

**QUARTERLY STATEMENT**

**OF THE**

**ASCENDANT COMMERCIAL INSURANCE, INC.**

**of CORAL GABLES**

**in the state of FLORIDA**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**FLORIDA OFFICE OF INSURANCE REGULATION**

**FOR THE QUARTER ENDED**

**March 31, 2018**

**PROPERTY AND CASUALTY**

**2018**



13683201820100101

QUARTERLY STATEMENT

AS OF MARCH 31, 2018
OF THE CONDITION AND AFFAIRS OF THE

Ascendant Commercial Insurance, Inc.

NAIC Group Code 0000, 0000 NAIC Company Code 13683 Employer's ID Number 27-0835494

Organized under the Laws of Florida State of Domicile or Port of Entry FL

Country of Domicile USA

Incorporated/Organized August 31, 2009 Commenced Business September 1, 2009

Statutory Home Office 2199 Ponce de Leon Blvd, Ste 500 Coral Gables, FL US 33134

Main Administrative Office 2199 Ponce de Leon Blvd, Ste 500 Coral Gables, FL US 33134

Mail Address 2199 Ponce de Leon Blvd, Ste 500 Coral Gables, FL US 33134

Primary Location of Books and Records 2199 Ponce de Leon Blvd, Ste 500 Coral Gables, FL US 33134

Internet Website Address www.acicompanies.com

Statutory Statement Contact Pablo L Cejas 305-820-4360

plcejas@acicompanies.com 305-675-8435

OFFICERS

Table with 2 columns: Name, Title. Rows include Pablo L Cejas (Chief Executive Officer), Helene C Cejas (Secretary), Jorge E Gonzalez (Chief Financial Officer).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. All fields are blank.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Rows include Pablo L Cejas, Jose C Romano, Paul L Cejas, Helene C Cejas, Hilary C Candela.

State of Florida

County of Miami-Dade 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) Pablo L Cejas (Printed Name) 1. Chief Executive Officer (Title)
(Signature) Helene C Cejas (Printed Name) 2. Secretary (Title)
(Signature) Jorge E Gonzalez (Printed Name) 3. Chief Financial Officer (Title)

Subscribed and sworn to before me this 10 day of May, 2018

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	9,706,326		9,706,326	9,104,368
2. Stocks:				
2.1 Preferred stocks				214,060
2.2 Common stocks	1,126,433		1,126,433	710,584
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 (\$ 31,242,892), cash equivalents (\$ 0), and short-term investments (\$ 0)	31,242,892		31,242,892	13,019,234
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
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)	42,075,651		42,075,651	23,048,246
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	86,943		86,943	72,201
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	3,138,793	1,742,676	1,396,117	2,091,966
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 4,639,097 earned but unbilled premiums)	37,760,137	512,422	37,247,715	35,655,468
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	86,453		86,453	88,567
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
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	1,282,341		1,282,341	1,160,005
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	62,504		62,504	70,221
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,358,727		1,358,727	1,837,933
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	39,295	39,295		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	85,890,844	2,294,393	83,596,451	64,024,607
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	85,890,844	2,294,393	83,596,451	64,024,607

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. Security Deposits	39,295	39,295		
2502. Other Assets				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	39,295	39,295		

NONE

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 2,987,894)	22,902,779	23,329,470
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	2,363,719	2,272,461
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	2,604,271	2,539,529
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	183,294	169,561
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	358,513	226,200
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 \$ 28,915,868 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)	11,576,686	11,394,448
10. Advance premium	259,176	162,302
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	27,145,277	8,630,231
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	159,388	17,907
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	4,628,498	3,955,299
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans	18,476	25,640
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	72,200,077	52,723,048
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	72,200,077	52,723,048
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	1,000	1,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	9,539,000	9,539,000
35. Unassigned funds (surplus)	1,856,373	1,761,559
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	11,396,373	11,301,559
38. Totals (Page 2, Line 28, Col. 3)	83,596,450	64,024,607

DETAILS OF WRITE-IN LINES		
2501. ....	<b>NONE</b>	
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)		
2901. ....	<b>NONE</b>	
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. ....	<b>NONE</b>	
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

## STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 20,817,009)	19,518,742	16,031,393	72,307,267
1.2 Assumed (written \$ 0)			
1.3 Ceded (written \$ 14,988,568)	13,872,539	11,291,900	50,025,327
1.4 Net (written \$ 5,828,441)	5,646,203	4,739,493	22,281,940
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 3,211,920):			
2.1 Direct	11,348,534	9,594,500	43,546,027
2.2 Assumed			
2.3 Ceded	8,383,024	6,978,506	28,922,114
2.4 Net	2,965,510	2,615,994	14,623,913
3. Loss adjustment expenses incurred	655,003	457,143	1,285,863
4. Other underwriting expenses incurred	2,068,007	1,906,557	6,296,363
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	5,688,520	4,979,694	22,206,139
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(42,317)	(240,201)	75,801
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	139,960	73,381	389,888
10. Net realized capital gains (losses) less capital gains tax of \$ 0	(51,439)	29	(122,583)
11. Net investment gain (loss) (Lines 9 + 10)	88,521	73,410	267,305
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 30,347)	(30,347)	(7,872)	(250,464)
13. Finance and service charges not included in premiums	497,476	378,582	1,688,719
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)	467,129	370,710	1,438,255
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	513,333	203,919	1,781,361
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)	513,333	203,919	1,781,361
19. Federal and foreign income taxes incurred	132,313	192,177	827,502
20. Net income (Line 18 minus Line 19) (to Line 22)	381,020	11,742	953,859
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	11,301,559	10,626,768	10,626,768
22. Net income (from Line 20)	381,020	11,742	953,859
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(153,031)	6,798	58,832
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	122,337	148,458	(386,374)
27. Change in nonadmitted assets	(255,511)	(44,851)	48,474
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			
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)	94,815	122,147	674,791
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	11,396,374	10,748,915	11,301,559

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page	<b>NONE</b>		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Other Income			
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)			
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	<b>NONE</b>		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

## CASH FLOW

Cash from Operations	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums collected net of reinsurance	23,288,452	14,185,477	26,015,241
2. Net investment income	142,006	109,456	489,904
3. Miscellaneous income	467,129	370,709	1,438,255
4. Total (Lines 1 to 3)	23,897,587	14,665,642	27,943,400
5. Benefit and loss related payments	3,390,087	3,211,329	12,234,907
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	2,560,441	2,145,977	7,404,376
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	(1)		800,001
10. Total (Lines 5 through 9)	5,950,527	5,357,306	20,439,284
11. Net cash from operations (Line 4 minus Line 10)	17,947,060	9,308,336	7,504,116
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	3,262,897	1,020,957	5,973,713
12.2 Stocks	1,089,883		18,751
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	1	32,209	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	4,352,781	1,053,166	5,992,464
13. Cost of investments acquired (long-term only):			
13.1 Bonds	4,057,606	1,027,378	5,645,668
13.2 Stocks	1,320,179		655,552
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	1		58,832
13.7 Total investments acquired (Lines 13.1 to 13.6)	5,377,786	1,027,378	6,360,052
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)	(1,025,005)	25,788	(367,588)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	1,301,603	1,470,268	771,617
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	1,301,603	1,470,268	771,617
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	18,223,658	10,804,392	7,908,145
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	13,019,234	5,111,089	5,111,089
19.2 End of period (Line 18 plus Line 19.1)	31,242,892	15,915,481	13,019,234

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Summary of Significant Accounting Policies and Going Concern

Ascendant Commercial Insurance, Inc. was incorporated on August 31, 2009 and was issued its certificate of authority from the State of Florida on September 1, 2009. The company began writing business in September, 2009.

A. Accounting Practices

The accompanying financial statements have been prepared in conformity with the National Association of Insurance Commissioners’ Annual Statement Instructions and Accounting Practices and Procedures Manuals.

A table reconciling income and surplus between state basis and SAP basis is shown below:

NET INCOME	SSAP #	F/S Page	F/S Line #	2018	2017
01. Ascendant Commercial Insurance, Inc. state basis (Page 4, Line 20, Column 1 & 3)	X X X	X X X	X X X	381,020	953,859
02. State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
Details of Depreciation of Fixed Assets	SSAP #	F/S Page	F/S Line #	<u>Net Income</u> 2018	<u>Net Income</u> 2017
Totals (Lines 01A0201 through 01A0225)				0	0
03. State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
Details of Depreciation of Home Office Property	SSAP #	F/S Page	F/S Line #	<u>Net Income</u> 2018	<u>Net Income</u> 2017
Totals (Lines 01A0301 through 01A0325)				0	0
04. NAIC SAP.....(1 - 2 - 3 = 4)	X X X	X X X	X X X	381,020	953,859
<b>SURPLUS</b>					
	SSAP #	F/S Page	F/S Line #	2018	2017
05. Ascendant Commercial Insurance, Inc. state basis (Page 3, Line 37, Column 1 & 2)	X X X	X X X	X X X	11,396,373	11,301,559
06. State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
Goodwill, Net; Fixed Assets, Net	SSAP #	F/S Page	F/S Line #	<u>Surplus</u> 2018	<u>Surplus</u> 2017
Totals (Lines 01A0601 through 01A0625)				0	0
07. State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
Home Office Property	SSAP #	F/S Page	F/S Line #	<u>Surplus</u> 2018	<u>Surplus</u> 2017
Totals (Lines 01A0701 through 01A0725)				0	0
08. NAIC SAP.....(5 - 6 - 7 = 8)	X X X	X X X	X X X	11,396,373	11,301,559

## NOTES TO FINANCIAL STATEMENTS

### B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

### C. Accounting Policies

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by daily pro rata methods over the term of the policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, premium taxes and assessments are charged to operations as the written premium is recorded. Such expenses are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at amortized cost using the interest method.
2. Bonds are stated at amortized cost using the interest method. SVO-Identified Investments are reported at fair value.
3. Common stocks at market.
4. Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
5. Mortgage loans on real estate are stated at the aggregate carrying value less accrued interest.
6. Loan-backed securities are stated at amortized cost using the interest method.
7. Investments in subsidiaries are recorded at statutory equity. There are no investments in controlled and affiliated companies.
8. There are no investments in joint ventures, partnerships and limited liability companies.
9. There are no derivative investments
10. The Company does not anticipate investment income as a factor in premium deficiency calculations.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
12. The Company's policy is to capitalize amounts in excess of \$1,000.
13. There are no pharmaceutical rebate receivables.

### D. Going Concern

Based on management's evaluation, the Company does not believe there to be substantial doubt about the entity's ability to continue as a going concern.

### **Note 2 - Accounting Changes and Correction of Errors**

Not Applicable

### **Note 3 – Business Combinations and Goodwill**

Not Applicable



## NOTES TO FINANCIAL STATEMENTS

### Note 4 – Discontinued Operations

Not Applicable

### Note 5 – Investments

- A. Mortgage Loans - None
- B. Debt Restructuring - None
- C. Reverse Mortgages - None
- D. Loan-Backed Securities - None
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
- H. Repurchase Agreements Transactions Accounted for as a Sale - None
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
- J. Real Estate - None
- K. Low-Income Housing Tax Credits (LIHTC) - None
- L. Restricted Assets

(1)

Restricted Asset Category	Total	Protected	Total Protct.	Prot'd Cell Acct				Total	Total	Gross (Adm & Non Adm)	Adm Rest
	Gen Acct	Cell Acct Activity	Cell Acct Rest Access	Assets Supp G/A Activity (b)	Total	Prior Year	Change	Nonadm Rest.	Adm Rest	Rest to Total Assets	to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	-	-	-	-	-	-	-	-	-	-	-
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-	-	-	-	-	-
i. FHLB capital stock	-	-	-	-	-	-	-	-	-	-	-
j. On deposit with states	347,068	-	-	-	347,068	345,598	1,470	-	347,068	0.404%	0.415%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	-	-	-
m. Pledged as collateral not captured in oth. categories	-	-	-	-	-	-	-	-	-	-	-
n. Other restricted Assets	-	-	-	-	-	-	-	-	-	-	-
o. Total Restricted Assets	347,068	-	-	-	347,068	345,598	1,470	-	347,068	0.404%	0.415%

(2)

Description of Assets	1	2	3	4	5	6	7	8	9	10
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Prot. Cell Acct Restricted Access	Prot'd Cell Acct Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase / (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Total (c)	-	-	-	-	-	-	-	-	0.000%	0.000%

## NOTES TO FINANCIAL STATEMENTS

(3)

Description of Assets	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Prot. Cell Acct Restricted Access	4 Prot'd Cell Acct Assets Supporting G/A Activity (b)	5 Total (1 plus 3)	6 Total From Prior Year	7 Increase / (Decrease) (5 minus 6)	8 Total Current Year Admitted Restricted	9 Gross (Admitted & Nonadmitted) Restricted to Total Assets	10 Admitted Restricted to Total Admitted Assets
Total (c)	-	-	-	-	-	-	-	-	0.000%	0.000%

(4)

Collateral Assets	1	2	3	4
	Book / Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted) *	% of BACV to Total Admitted Assets **
a. Cash, Cash Equivalents and Short-Term Investments	-	-	0.000%	0.000%
b. Schedule D, Part 1	-	-	0.000%	0.000%
c. Schedule D, Part 2, Section 1	-	-	0.000%	0.000%
d. Schedule D, Part 2, Section 2	-	-	0.000%	0.000%
e. Schedule B	-	-	0.000%	0.000%
f. Schedule A	-	-	0.000%	0.000%
g. Schedule BA, Part 1	-	-	0.000%	0.000%
h. Schedule DL, Part 1	-	-	0.000%	0.000%
i. Other	-	-	0.000%	0.000%
j. Total Collateral Assets (a + b + c + d + e + f + g + h + i)	-	-	0.000%	0.000%

	Amount	% of Liability to Total Liabilities *
k. Recognized Obligation to Return Collateral Asset	-	0.000%

- M. Working Capital Finance Investments - None
- N. Offsetting and Netting of Assets and Liabilities - None
- O. Structured Notes - None
- P. 5\* Securities - None
- Q. Short Sales - None
- R. Prepayment Penalty and Accelerations Fees - None

### **Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

The Company is not a member of a Joint Venture, Limited Partnership or a Limited Liability Company that exceeds 10% of its admitted assets or has been determined to be impaired.

### **Note 7 – Investment Income**

Due and accrued income was excluded from surplus on the following basis:

- A. All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.
- B. Total amount excluded \$ 0.00.

### **Note 8 – Derivative Instruments**

The Company does not have any derivative instruments.

### **Note 9 – Income Taxes**

- A. The components of the net deferred tax asset/(liability) at March 31, 2018 are as follows:

- 1.

## NOTES TO FINANCIAL STATEMENTS

	March 31, 2018			December 31, 2017			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	\$1,247,415	\$48,051	\$1,295,467	\$1,169,638	\$15,174	\$1,184,812	\$77,777	\$32,877	\$110,654
(b) Statutory valuation allowance adjustments	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	1,247,415	48,051	1,295,467	1,169,638	15,174	1,184,812	77,777	32,877	110,654
(d) Deferred Tax Assets Nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	1,247,415	48,051	1,295,467	1,169,638	15,174	1,184,812	77,777	32,877	110,654
(f) Deferred Tax Liabilities	13,126	-	13,126	14,746	10,061	24,807	(1,620)	(10,061)	(11,681)
(g) Net admitted deferred tax asset/(Net Deferred Tax Liability) (1e - 1f)	\$1,234,289	\$48,051	\$1,282,341	\$1,154,892	\$5,113	\$1,160,005	\$79,397	\$42,939	\$122,336

2.

	March 31, 2018			December 31, 2017			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$977,361	40,687	\$1,018,048	\$1,161,741	\$16,350	\$1,178,090	(\$184,380)	\$24,338	(\$160,042)
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding The Amount of Deferred Tax Assets from 2 above) After Application of the Threshold Limitation (The Lesser of 2b1 and 2b2 Below)	256,068	21,350	277,418	2,277	4,445	6,722	253,791	16,905	270,696
1. Adjusted Goss Deferred tax Assets Expected to be Realized Following the Balance Sheet Date	256,068	21,350	277,418	2,277	4,445	6,722	253,791	16,905	270,696
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	-	-	1,005,153	-	-	1,007,133	-	-	(1,980)
(c) Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets from 2a and 2b above)	-	-	0	(10,061)	10,061	-	10,061	(10,061)	-
(d) Offset by Gross Deferred Tax Liabilities	-	-	0	(10,061)	10,061	-	10,061	(10,061)	-
(d) Deferred Tax Assets Admitted as the Results of Application of SSAP No. 101 Total (2a+2b+2c)	1,233,429	62,037	1,295,466	1,153,956	30,856	1,184,812	79,472	31,182	110,654

3.

		March 31, 2018 Percentage	December 31, 2017 Percentage
(a)	Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	249%	250%
(b)	Amount of Adjusted Capital and Surplus Used Determine Recovery Period and Threshold Limitation in 2bs Above	10,051,529	10,071,332

4.

	March 31, 2018			December 31, 2017			Change		
	Ordinary	Capital	Total %	Ordinary	Capital	Total	Ordinary	Capital	Total
<b>Impact of Tax Planning Strategies</b>									
(a) Determination of Adjusted Gross Deferred Tax Assets, By Tax Character as a Percentage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1. Adjusted Gross DTAs Amounts from Note 9A1(c)	1,247,415	48,051	1,295,467	1,169,638	15,174	1,184,812	77,777	32,877	110,654
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	1,247,415	48,051	1,295,467	1,169,638	15,174	1,184,812	77,777	32,877	110,654
4. Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Admitted because of the Impact of Tax Planning Strategies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(b) Does the Company's tax-planning strategies include the use of reinsurance?	Yes	No	X						

B. Unrecognized DTLs – Not Applicable

C. Current Tax and Change in Deferred Tax

1. Current income tax:

		March 31, 2018	December 31, 2017	Change
(a) Federal		132,313	827,454	(695,141)
(b) Foreign		-	-	-
(c) Subtotal		132,313	827,454	(685,141)
(d) Federal income tax on net capital gains		-	-	-
(e) Utilization of capital loss carryforward		-	-	-
(f) Other		-	48	(48)
	Federal and foreign income taxes incurred	132,313	827,502	(695,189)

2. Deferred tax assets:

## NOTES TO FINANCIAL STATEMENTS

		March 31, 2018	December 31, 2017	Change
(a)	Ordinary:			
(1)	Discounting of unpaid losses	278,952	273,753	5,199
(2)	Unearned premium reserve	486,221	478,567	7,654
(3)	Policyholder reserves	-	-	-
(4)	Investments	-	-	-
(5)	Deferred acquisition costs	-	-	-
(6)	Policyholder dividends accrual	-	-	-
(7)	Fixed assets	-	-	-
(8)	Compensation and benefits accrual	-	-	-
(9)	Pension accrual	-	-	-
(10)	Receivables - nonadmitted	-	-	-
(11)	Net operating loss carry-forward	-	-	-
(12)	Tax credit carry-forward	-	-	-
(13)	Other (including items <5% of total ordinary tax assets)	-	-	-
(14)	Other assets – nonadmitted	482,242	417,318	64,924
(99)	Subtotal	1,247,415	1,169,638	77,777
(b)	Statutory valuation allowance adjustment	-	-	-
(c)	Nonadmitted	-	-	-
(d)	Admitted ordinary deferred tax assets (2a99-2b-2c)	1,247,415	1,169,638	77,777
(e)	Capital			
(1)	Investments	22,075	-	22,075
(2)	Net capital loss carry-forward	25,976	15,174	10,802
(3)	Real estate	-	-	-
(4)	Other (including items <5% of total capital tax assets)	-	-	-
(99)	Subtotal	48,051	15,174	32,877
(f)	Statutory valuation allowance adjustment	-	-	-
(g)	Nonadmitted	-	-	-
(h)	Admitted capital deferred tax assets (2e99-2f-2g)	48,051	15,174	32,877
(i)	Admitted deferred tax assets (2d+2h)	1,295,467	1,184,812	110,654

### 3. Deferred tax liabilities:

		March 31, 2018	December 31, 2017	Change
(a)	Ordinary:			
(1)	Investments	-	10,061	(10,061)
(2)	Fixed assets	13,126	14,746	(1,620)
(3)	Deferred and uncollected premiums	-	-	-
(4)	Policyholder reserves	-	-	-
(5)	Other (including items <5% of total ordinary tax liabilities)	-	-	-
(6)	Additional acquisition costs-installment premiums	-	-	-
(7)	Discount of accrued salvage and subrogation	-	-	-
(8)	Guaranty funds receivable	-	-	-
(99)	Subtotal	13,126	24,807	(11,681)
(b)	Capital			
(1)	Investments	-	-	-
(2)	Real estate	-	-	-
(3)	Other (including items <5% of total capital tax liabilities)	-	-	-
(99)	Subtotal	-	-	-
(c)	Deferred tax liabilities (3a99+3b99)	13,126	24,807	(11,681)

4. Net Deferred tax assets/liabilities (2i-3c) 1,282,341      1,160,005      122,336

### D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant items causing a difference between the statutory federal income tax rate and Piedmont's effective income tax rate are as follows:

	March 31, 2018	Effective Tax Rate
Provision computed at statutory rate	\$107,800	21.00%
Change in nonadmitted assets	0	
Change in unrealized gain/loss	(64,924)	-12.65%
Tax exempt income deduction	(32,137)	-6.26%
Dividends received deduction	-	0.00%
Accrued dividend from 100% owned affiliate	(955)	-0.19%
Proration of tax exempt investment income	0	0.00%
Other than temporary impairments	0	0.00%
Penalties	0	0.00%
Disallowed travel and entertainment	192	0.04%

## NOTES TO FINANCIAL STATEMENTS

Taxes recovered - -3 RAR	0	0.00%
Accrual adjustment - prior year	0	0.00%
Change in enacted tax rate	0	0.00%
Other	0	0.00%
<b>Totals</b>	<b>\$9,976</b>	<b>1.9%</b>
Federal and foreign income taxes incurred	\$132,313	25.8%
Realized capital gains (losses) tax	0	0.0%
Change in net deferred income taxes	(122,337)	-23.8%
	<b>\$9,976</b>	<b>1.9%</b>

### E. Operating Loss and Tax Credit Carryforwards

- (1). March 31, 2018, the Company did not have any unused operating loss carryforwards available to offset future taxable income. At March 31, 2018 the company had \$ 123,696 of capital loss carryforwards available to offset against future taxable income.
- (2). The following is income tax expense for 2018 and 2017 that is available for recoupment in the event of future net losses.

Year	Amount
2018	\$132,313
2017	\$867,454

- (3). The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

### F. Consolidated Federal Income Tax Return

- (1). The Company's federal income tax return is consolidated with the following entities:  
Not Applicable
- (2). Not Applicable

### G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

## **Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

### A. Nature of Relationships

Ascendant Underwriters, LLC (AU), an MGA affiliated through common ownership, has a management contract to produce, administer and manage policies, perform marketing, claims analysis, catastrophe risk management and other administrative functions. Fees are 10% of written premiums plus actual acquisition expenses paid by AU to its agents.

Ascendant Claims Services, LLC, affiliated through common ownership, has a contract to adjust and settle claims for fees ranging from \$150-\$850 per claim, depending on the nature of the claim.

Specialty Commercial Brokers, LLC (SCB), an agency affiliated through common ownership, has an agreement with AU to transact insurance at commission rates ranging from 9-16%.

## NOTES TO FINANCIAL STATEMENTS

### B. Detail of Transactions Greater than ½ of 1 % of Admitted Assets

The Company has incurred expenses year to date totaling \$4,659,044 pursuant to the management contract with Ascendant Underwriters, LLC, of which \$2,170,978 are for MGA fees directly to AU and \$2,488,066 are for pass through of commissions payable to brokers. Specialty Commercial Brokers, LLC was paid \$23.29 in broker commissions through March 31, 2018, for policies insured by the Company.

The company has incurred expenses year to date of \$857,150 pursuant to the claims contract with Ascendant Claims Services, LLC.

### C. Change in Terms of Inter-company Arrangements

There were no changes in terms from the preceding period.

### D. Amounts Due from (to) Related Parties

The company has the following net amounts due from (to)related parties:

	Current	31-60 days	61-90 days	Over 90 days	Total
Ascendant Underwriters, LLC	(4,196,411)	390,383		-	(3,806,027)
Ascendant Claims Services, LLC	278,503	257,754	-	-	536,256
Specialty Commercial Brokers, LLC	-	-			-
	(3,917,908)	648,137	-	-	(3,269,771)

### E. Guarantees or Contingencies for Related Parties -Not Applicable

### F. Management, Service Contracts, Cost Sharing Arrangements - See Note 10 A, B, and C above

### G. Nature of relationships that Could Affect Operations - See Note 10 A, B, and C above

### H. Amount Deducted for Investment in Upstream Company - Not Applicable

### I. Detail of Investments in Affiliates Greater than 10 % of Admitted Assets - Not Applicable

### J. Write Down for Impairments of Investments in Subsidiaries, Controlled or Affiliated Companies - Not Applicable

### K. Investment in foreign insurance subsidiary - Not Applicable

### L. Investment in a downstream noninsurance holding company - Not Applicable.

### M. Investment in all Subsidiary, Controlled and Affiliated Entities – Not Applicable

### N. Investment in Insurance Subsidiary, Controlled and Affiliated Entities – Not Applicable

## **Note 11 – Debt**

### A. Outstanding Debt - None

### B. FHLB Agreements - None

## **Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

### A. Defined Benefit Plan - None

### B. Investment Policies and Strategies - None

### C. Fair Value of Plan Assets - None

### D. Long-Term of Return-on Assets - None

### E. Defined Contributions Plans - None

### F. Multiemployers Plans - None

### G. Consolidated/Holding Company Plans - None

### H. Postemployment Benefits and Compensated Absences - None

### I. Impact of Medicare Modernization Act on Postretirement Benefits - None

## **Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations.**

## NOTES TO FINANCIAL STATEMENTS

### 1. Outstanding Shares

The Company has 1,000 shares of \$1 par value common capital stock authorized and 1,000 shares issued and outstanding. The company has no preferred stock authorized issued, or outstanding.

### 2. Dividend Rate of Preferred Stock - Not Applicable

### 3. Dividend Restrictions

The maximum amount of dividends which can be paid by State of Florida insurance companies without prior approval of the Insurance Commissioner is subject to restrictions relating to statutory surplus. Section 628.371 Florida Statutes provides that a domestic stock insurer shall not pay any cash dividends to stockholders except out of its part of its available and accumulated surplus funds which are derived from realized net operating profit on its business and realized capital gain, but such cash dividend shall not exceed 10% of such surplus in any one year unless otherwise approved by the department; however, nothing herein shall in any way limit or be applicable to cash dividend payments out of the insurer's net operating profits and realized gain derived during the immediately preceding calendar year. Statutory surplus at March 31, 2018 is \$ 11,396,373.

### 4. Dividends Paid

No dividends were paid by the company.

### 5. Dividend Limitations

Other than the limitations of (3) above, there were no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

### 6. Surplus Restrictions

There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

### 7. Surplus Advances - Not Applicable

### 8. Company Stock Held for Special Purposes - Not Applicable

### 9. Changes in Special Surplus Funds - Not Applicable

### 10. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or (reduced by) cumulative unrealized gains and losses is (\$0).

### 11. Surplus Notes - None

### 12/13. Quasi Reorganization - None

## **Note 14 – Liabilities, Contingencies and Assessments**

### A. Contingent Commitments - Not Applicable

### B. Assessments

The Company is subject to assessments by the Florida Workers' Compensation Insurance Guaranty Association (FWCIGA), the Special Disability Trust Fund (SDTF), the Workers Compensation Administrative Trust (WCATF), and the Florida Insurance Guaranty Association (FIGA). The activities of FWCIGA include collecting funds from solvent insurance companies. The SDTF is a fund created to encourage employers to hire individuals with pre-existing physical impairments by spreading the increased risk of the workers compensation losses and costs associated with such

## NOTES TO FINANCIAL STATEMENTS

employment. The WCATF covers the costs of administering the Florida workers' compensation system. The Company's policy is to recognize its obligation for assessments when the Company has the information available to reasonably estimate its liabilities. Most assessments are paid quarterly based on premiums written or earned.

The Company has accrued a liability for guaranty fund and other assessments of \$164,652. This represents management's best estimates based on information received from the states in which the Company writes business and may change due to many factors including the Company's share of the ultimate cost of current insolvencies.

- C. Gain Contingencies -Not Applicable
- D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming From Lawsuits

The company paid \$0 in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

- E. Product Warranties – Not Applicable
- F. Joint and Several Liabilities – Not Applicable
- G. All Other Contingencies

Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

At March 31, 2018 and 12/31/17, the company had admitted assets of \$38,643,832 and \$37,747,434, respectively, in premiums receivables due from policyholders. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectible premiums receivable as of March 31, 2018 are not expected to exceed the non-admitted amounts totaling \$ 2,255,098 of which \$463,910 represents 10% of the earned but unbilled estimate as required by the NAIC Accounting Policy and Procedures Manual, and, therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

### **Note 15 – Leases**

- A. Lessee Operating Lease

(1)

a. The Company recognized \$60,255 in rent expense for the three months ended March 31, 2018 after reductions for cost sharing allocation with the Company's affiliates. The Company's home office is leased from an affiliated entity since September 1, 2015 as approved by the Florida Office of Insurance Regulation.

b. The office space rental commitment has renewal options extending through the year 2025 which is subject to adjustments in future periods.

(2)

a. Future minimum aggregate rental commitments are as follows:

#### Year Ending December 31

2019	\$236,187
2020	\$243,272
2021	\$250,571
2022	\$258,088
<u>2023</u>	<u>\$265,830</u>



**NOTES TO FINANCIAL STATEMENTS**

Total \$1,253,947

These gross rental commitments are reduced in the financial statements by payments received under a cost sharing allocation agreement with the Company’s affiliates.

B. Lessor Leases - Not Applicable

**Note 16 – Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk**

None

**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

- A. Transfers of Receivables Reported as Sales - Not Applicable
- B. Transfer and Servicing of Financial Assets - Not Applicable
- C. Wash Sales - Not Applicable

**Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

- A. ASO Plans - Not Applicable
- B. ASC Plans - Not Applicable
- C. Medicare or Similarly Structured Cost Based Reimbursement Contract - Not Applicable

**Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

The Company uses a managing general agent to write and administer insurance products in Florida. As reported in the following chart, the managing general agent (MGA) writes direct premiums greater than 5% of policyholders’ surplus. The terms of the MGA contract gives the MGA authority for premium collection (P), underwriting (U), binding (B), and reinsurance (R). (See Note 10)

Name And Address	FEI Number	Exclusive Contract	Type of Business	Type of Authority	Direct Premium
			Written	Granted	Written
Ascendant Underwriters, LLC. 2199 Ponce De Leon Blvd Suite 500 Coral Gables, FL 33134	27-0742434	Yes	Workers Comp, Commercial Auto, Other Liability	R,B,P,U	\$20,817,009

**Note 20 – Fair Value Measurements**

A

1	Fair Value Measurements at Reporting Date					
	(1)	(2)	(3)	(4)	(5)	
	Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total	Net Asset Value (NAV) Included in Level 2
a.	Assets at fair Value					

## NOTES TO FINANCIAL STATEMENTS

Preferred Stocks			-	-	
Industrial and Misc					
Parent, Subsidiaries and Affiliates					-
Total Perpetual Preferred Stocks					
Bonds	-			-	
U.S Governments					
Industrial and Misc			9,597,003		9,597,003
Hybrid Securities					-
Parent, Subsidiaries and Affiliates					-
Total Bonds			9,597,003	-	9,597,003
Common Stocks			-	-	
Industrial and Misc	1,126,433				1,126,433
Parent, Subsidiaries and Affiliates					-
Total Common Stocks	1,126,433		-	-	1,126,433
Derivatives					
Interest Rate Contracts					
Foreign Exchange Contracts					
Credit Contracts					
Commodity Futures Contracts					
Commodity Forward Contracts					
Total Derivatives	-		-	-	-
Total assets at fair value	1,126,433		9,597,003	-	10,723,436

(2)

Fair Value Measurements in Level 3 of the Fair Value Hierarchy - N/A

B. Fair Value Information disclosed under Other Accounting Pronouncements - N/A

C. Type of Financial Instrument

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)	Net Asset Value (NAV) Included in Level 2
Preferred Stocks				-	-	-	
Bonds	9,597,003	9,706,326		9,597,003	-	-	
Common Stocks	1,126,433	1,126,433	1,126,433	-	-	-	
Mortgage Loans	-						
Total	10,723,436	10,832,759	1,126,433	9,597,003	-	-	

D. Not Practicable to Estimate Fair Value - N/A

### Note 21 – Other items

- A. Unusual or Infrequent Items– Not Applicable  
 B. Troubled Debt Restructuring for Debtors - Not Applicable  
 C. Other Disclosures:

(1)

Agent Balances-The Company had uncollected premiums and agent balances receivable as set forth on pg. 2, line 15.1 of \$ 1,396,117 and \$2,091,966 at 03/31/18 and 12/31/17, respectively. There are no amounts due from controlled or controlling persons.

(2)

Special Disability Trust Fund- Pursuant to the State of Florida requirements, the company provides the following information: The Company has not offset its Loss

## NOTES TO FINANCIAL STATEMENTS

reserves for any amounts expected to be realized as recoveries from the Special Disability Trust Fund (SDF). The Company did not receive any payments from the SDF in the current year or in the prior year. The SDF assessments were \$ 80,597 for the current calendar year and \$386,862 for the prior year.

- D. Business Interruption Insurance Recoveries – Not Applicable
- E. State Transferable and Non-transferable Tax Credit – Not Applicable
- F. Subprime-Mortgage-Related Risk Exposure –Not Applicable
- G. Insurance Linked Securities Contracts – Not Applicable

### **Note 22 – Events Subsequent**

Type I - Recognized Subsequent Events - None

Type II - Nonrecognized Subsequent Events - None

	<u>Current Year</u>	<u>Prior Year</u>
A. Did the reporting entity write accident and health Insurance premiums that is subject to Section 9010 of the federal Affordable Care Act (YES/NO) ?	<u>NO</u>	
B. ACA fee assessment payable for the upcoming year	<u>                    </u>	
C. ACA fee assessment paid	<u>                    </u>	
D. Premium written subject to ACA 9010 assessment	<u>                    </u>	
E. Total Adjusted Capital before surplus adjustment	<u>\$ 11,396,373</u>	
F. Total Adjusted Capital after surplus adjustment	<u>\$ 11,396,373</u>	
G. Authorized Control Level	<u>\$ 4,028,777</u>	
H. Would reporting the ACA assessment as of December 31, 2017, have triggered an RBC action level (YES/NO)? <u>NO</u>		

### **Note 23– Reinsurance**

- A. Unsecured Reinsurance Recoverable

The Company has an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium of \$69,928,058 with individual reinsurers that exceeds 3% of policyholders' surplus as follows:

<u>NAIC Code</u>	<u>Federal ID #</u>	<u>Name of Reinsurer</u>	<u>Amount</u>
22039	13-2673100	General Reins Corp	\$39,939,395
11054	43-1898350	Maiden Reins Corp	\$20,889,526
32603	47-0574325	Berkley Insurance Co	\$7,983,394

The Company's Reinsurance Recoverable from Maiden Re is collateralized by a trust account for the benefit of Ascendant Commercial Insurance. As of March 31, 2018, the market value of the trust account was \$28,176,610. Settlements occur on a quarterly basis in arrears.

- B. Reinsurance Recoverable in Dispute - None
- C. Reinsurance Assumed and Ceded

Effective January 1, 2018, the Company transitioned its reinsurance program in its entirety to General Reinsurance Corporation, an A++ rated reinsurer by A.M. Best. The program consists of the following: (1) an Excess of Loss Treaty coving Auto Liability losses from \$300,000 up to \$1 million per occurrence, General Liability losses from \$500,000 up to \$1 million per occurrence, and Workers' Compensation losses from \$750,000 up to \$15 million per occurrence (subject to a \$10 million maximum for any one life); and (2) a 70% Net Retained All-Lines Quota Share Treaty for losses occurring from and after January 1, 2018.

## NOTES TO FINANCIAL STATEMENTS

(1)	ASSUMED REINSURANCE		CEDED REINSURANCE		NET	
	(1)	(2)	(3)	(4)	(5)	(6)
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
i. Affiliates						
ii. All other			28,915,868	8,483,684	(28,915,868)	(8,483,684)
iii. TOTAL			28,915,868	8,483,684	(28,915,868)	(8,483,684)

iv. Direct Unearned Premium Reserve \$ 40,492,554

(2)	(1)	(2)	(3)	(4)
	Direct	Assumed	Ceded	Net
i. Contingent Commission	0	0	0	0
ii. Sliding Scale Adjustment	0	0	0	0
iii. Other Profit Commission	0	0	0	0
iv. TOTAL	0	0	0	0

D. Uncollectible Reinsurance – None

E. Commutation of Ceded Reinsurance- None

1. Losses Incurred – None
2. Loss adjustment expenses incurred – None
3. Premiums earned – None
4. Other - None

F. Retroactive Insurance – Not Applicable

G. Reinsurance Accounted for as a Deposit – Not Applicable

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements -Not Applicable

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – Not Applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation - Not Applicable

### **Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

A. Retrospective Premium Adjustments. - None

B. Retrospective Premium Adjustments recorded through written or as adjustment through earned premium. - None

C. Net premiums written subject to retrospective rating features. - None

D. Medical loss ratio rebates. – None

E. Non-admitted retrospective premium. None

F. Risk-Sharing Provisions of the Affordable Care Act (ACA)

1. Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? NO  
The company had zero balances for the risk corridors program due to a lack of sufficient data to estimate the recoverable amounts.
2. Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year. – None
3. Roll-forward of prior year ACA risk-sharing provisions. – None
4. Roll-forward of Risk Corridors Asset and Liability Balances by Program Benefit Year. - None
5. ACA Risk Corridor Receivable as of Reporting Date. - None

### **Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses**

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## NOTES TO FINANCIAL STATEMENTS

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Reserves as of December 31, 2017 were \$25.6 million. As of March 31, 2018, \$3.5 million has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$21.9 million as a result of re-estimation of unpaid claims and claim adjustment expenses. There has been \$0.1 million of favorable prior year development since December 31, 2017 to March 31, 2018. Original estimates are increased or decreased, as additional information becomes known regarding individual claims

### **Note 26 – Intercompany Pooling Arrangements**

Not Applicable

### **Note 27 – Structured Settlements**

Not Applicable

### **Note 28 – Health Care Receivables**

Not Applicable

### **Note 29 – Participating Policies**

Not Applicable

### **Note 30 – Premium Deficiency Reserves**

Not Applicable

### **Note 31 – High Deductibles**

As of March 31, 2018 the amount of reserve credit recorded for high deductibles on unpaid claims was \$24,434 and the amount billed and recoverable on paid claims was \$0.

### **Note 32 – Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustments Expenses**

The Company does not discount its reserves.

### **Note 33 – Asbestos/Environmental Reserves**

Not Applicable

### **Note 34 – Subscriber Savings Accounts**

Not Applicable

### **Note 35 – Multiple Peril Crop Insurance**

Not Applicable

### **Note 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 [ ]

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 [ ] No [X]

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 \_\_\_\_\_

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. \_\_\_\_\_ 12/31/2017

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. \_\_\_\_\_ 12/31/2012

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). \_\_\_\_\_ 10/04/2013

6.4 By what department or departments?  
 Florida .....

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: \$ \_\_\_\_\_

### 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 [X]

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 .....	\$ _____	\$ _____
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) .....	\$ _____	\$ _____
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?  
 If no, attach a description with this statement. Yes [ ] No [X]

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 [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
UBS Financial Services, Inc.	7950 Summerlin Lakes Drive Suite 1 Fort Myers, FL 33907
.....	.....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....
.....	.....	.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [X]



## 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
UBS Financial Services, Inc.	U

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
8174	UBS Financial Services Inc.	549300SZJ9VS8SGXAN81	SEC # 16267	No

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

## 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 [X] N/A [ ]  
 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 [ ] No [X]

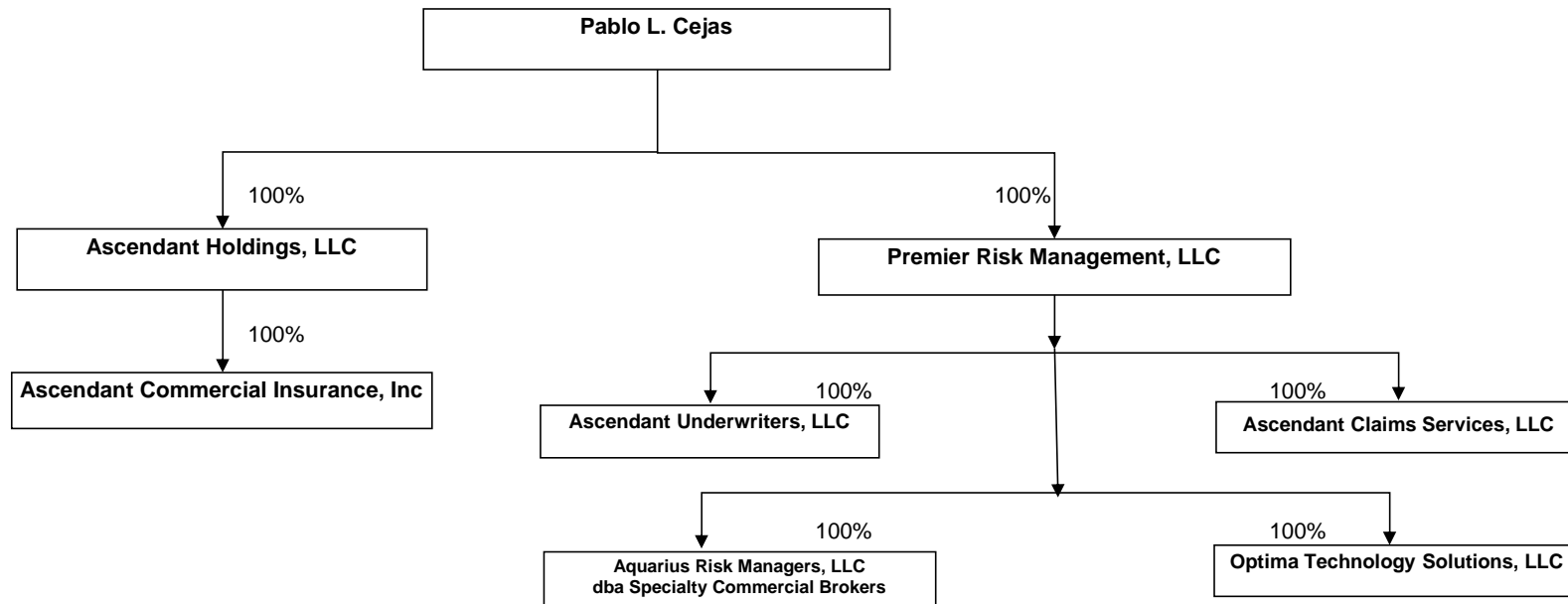
7.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity Yes [ ] No [X]

**NONE    Schedule F**



# 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	27-0710919				Ascendant Holdings, LLC	FL	UDP	Pablo L. Cejas	Ownership	100.0	Pablo L. Cejas	N	
		00000	27-1353804				Premier Risk Management, LLC	FL	NIA	Pablo L. Cejas	Ownership	100.0	Pablo L. Cejas	N	
		00000	27-0742434				Ascendant Underwriters, LLC	FL	NIA	Premier Risk Management, LLC	Management		Pablo L. Cejas	N	
		00000	27-0799975				Ascendant Claims Services, LLC	FL	NIA	Premier Risk Management, LLC	Management		Pablo L. Cejas	N	
		00000	27-0799748				Specialty Commercial Brokers, LLC	FL	NIA	Premier Risk Management, LLC	Management		Pablo L. Cejas	N	
		00000	32-0504599				Optima Technology Solutions, LLC	FL	NIA	Premier Risk Management, LLC	Management		Pablo L. Cejas	N	

12

Asterik	Explanation
	NONE

**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	8,665,433	4,778,975	55.2	71.6
17.1 Other liability-occurrence	1,288,712	925,408	71.8	41.6
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				
19.3, 19.4 Commercial auto liability	8,717,968	5,170,512	59.3	52.7
21. Auto physical damage	846,629	473,639	55.9	65.3
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	19,518,742	11,348,534	58.1	59.8

DETAILS OF WRITE-INS			
3401.	<b>NONE</b>		
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	8,856,854	8,856,854	8,931,081
17.1 Other liability-occurrence	1,466,366	1,466,366	1,433,225
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			
19.3, 19.4 Commercial auto liability	9,525,931	9,525,931	12,035,401
21. Auto physical damage	967,858	967,858	861,914
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	20,817,009	20,817,009	23,261,621

DETAILS OF WRITE-INS			
3401.	<b>NONE</b>		
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	5,474	6,353	11,827	1,813	1	1,814	4,686	50	5,244	9,980	1,025	(1,058)	(33)
2. 2016	1,617	2,438	4,055	593	2	595	1,444	44	2,020	3,508	420	(372)	48
3. Subtotals 2016 + prior	7,091	8,791	15,882	2,406	3	2,409	6,130	94	7,264	13,488	1,445	(1,430)	15
4. 2017	2,691	7,028	9,719	1,081	38	1,119	2,470	254	5,744	8,468	860	(992)	(132)
5. Subtotals 2017 + prior	9,782	15,819	25,601	3,487	41	3,528	8,600	348	13,008	21,956	2,305	(2,422)	(117)
6. 2018	X X X	X X X	X X X	X X X	428	428	X X X	1,027	2,284	3,311	X X X	X X X	X X X
7. Totals	9,782	15,819	25,601	3,487	469	3,956	8,600	1,375	15,292	25,267	2,305	(2,422)	(117)

8. Prior Year-End Surplus As Regards Policyholders

11,302

Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
1. 23.564	2. -15.311	3. -0.457
Col. 13, Line 7 Line 8		
		4. -1.035



## 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:**



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**OVERFLOW PAGE FOR WRITE-INS**

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**SCHEDULE A - VERIFICATION****Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

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

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

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

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. 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 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)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

**NONE****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	10,029,013	9,869,743
2. Cost of bonds and stocks acquired	5,377,785	6,301,220
3. Accrual of discount	12	127
4. Unrealized valuation increase (decrease)	(153,032)	58,835
5. Total gain (loss) on disposals	(51,440)	(122,583)
6. Deduct consideration for bonds and stocks disposed of	4,352,780	5,992,464
7. Deduct amortization of premium	16,794	85,865
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	10,832,764	10,029,013
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	10,832,764	10,029,013

## 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
<b>BONDS</b>								
1. NAIC 1 (a)	3,945,089	2,829,002	3,414,110	(30,751)	3,329,230			3,945,089
2. NAIC 2 (a)	5,159,278	1,228,603		(10,784)	6,377,097			5,159,278
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	9,104,367	4,057,605	3,414,110	(41,535)	9,706,327			9,104,367
<b>PREFERRED STOCK</b>								
8. NAIC 1	214,060		215,581	1,521				214,060
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	214,060		215,581	1,521				214,060
15. Total Bonds & Preferred Stock	9,318,427	4,057,605	3,629,691	(40,014)	9,706,327			9,318,427

(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 \$ 0; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

- NONE    Schedule DA - Part 1 and Verification**
- 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		
2. Cost of cash equivalents acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	<b>NONE</b>	
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. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

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

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

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

### 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)
020002-BB-6	ALLSTATE CORP B/E 5.750% 08/15/2053		02/08/2018	UBS		325,500	300,000.00	8,481	1FE
025816-BJ-7	AMERICAN EXPRESS CO 5.20%		03/02/2018	UBS		307,125	300,000.00	4,810	2FE
25746U-BY-4	DOMINION RESOURCES INC 5.750% 10/01/2054		02/08/2018	UBS		324,362	300,000.00	6,277	1FE
29379V-BM-4	ENTERPRISE PRODUCTS OPER 4.875% 08/16/2077		02/08/2018	UBS		300,624	300,000.00	7,150	1FE
416515-AW-4	HARTFORD FINCL SVCS 8.125% 061568		03/02/2018	UBS		304,869	300,000.00	5,484	2FE
637432-MT-9	NATIONAL RURAL UTIL COOP 4.750% 043043		03/02/2018	UBS		309,000	300,000.00	4,988	1FE
842400-FU-2	SOUTHERN CALIF EDISON CO 6.250% 08/01./2049		02/08/2018	UBS		317,625	300,000.00	573	1FE
854502-AF-8	STANLEY BLACK & DECKER 5.750% 121553		03/02/2018	UBS		308,625	300,000.00	3,881	2FE
89352H-AC-3	TRANS-CANADA PIPELINES 4.048% 051567		03/02/2018	UBS		291,645	300,000.00	641	2FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	2,789,375	2,700,000.00	42,285	X X X
33738R-11-8	FT NASDAQ TECH DVD INDEX FUND ETF		02/20/2018	UBS	6,860.000	250,487			1FE
33738D-30-9	First Trust Senior Loan ETF		03/29/2018	Reinvestment	339.000	16,339			2FE
92204A-70-2	VANGUARD INFO TECH ETF		02/20/2018	UBS	5,723.000	1,001,405			1FE
8199999	Subtotal - Bonds - SVO Identified Funds				X X X	1,268,231			X X X
8399997	Subtotal - Bonds - Part 3				X X X	4,057,606	2,700,000.00	42,285	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	4,057,606	2,700,000.00	42,285	X X X
G1151C-10-1	ACCENTURE PLC IRELAND CL A		03/12/2018	Purchased	353.000	56,626			L
09247X-10-1	BLACKROCK INC		03/12/2018	Purchased	100.000	56,613			L
110448-10-7	BRITISH AMER TOBACCO PLC		03/12/2018	Purchased	594.000	40,013			L
166764-10-0	CHEVRON CORP		03/12/2018	Purchased	356.000	44,828			L
H1467J-10-4	CHUBB LTD CHF		03/12/2018	Purchased	212.000	32,089			L
191216-10-0	COCA COLA CO COM		03/12/2018	Purchased	486.000	22,693			L
194162-10-3	COLGATE PALMOLIVE CO		03/12/2018	Purchased	524.000	39,071			L
20030N-10-1	COMCAST CORP NEW CL A		03/12/2018	UBS	943.000	34,803			L
224399-10-5	CRANE CO		03/12/2018	Purchased	382.000	35,697			L
25243Q-20-5	DIAGEO PLC NEW GB SPON ADR		03/12/2018	Purchased	218.000	31,004			L
437076-10-2	HOME DEPOT INC		03/12/2018	Purchased	353.000	70,299			L
458140-10-0	INTEL CORP		03/12/2018	Purchased	1,194.000	55,290			L
G491BT-10-8	INVESCO LTD		03/12/2018	Purchased	591.000	21,981			L
478160-10-4	JOHNSON & JOHNSON COM		03/12/2018	Purchased	467.000	65,315			L
46625H-10-0	JPMORGAN CHASE & CO		03/12/2018	Purchased	700.000	79,206			L
539830-10-9	LOCKHEED MARTIN CORP		03/12/2018	Purchased	78.000	26,347			L
571748-10-2	MARSH & MCLENNAN COS INC		03/12/2018	Purchased	414.000	34,539			L

E4

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



### 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)
580135-10-1	MCDONALDS CORP		03/12/2018	Purchased	242,000	41,560			L
G5960L-10-3	MEDTRONIC PLC		02/07/2018	UBS	661,000	56,191			L
594918-10-4	MICROSOFT CORP		03/12/2018	Purchased	1,086,000	99,424			L
65339F-10-1	NEXTERA ENERGY INC COM		03/12/2018	Purchased	314,000	47,325			L
66987V-10-9	NOVARTIS AG SPON ADR		03/12/2018	Purchased	384,000	34,417			L
74005P-10-4	PRAXAIR INC		02/07/2018	UBS	286,000	46,197			L
773903-10-9	ROCKWELL AUTOMATION INC		03/12/2018	Purchased	181,000	35,451			L
867224-10-7	SUNCOR ENERGY INC NEW CAD		03/12/2018	Purchased	1,217,000	43,962			L
882508-10-4	TEXAS INSTRUMENTS		03/12/2018	Purchased	526,000	57,273			L
907818-10-8	UNION PACIFIC CORP		02/07/2018	UBS	347,000	46,031			L
913017-10-9	UNTD TECHNOLOGIES CORP		03/12/2018	Purchased	262,000	35,385			L
918204-10-8	VF CORP		03/12/2018	Purchased	382,000	30,549			L
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	1,320,179	X X X		X X X
9799997	Subtotal - Common Stock - Part 3				X X X	1,320,179	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
9799999	Total - Common Stock				X X X	1,320,179	X X X		X X X
9899999	Total - Preferred and Common Stock				X X X	1,320,179	X X X		X X X
9999999	Totals				X X X	5,377,785	X X X	42,285	X X X

E04.1

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



## SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident- ification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Design- ation or Market Indicat (a)
8499999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	207,158	X X X	215,581	214,060	1,521			1,521		215,581		(8,423)	(8,423)	3,062	X X X	X X X
8999997	Subtotal - Preferred Stock - Part 4				X X X	207,158	X X X	215,581	214,060	1,521			1,521		215,581		(8,423)	(8,423)	3,062	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	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8999999	Total - Preferred Stocks				X X X	207,158	X X X	215,581	214,060	1,521			1,521		215,581		(8,423)	(8,423)	3,062	X X X	X X X
G1151C-10-1	ACCENTURE PLC IRELAND CL A		01/23/2018	Sold	199.00	32,028		26,396	30,650	(4,255)			(4,255)		26,396		5,632	5,632			L
09247X-10-1	BLACKROCK INC		01/23/2018	UBS	56.00	33,015		24,475	28,942	(4,467)			(4,467)		24,475		8,540	8,540			L
110448-10-7	BRITISH AMER TOBACCO PLC		01/23/2018	Sold	363.00	25,887		23,868	24,317	(450)			(450)		23,868		2,019	2,019			L
166764-10-0	CHEVRON CORP		01/23/2018	UBS	209.00	27,443		22,962	26,215	(3,253)			(3,253)		22,962		4,482	4,482			L
H1467J-10-4	CHUBB LTD CHF		01/23/2018	Sold	157.00	23,815		22,575	22,942	(368)			(368)		22,575		1,240	1,240	111		L
191216-10-0	COCA COLA CO COM		01/23/2018	Sold	503.00	23,634		22,714	23,078	(363)			(363)		22,714		920	920			L
194162-10-3	COLGATE PALMOLIVE CO		01/23/2018	Sold	315.00	24,246		23,080	23,767	(687)			(687)		23,080		1,166	1,166			L
224399-10-5	CRANE CO		01/23/2018	Sold	283.00	26,162		22,005	25,249	(3,245)			(3,245)		22,005		4,157	4,157			L
126650-10-0	CVS HEALTH CORP		01/09/2018	Sold	305.00	23,825		23,814	22,113	1,701			1,701		23,814		11	11			L
25243Q-20-5	DIAGEO PLC NEW GB SPON ADR		01/23/2018	Sold	171.00	24,895		21,589	24,971	(3,382)			(3,382)		21,589		3,307	3,307			L
437076-10-2	HOME DEPOT INC		01/23/2018	UBS	210.00	43,079		35,360	40,013	(4,652)			(4,652)		35,360		7,718	7,718			L
458140-10-0	INTEL CORP		01/23/2018	UBS	673.00	30,984		24,622	30,844	(6,221)			(6,221)		24,622		6,362	6,362			L
G491BT-10-8	INVESCO LTD		02/07/2018	Sold	690.00	25,761		23,460	25,255	(1,795)			(1,795)		23,460		2,301	2,301			L
478160-10-4	JOHNSON & JOHNSON COM		01/23/2018	UBS	234.00	33,165		32,114	33,045	(931)			(931)		32,114		1,051	1,051			L
46625H-10-0	JPMORGAN CHASE & CO		01/23/2018	Sold	267.00	30,535		29,244	29,244						29,244		1,291	1,291			L
539830-10-9	LOCKHEED MARTIN CORP		01/23/2018	UBS	72.00	23,763		20,909	23,116	(2,207)			(2,207)		20,909		2,854	2,854			L
571748-10-2	MARSH & MCLENNAN COS INC		01/23/2018	Sold	276.00	22,884		21,697	22,464	(767)			(767)		21,697		1,187	1,187			L
580135-10-1	MCDONALDS CORP		01/23/2018	Sold	147.00	26,021		22,961	25,307	(2,345)			(2,345)		22,961		3,060	3,060			L
G5960L-10-3	MEDTRONIC PLC		03/12/2018	Sold	480.00	40,708		40,302	39,746	556			556		40,302		406	406	137		L
594918-10-4	MICROSOFT CORP		01/23/2018	UBS	529.00	48,732		41,784	45,917	(4,134)			(4,134)		41,784		6,949	6,949			L
65339F-10-1	NEXTERA ENERGY INC COM		01/23/2018	Sold	155.00	23,667		22,473	24,209	(1,737)			(1,737)		22,473		1,194	1,194			L
66987V-10-9	NOVARTIS AG SPON ADR		01/23/2018	Sold	267.00	23,243		22,401	22,417	(16)			(16)		22,401		843	843			L
713448-10-8	PEPSICO INC		01/09/2018	UBS	208.00	24,662		23,808	24,943	(1,135)			(1,135)		23,808		853	853	167		L
74005P-10-4	PRAXAIR INC		03/12/2018	Sold	242.00	38,576		34,788	38,243	(3,454)			(3,454)		34,788		3,788	3,788	51		L
773903-10-9	ROCKWELL AUTOMATION INC		01/23/2018	Sold	125.00	25,615		20,619	24,544	(3,925)			(3,925)		20,619		4,995	4,995			L
867224-10-7	SUNCOR ENERGY INC NEW CAD		01/23/2018	Sold	709.00	26,696		22,377	26,091	(3,714)			(3,714)		22,377		4,319	4,319			L
882508-10-4	TEXAS INSTRUMENTS		01/23/2018	Sold	296.00	35,497		25,386	31,188	(5,803)			(5,803)		25,386		10,111	10,111			L

E05.1

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

### SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicat (a)		
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.									
907818-10-8	UNION PACIFIC CORP		03/12/2018	Sold	285.00	40,013		33,199	38,262	(5,063)			(5,063)		33,199		6,814	6,814				L	
913017-10-9	UNTD TECHNOLOGIES CORP		01/23/2018	Sold	194.00	26,304		22,920	24,749	(1,828)			(1,828)		22,920		3,383	3,383				L	
918204-10-8	VF CORP		01/23/2018	Sold	351.00	27,870		20,625	25,974	(5,349)			(5,349)		20,625		7,245	7,245				L	
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	882,725		774,527	847,815	(73,289)			(73,289)		774,527		108,198	108,198	466	X X X	X X X		
9799997	Subtotal - Common Stock - Part 4				X X X	882,725	X X X	774,527	847,815	(73,289)			(73,289)		774,527		108,198	108,198	466	X X X	X X X		
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
9799999	Total - Common Stocks				X X X	882,725	X X X	774,527	847,815	(73,289)			(73,289)		774,527		108,198	108,198	466	X X X	X X X		
9899999	Total - Preferred and Common Stocks				X X X	1,089,883	X X X	990,108	1,061,875	(71,768)			(71,768)		990,108		99,775	99,775	3,528	X X X	X X X		
9999999	Totals					4,352,780	X X X	4,426,607	4,477,181	(71,768)	(1,196)		(72,964)		4,404,219		(51,440)	(51,440)	34,839	X X X	X X X		

E052

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

- NONE    Schedule DB - Part A - Section 1**
- NONE    Schedule DB - Part B - Section 1**
- NONE    Schedule DB - Part D - Section 1**
- NONE    Schedule DB - Part D - Section 2**
- NONE    Schedule DL - Part 1**
- NONE    Schedule DL - Part 2**



## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
NONE								
<div style="display: flex; justify-content: space-between; padding: 5px;"> <span>8899999</span> <span>Total Cash Equivalents</span> </div>								

E13