERROGATORIES

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

7.2 If yes, give full information

.....

.....

.....

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

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

.....

.....

.....

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

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

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

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: \$ 423,566

GENERAL INTERROGATORIES

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:

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 [X] 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 [X]

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

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

| | |
|--|----------|
| 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ _____ |
| 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 [X] No []

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

| 1 Name of Custodian(s) | 2 Custodian Address |
|---|--|
| Wells Fargo Bank, N.A., Attn: Institutional Trust - Risk Mgmt. | Northstar East-5th FI MAC N9032-054, 608 2nd Ave., 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) |
|--------------|------------------|------------------------------|
| | | |
| | | |

GENERAL INTERROGATORIES

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes [] No [X]

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

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

17.5 Investment management - Identify all investment advisors, investment managers, broker/dealers, Including individuals that have the authority to make 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 | |
| Daniel J. Coots | |
| Terence J. Lynch | |

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 invested 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 invested 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 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

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

Has the reporting entity self-designated 5GI securities?

Yes [] No [X]

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

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

Has the reporting entity self-designated PLGI securities?

Yes [] No [X]

21. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.

GENERAL INTERROGATORIES

- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?

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 []

NONE **Schedule F**

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 | 4,578,280 | | 781,804 | 1,151,988 | | |
| 2. Alaska | AK | N | | | | | | |
| 3. Arizona | AZ | L | 10,263,935 | 11,147,559 | 5,821,298 | 5,768,319 | 4,486,475 | |
| 4. Arkansas | AR | L | | | | | | |
| 5. California | CA | L | | 2,895 | | | | |
| 6. Colorado | CO | L | | | | | | |
| 7. Connecticut | CT | N | | | | | | |
| 8. Delaware | DE | L | | | | | | |
| 9. District of Columbia | DC | L | | | | | | |
| 10. Florida | FL | L | 16,957,434 | 22,219,040 | 8,111,069 | 13,539,177 | 8,717,852 | |
| 11. Georgia | GA | L | 21,110,679 | 21,801,514 | 11,133,548 | 11,026,299 | 11,784,050 | |
| 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 | 6,539,224 | 6,087,115 | 3,010,697 | 2,603,050 | 3,294,337 | |
| 33. New York | NY | N | | | | | | |
| 34. North Carolina | NC | L | | | | | | |
| 35. North Dakota | ND | N | | | | | | |
| 36. Ohio | OH | L | 18,378 | | | | | |
| 37. Oklahoma | OK | L | 5,466,406 | 3,388,693 | 2,314,842 | 1,137,153 | 2,345,852 | |
| 38. Oregon | OR | L | | | | | | |
| 39. Pennsylvania | PA | L | | | | | | |
| 40. Rhode Island | RI | N | | | | | | |
| 41. South Carolina | SC | L | 36,980,818 | 43,503,223 | 21,187,470 | 21,755,730 | 23,179,305 | |
| 42. South Dakota | SD | N | | | | | | |
| 43. Tennessee | TN | L | 3,652,359 | 3,095,350 | 1,740,350 | 1,153,706 | 2,153,802 | |
| 44. Texas | TX | L | 55,011,226 | 56,651,618 | 27,289,682 | 24,462,230 | 24,558,581 | |
| 45. Utah | UT | L | 6,673,177 | 5,753,766 | 2,972,658 | 2,338,708 | 3,425,578 | |
| 46. Vermont | VT | N | | | | | | |
| 47. Virginia | VA | L | 4,672,632 | 5,205,310 | 2,236,908 | 2,152,533 | 2,817,852 | |
| 48. Washington | WA | L | | | | | | |
| 49. West Virginia | WV | L | | | | | | |
| 50. Wisconsin | WI | L | | | | | | |
| 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 | 171,924,548 | 178,856,083 | 86,600,326 | 85,936,905 | 87,915,672 | 98,266,084 |

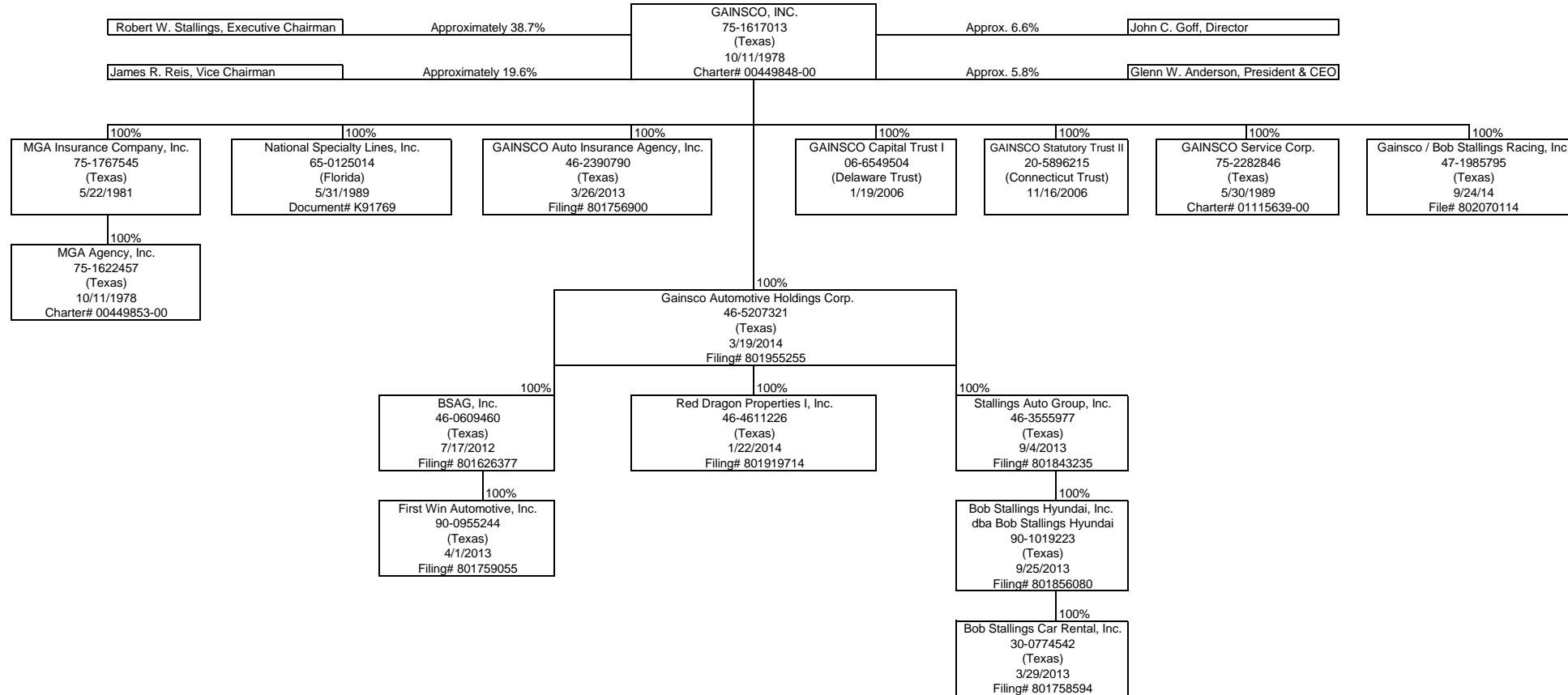
| DETAILS OF WRITE-INS | | | | | | | |
|----------------------|---|-------|--|--|--|--|--|
| 58001. | | X X X | | | | | |
| 58002. | | X X X | | | | | |
| 58003. | | X X X | | | | | |
| 58998. | Summary of remaining write-ins for Line 58 from overflow page | X X X | | | | | |
| 58999. | Totals (Lines 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 | 35 |
| 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) | 22 |

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 | 1.00 |
| | | 00000 | 75-2282846 | | | | GAINSCO Service Corp. | TX | NIA | GAINSCO, INC. | Ownership | 100.000 | GAINSCO, INC. | N | |
| | | 40150 | 75-1767545 | | | | MGA Insurance Company, Inc. | TX | | GAINSCO, INC. | Ownership | 100.000 | GAINSCO, INC. | N | |
| | | 00000 | 75-1622457 | | | | MGA Agency, Inc. | TX | DS | MGA Insurance Company, Inc. | Ownership | 100.000 | GAINSCO, INC. | Y | |
| | | 00000 | 06-6549504 | | | | GAINSCO Capital Trust I | DE | OTH | GAINSCO, INC. | Ownership | 100.000 | GAINSCO, INC. | N | 2.00 |
| | | 00000 | 20-5896215 | | | | GAINSCO Statutory Trust II | CT | OTH | GAINSCO, INC. | Ownership | 100.000 | GAINSCO, INC. | N | 2.00 |
| | | 00000 | 65-0125014 | | | | National Specialty Lines, Inc. | FL | NIA | GAINSCO, INC. | Ownership | 100.000 | GAINSCO, INC. | N | |
| | | 00000 | 46-0609460 | | | | BSAG, Inc. | TX | NIA | Gainsco Automotive Holdings Corp. | Ownership | 100.000 | GAINSCO, INC. | N | |
| | | 00000 | 46-2390790 | | | | GAINSCO Auto Insurance Agency, Inc. | TX | NIA | GAINSCO, INC. | Ownership | 100.000 | GAINSCO, INC. | N | |
| | | 00000 | 46-3555977 | | | | Stallings Auto Group, Inc. | TX | NIA | Gainsco Automotive Holdings Corp. | Ownership | 100.000 | GAINSCO, INC. | N | |
| | | 00000 | 30-0774542 | | | | Bob Stallings Car Rental, Inc. | TX | NIA | Bob Stallings Hyundai, Inc dba Bob Stallings Hyund | Ownership | 100.000 | GAINSCO, INC. | N | |
| | | 00000 | 90-0955244 | | | | First Win Automotive, Inc. | TX | NIA | BSAG, Inc. | Ownership | 100.000 | GAINSCO, INC. | N | |
| | | 00000 | 90-1019223 | | | | Bob Stallings Hyundai, Inc. dba Bob Stallings Hyundai | TX | NIA | Stallings Auto Group, Inc. | Ownership | 100.000 | GAINSCO, INC. | N | |
| | | 00000 | 46-4611226 | | | | Red Dragon Properties I, Inc. | TX | NIA | Gainsco Automotive Holdings Corp. | Ownership | 100.000 | GAINSCO, INC. | N | |
| | | 00000 | 46-5207321 | | | | Gainsco Automotive Holdings Corp. | TX | NIA | GAINSCO, INC. | Ownership | 100.000 | GAINSCO, INC. | N | |
| | | 00000 | 47-1985795 | | | | Gainsco / Bob Stallings Racing, Inc. | TX | NIA | GAINSCO, INC. | Ownership | 100.000 | GAINSCO, INC. | N | |

12

| Asterik | Explanation |
|-------------|--|
| 1 2 0 | Robert W. Stallings owns approximately 38.7% of GAINSCO, INC., James R. Reis owns approximately 19.6% of GAINSCO, INC., John C. Goff owns approximately 6.6% of GAINSCO, INC. and Glenn W. Anderson owns approximately 5.8% 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 | 131,630,725 | 59,261,829 | 45.0 | 54.3 |
| 19.3, 19.4 Commercial auto liability | | | | |
| 21. Auto physical damage | 37,168,880 | 16,900,971 | 45.5 | 45.1 |
| 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 | 168,799,605 | 76,162,800 | 45.1 | 52.3 |

| DETAILS OF WRITE-INS | | | | |
|---|--|--|--|--|
| 3401. | | | | |
| 3402. | | | | |
| 3403. | | | | |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | | | | |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34) | | | | |

PART 2 – DIRECT PREMIUMS WRITTEN

| Lines of Business | 1 | 2 | 3 |
|---|--------------------|-------------------------|----------------------------|
| | Current Quarter | Current Year to Date | Prior Year Year to Date |
| 1. Fire | | | |
| 2. Allied lines | | | |
| 3. Farmowners multiple peril | | | |
| 4. Homeowners multiple peril | | | |
| 5. Commercial multiple peril | | | |
| 6. Mortgage guaranty | | | |
| 8. Ocean marine | | | |
| 9. Inland marine | | | |
| 10. Financial guaranty | | | |
| 11.1 Medical professional liability-occurrence | | | |
| 11.2 Medical professional liability-claims made | | | |
| 12. Earthquake | | | |
| 13. Group accident and health | | | |
| 14. Credit accident and health | | | |
| 15. Other accident and health | | | |
| 16. Workers' compensation | | | |
| 17.1 Other liability-occurrence | | | |
| 17.2 Other liability-claims made | | | |
| 17.3 Excess Workers' Compensation | | | |
| 18.1 Products liability-occurrence | | | |
| 18.2 Products liability-claims made | | | |
| 19.1, 19.2 Private passenger auto liability | 63,258,219 | 133,753,036 | 139,777,237 |
| 19.3, 19.4 Commercial auto liability | | | |
| 21. Auto physical damage | 18,233,108 | 38,171,512 | 39,078,846 |
| 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 | 81,491,327 | 171,924,548 | 178,856,083 |

| 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) | 2020 Loss and LAE Payments on Claims Reported as of Prior Year-End | 2020 Loss and LAE Payments on Claims Unreported as of Prior Year-End | Total 2020 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. 2017 + prior | 4,137 | 7,241 | 11,378 | 3,263 | 3 | 3,266 | 2,585 | 3 | 5,976 | 8,564 | 1,711 | (1,259) | 452 |
| 2. 2018 | 6,739 | 13,560 | 20,299 | 6,575 | 116 | 6,691 | 3,328 | 48 | 8,756 | 12,132 | 3,164 | (4,640) | (1,476) |
| 3. Subtotals 2018 + prior | 10,876 | 20,801 | 31,677 | 9,838 | 119 | 9,957 | 5,913 | 51 | 14,732 | 20,696 | 4,875 | (5,899) | (1,024) |
| 4. 2019 | 38,785 | 43,862 | 82,647 | 44,616 | 2,262 | 46,878 | 13,894 | 828 | 17,511 | 32,233 | 19,725 | (23,261) | (3,536) |
| 5. Subtotals 2019 + prior | 49,661 | 64,663 | 114,324 | 54,454 | 2,381 | 56,835 | 19,807 | 879 | 32,243 | 52,929 | 24,600 | (29,160) | (4,560) |
| 6. 2020 | X X X | X X X | X X X | X X X | 49,729 | 49,729 | X X X | 22,485 | 27,841 | 50,326 | X X X | X X X | X X X |
| 7. Totals | 49,661 | 64,663 | 114,324 | 54,454 | 52,110 | 106,564 | 19,807 | 23,364 | 60,084 | 103,255 | 24,600 | (29,160) | (4,560) |

8. Prior Year-End Surplus As Regards Policyholders

124,978

| | | |
|-----------------|-----------------|-----------------|
| 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. 49.536 | 2. -45.095 | 3. -3.989 |
| | | Col. 13, Line 7 |
| | | Line 8 |
| | | 4. -3.649 |

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.

| | <u>Response</u> |
|--|-----------------|
| 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:



40150202049000020



40150202045500020



40150202036500020



40150202050500020

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 | 13,635,553 | 12,520,918 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | 19,648 | 116,594 |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | (1,593,005) | 2,007,737 |
| 6. Total gain (loss) on disposals | 506,536 | 73,945 |
| 7. Deduct amounts received on disposals | 1,414,545 | 1,083,641 |
| 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 | 1,026,266 | |
| 11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) | 10,127,921 | 13,635,553 |
| 12. Deduct total nonadmitted amounts | | |
| 13. Statement value at end of current period (Line 11 minus Line 12) | 10,127,921 | 13,635,553 |

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 | 245,725,778 | 228,218,078 |
| 2. Cost of bonds and stocks acquired | 25,288,277 | 70,286,782 |
| 3. Accrual of discount | 120,580 | 268,073 |
| 4. Unrealized valuation increase (decrease) | (6,347,444) | 6,335,384 |
| 5. Total gain (loss) on disposals | 645,734 | 988,872 |
| 6. Deduct consideration for bonds and stocks disposed of | 32,634,739 | 58,293,516 |
| 7. Deduct amortization of premium | 816,358 | 1,673,905 |
| 8. Total foreign exchange change in book/adjusted carrying value | | |
| 9. Deduct current year's other-than-temporary impairment recognized | | 822,500 |
| 10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees | 313,107 | 418,510 |
| 11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10) | 232,294,935 | 245,725,778 |
| 12. Deduct total nonadmitted amounts | 525 | |
| 13. Statement value at end of current period (Line 11 minus Line 12) | 232,294,410 | 245,725,778 |

SCHEDULE D - PART 1B

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

| NAIC Designation | 1 Book/Adjusted Carrying Value Beginning of Current Quarter | 2 Acquisitions During Current Quarter | 3 Dispositions During Current Quarter | 4 Non-Trading Activity During Current Quarter | 5 Book/Adjusted Carrying Value End of First Quarter | 6 Book/Adjusted Carrying Value End of Second Quarter | 7 Book/Adjusted Carrying Value End of Third Quarter | 8 Book/Adjusted Carrying Value December 31 Prior Year |
|-----------------------------------|---|--|--|--|---|--|---|---|
| BONDS | | | | | | | | |
| 1. NAIC 1 (a) | 83,101,054 | 9,158,265 | 9,703,747 | (1,951,357) | 83,101,054 | 80,604,215 | | 99,803,123 |
| 2. NAIC 2 (a) | 143,045,890 | 10,348,818 | 9,090,818 | (2,367,874) | 143,045,890 | 141,936,016 | | 137,126,570 |
| 3. NAIC 3 (a) | 3,143,835 | | 1,042,994 | 3,818,467 | 3,143,835 | 5,919,308 | | 2,646,108 |
| 4. NAIC 4 (a) | | | | | | | | 1,971,441 |
| 5. NAIC 5 (a) | 515,000 | | | (275,000) | 515,000 | 240,000 | | |
| 6. NAIC 6 (a) | | | | | | | | |
| 7. Total Bonds | 229,805,779 | 19,507,083 | 19,837,559 | (775,764) | 229,805,779 | 228,699,539 | | 241,547,242 |
| PREFERRED STOCK | | | | | | | | |
| 8. NAIC 1 | | | | | | | | |
| 9. NAIC 2 | 4,096,320 | | | (655,700) | 4,096,320 | 3,440,620 | | 4,690,870 |
| 10. NAIC 3 | 613,809 | 499,375 | | 846,771 | 613,809 | 1,959,955 | | 777,300 |
| 11. NAIC 4 | | | | | | | | |
| 12. NAIC 5 | | | | | | | | |
| 13. NAIC 6 | | | | | | | | |
| 14. Total Preferred Stock | 4,710,129 | 499,375 | | 191,071 | 4,710,129 | 5,400,575 | | 5,468,170 |
| 15. Total Bonds & Preferred Stock | 234,515,908 | 20,006,458 | 19,837,559 | (584,693) | 234,515,908 | 234,100,114 | | 247,015,412 |

(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 \$ 5,018,885; NAIC 2 \$ 3,788,199; 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 | 6,809,359 | X X X | 6,820,879 | 17,331 | 44,871 |

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 | 12,937,087 | 11,604,984 |
| 2. Cost of short-term investments acquired | 6,820,878 | 15,942,982 |
| 3. Accrual of discount | 33,023 | 30,770 |
| 4. Unrealized valuation increase (decrease) | | 5,109 |
| 5. Total gain (loss) on disposals | 33,031 | (3,566) |
| 6. Deduct consideration received on disposals | 12,993,472 | 14,604,000 |
| 7. Deduct amortization of premium | 21,188 | 39,192 |
| 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) | 6,809,359 | 12,937,087 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 6,809,359 | 12,937,087 |

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 | 9,237,411 | 8,126,845 |
| 2. Cost of cash equivalents acquired | 86,361,530 | 81,433,069 |
| 3. Accrual of discount | 3,500 | |
| 4. Unrealized valuation increase (decrease) | | |
| 5. Total gain (loss) on disposals | | |
| 6. Deduct consideration received on disposals | 83,226,864 | 80,322,503 |
| 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) | 12,375,577 | 9,237,411 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 12,375,577 | 9,237,411 |

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 Designation and Administrative Symbol | 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 | | | 2,741 | | 65,430 | 1,440 |
| 1999999 Common Stocks - Joint Venture, Partnership or Limited Liability Interests - Unaffiliated | | | | | | | | | 2,741 | | 65,430 | X X X |
| 4899999 Subtotal Unaffiliated | | | | | | | | | 2,741 | | 65,430 | X X X |
| 5099999 Totals | | | | | | | | | 2,741 | | 65,430 | X X X |

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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 | Bounty Minerals Holdings, LLC | Fort Worth | TX | Bounty Minerals, LLC | 09/26/2012 | 04/28/2020 | 6,868,018 | | | | | | | 208,973 | 208,973 | | | | |
| 000000-00-0 | CapitalSpring Direct Lending Part | New York | NY | CSDLP General Partner, LLC | 05/16/2013 | 05/07/2020 | 795,284 | | | | | | | 3,646 | 3,646 | | | | 12,999 |
| 000000-00-0 | KKR Renaissance Co-Invest LP | New York | NY | KKR Capital Markets LLC | 07/26/2013 | 06/24/2020 | 4,343,113 | | | | | | | 188,453 | 667,466 | | 479,013 | 479,013 | |
| 1999999 Common Stocks - Joint Venture/Partnership Interests - Unaffiliated | | | | | | | | 12,006,415 | | | | | | 401,072 | 880,085 | | 479,013 | 479,013 | 12,999 |
| 4899999 Total Unaffiliated | | | | | | | | 12,006,415 | | | | | | 401,072 | 880,085 | | 479,013 | 479,013 | 12,999 |
| 5099999 Totals | | | | | | | | 12,006,415 | | | | | | 401,072 | 880,085 | | 479,013 | 479,013 | 12,999 |

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 and Administrative Symbol |
|-----------------------------------|---|--------------|--------------------|----------------------------|--------------------------------------|------------------|----------------|--|--|
| 3130AJ-RD-3 | FEDERAL HOME LOAN BANKS | | 06/22/2020 | HILLTOP SECURITIES | | 1,000,000 | 1,000,000.00 | | 1 |
| 3136G4-XJ-7 | FEDERAL NATIONAL MORTGAGE ASSOCIATION | | 06/24/2020 | HILLTOP SECURITIES | | 1,000,000 | 1,000,000.00 | | 1 |
| 3136G4-XK-4 | FEDERAL NATIONAL MORTGAGE ASSOCIATION | | 06/25/2020 | WELLS FARGO SECURITIES LLC | | 2,000,000 | 2,000,000.00 | | 1 |
| 3199999 | Subtotal - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations | | | | X X X | 4,000,000 | 4,000,000.00 | | X X X |
| 260543-CT-8 | DOW CHEMICAL CO | | 06/17/2020 | WELLS FARGO SECURITIES LLC | | 1,068,420 | 1,000,000.00 | 2,975 | 2FE |
| 337738-AP-3 | FISERV INC | | 05/15/2020 | WELLS FARGO SECURITIES LLC | | 1,106,630 | 1,000,000.00 | 17,967 | 2FE |
| 413086-AH-2 | HARMAN INTERNATIONAL INDUSTRIES INC | | 04/16/2020 | HILLTOP SECURITIES | | 1,074,490 | 1,000,000.00 | 17,868 | 2FE |
| 460146-CE-1 | INTERNATIONAL PAPER CO | | 05/13/2020 | WELLS FARGO SECURITIES LLC | | 1,079,220 | 1,000,000.00 | 18,750 | 2FE |
| 48203R-AG-9 | JUNIPER NETWORKS INC | | 04/28/2020 | HILLTOP SECURITIES | | 1,084,960 | 1,000,000.00 | 5,625 | 2FE |
| 911312-BX-3 | UNITED PARCEL SERVICE INC | | 06/24/2020 | WELLS FARGO SECURITIES LLC | | 1,139,060 | 1,000,000.00 | 9,967 | 1FE |
| 92345Y-AD-8 | VERISK ANALYTICS INC | | 06/25/2020 | HILLTOP SECURITIES | | 1,137,720 | 1,000,000.00 | 1,555 | 2FE |
| 3899999 | Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | X X X | 7,690,500 | 7,000,000.00 | 74,707 | X X X |
| 8399997 | Subtotal - Bonds - Part 3 | | | | X X X | 11,690,500 | 11,000,000 | 74,707 | 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 | 11,690,500 | 11,000,000.00 | 74,707 | X X X |
| 200340-AU-1 | COMERICA INC | | 06/02/2020 | HILLTOP SECURITIES | 500,000.000 | 499,375 | | | 3FE |
| 8499999 | Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated) Perpetual Preferred | | | | X X X | 499,375 | X X X | | X X X |
| 8999997 | Subtotal - Preferred Stock - Part 3 | | | | X X X | 499,375 | X X X | | X X X |
| 8999998 | Summary Item from Part 5 for Preferred Stocks | | | | X X X | X X X | X X X | X X X | X X X |
| 8999999 | Total - Preferred Stock | | | | X X X | 499,375 | X X X | | X X X |
| 9899999 | Total - Preferred and Common Stock | | | | X X X | 499,375 | X X X | | X X X |
| 9999999 | Totals | | | | X X X | 12,189,875 | X X X | 74,707 | X X X |

E04

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 Contractua Maturity Date | 22 NAIC Designation and Administrative Symbol |
|-----------------------------------|------------------|--------------------------------------|-----------------------|---------------------------|--|-------------------------|-------------------|---------------------|---|--|--|---|--|--|---|--|---|--|---|--|--|
| | | | | | | | | | | 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. | | | | | | | |
| 8399999 | Total - Bonds | | | | X X X | 17,972,197 | 17,806,632.22 | 17,965,289 | 17,337,817 | | (39,868) | | (39,868) | | 17,837,559 | | (35,047) | (35,047) | 488,567 | X X X | X X X |
| | | | | | | | | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | | | | | | | |
| 9999999 | Totals | | | | | 17,972,197 | X X X | 17,965,289 | 17,337,817 | | (39,868) | | (39,868) | | 17,837,559 | | (35,047) | (35,047) | 488,567 | X X X | X X X |

E05.1

- 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 DB - Part E Derivatives Hedging Variable Annuity Guarantees**
- NONE** **Schedule DL - Part 1**
- NONE** **Schedule DL - Part 2**

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1 CUSIP | 2 Description | 3 Code | 4 Date Acquired | 5 Rate of Interest | 6 Maturity Date | 7 Book/Adjusted Carrying Value | 8 Amount of Interest Due & Accrued | 9 Amount Received During Year |
|-------------|--|-----------|--------------------|-----------------------|--------------------|-----------------------------------|---------------------------------------|----------------------------------|
| | Hilltop Securities Inc. | | 05/05/2020 | | 07/01/2020 | 1,000,000 | | 3,500 |
| | Hilltop Securities Inc. | | 06/30/2020 | | 09/02/2020 | 997,725 | | |
| 3299999 | Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | 1,997,725 | | 3,500 |
| 3899999 | Subtotals – Industrial and Miscellaneous (Unaffiliated) Bonds | | | | | 1,997,725 | | 3,500 |
| 7699999 | Total Bonds - Subtotals – Issuer Obligations | | | | | 1,997,725 | | 3,500 |
| 8399999 | Total Bonds - Subtotals – Bonds | | | | | 1,997,725 | | 3,500 |
| 825252-88-5 | INVESCO GOV&AGENCY INST | | 06/01/2020 | 0.100 | | 145,049 | 12 | 695 |
| 94975P-40-5 | WELLSFARGO:GOVT MM I | | 06/29/2020 | 0.060 | | 10,232,803 | 577 | |
| 8699999 | All Other Money Market Mutual Funds | | | | | 10,377,852 | 589 | 695 |
| 8899999 | Total Cash Equivalents | | | | | 12,375,577 | 589 | 4,195 |

E14