

**ANNUAL STATEMENT**

**OF THE**

**Texas FAIR Plan Association**

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**of** **Austin**

**in the state of** **Texas**

**TO THE**

**Insurance Department**

**OF THE**

**Texas**

**FOR THE YEAR ENDED**

**December 31, 2012**

**PROPERTY AND CASUALTY**

**2012**



11543201220100100

# ANNUAL STATEMENT

For the Year Ended December 31, 2012  
OF THE CONDITION AND AFFAIRS OF THE

## Texas FAIR Plan Association

**NAIC Group Code** 4766 4766 **NAIC Company Code** 11543 **Employer's ID Number** 43-1982873  
(Current Period) (Prior Period)

**Organized under the Laws of** Texas, **State of Domicile or Port of Entry** Texas  
**Country of Domicile** US

**Incorporated/Organized** December 31, 2002 **Commenced Business** December 31, 2002

**Statutory Home Office** 5700 S. Mopac, Bldg A, Austin, TX, US 78749  
(Street and Number) (City or Town, State, Country and Zip Code)

**Main Administrative Office** 5700 S. Mopac, Bldg A  
(Street and Number)  
Austin, TX, US 78749 512-899-4900  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

**Mail Address** PO Box 99080, Austin, TX, US 78709-9080  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

**Primary Location of Books and Records** 5700 S. Mopac, Bldg A Austin, TX, US 78749 512-899-4900  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

**Internet Web Site Address** www.texasfairplan.org

**Statutory Statement Contact** Allen David Fulkerson 512-899-4988  
(Name) (Area Code) (Telephone Number) (Extension)  
afulkerson@twia.org 512-899-4952  
(E-Mail Address) (Fax Number)

### OFFICERS

Alicia Corise Morrison

	Name	Title
1.	<u>John Milleti</u>	<u>Vice Chairman</u>
2.	<u>Ron Wayne Lawson</u>	<u>Secretary/Treasurer</u>
3.	<u>John William Polak</u>	<u>General Manager</u>

### Vice Presidents of TFPA

Name	Title	Name	Title
<u>Lou Frank Cusano</u>	<u>VP Underwriting</u>	<u>Greg William Sedlock</u>	<u>VP CIO</u>
<u>David Patrick Durden</u>	<u>VP Legal</u>	<u>James Colin Murphy</u>	<u>VP Actuary</u>
<u>David Scott Williams</u>	<u>VP Claims</u>		

### TFPA Governing Committee

<u>Margie Southard</u>	<u>Ron Wayne Lawson</u>	<u>John Milleti</u>	<u>Robert David O'Brien Jr.</u>
<u>Alphonso Delaney</u>	<u>Georgia Rutherford Neblett</u>	<u>Timothy Lawrence McCarthy</u>	<u>Alicia Corise Morrison</u>
<u>Cecil O. Joiner</u>	<u>Phillip Dendy</u>	<u>Edward J. Sherlock</u>	

State of Texas

County of Travis ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

<u>(Signature)</u>	<u>(Signature)</u>	<u>(Signature)</u>
<u>John William Polak</u>	<u>Peter Harold Gise</u>	
<u>(Printed Name)</u>	<u>(Printed Name)</u>	<u>(Printed Name)</u>
<u>1.</u>	<u>2.</u>	<u>3.</u>
<u>General Manager</u>	<u>Controller</u>	
<u>(Title)</u>	<u>(Title)</u>	<u>(Title)</u>

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_

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

## ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)				
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
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 (\$ 41,688,818, Schedule E - Part 1), cash equivalents (\$ 0, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	41,688,818		41,688,818	35,322,413
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	41,688,818		41,688,818	35,322,413
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	123,248	71,436	51,812	59,913
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	14,966,753		14,966,753	11,446,110
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				375,000
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				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	135	135		
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				
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	150,290	150,290		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	56,929,244	221,861	56,707,383	47,203,436
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	56,929,244	221,861	56,707,383	47,203,436

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. Due from agents	94,933	94,933		
2502. Prepaid Expenses	55,357	55,357		
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	150,290	150,290		

NONE

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	21,132,145	23,669,104
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	4,161,216	11,704,526
4. Commissions payable, contingent commissions and other similar charges	804,504	618,755
5. Other expenses (excluding taxes, licenses and fees)	915,399	490,009
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	642,081	391,543
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 18,099,000 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)	34,582,801	25,277,753
10. Advance premium	629,199	541,536
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	17,853,000	16,110,137
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated	211,281	242,413
16. Provision for reinsurance (including \$ 0 certified) (Schedule F, Part 8)	178,044	1,009,321
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	365,264	1,885
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities	954,544	1,006,523
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	82,429,478	81,063,505
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	82,429,478	81,063,505
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	(25,722,095)	(33,860,069)
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) (Page 4, Line 39)	(25,722,095)	(33,860,069)
38. Totals (Page 2, Line 28, Col. 3)	56,707,383	47,203,436

DETAILS OF WRITE-IN LINES		
2501. Escheat Checks	772,336	824,342
2502. Due to policy holders	182,208	182,181
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	954,544	1,006,523
2901.		
2902.		
2903.	<b>NONE</b>	
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.	<b>NONE</b>	
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 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4)	56,880,394	47,062,904
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	28,627,622	40,024,969
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	(174,461)	12,984,537
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	20,345,894	16,118,607
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	48,799,055	69,128,113
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	8,081,339	(22,065,209)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	(137,153)	(18,369)
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses))		
11. Net investment gain (loss) (Lines 9 + 10)	(137,153)	(18,369)
<b>OTHER INCOME</b>		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 938,651)	(938,651)	(516,547)
13. Finance and service charges not included in premiums	348,633	317,466
14. Aggregate write-ins for miscellaneous income		
15. Total other income (Lines 12 through 14)	(590,018)	(199,081)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	7,354,168	(22,282,659)
17. Dividends to policyholders		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	7,354,168	(22,282,659)
19. Federal and foreign income taxes incurred		
20. Net income (Line 18 minus Line 19) (to Line 22)	7,354,168	(22,282,659)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	(33,860,069)	(17,448,681)
22. Net income (from Line 20)	7,354,168	(22,282,659)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0		
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(47,471)	134,278
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	831,277	5,736,993
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 (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	8,137,974	(16,411,388)
39. Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	(25,722,095)	(33,860,069)

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. ....		
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page	<b>NONE</b>	
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**

	1	2
<b>Cash from Operations</b>	Current Year	Prior Year
1. Premiums collected net of reinsurance	64,686,766	52,276,077
2. Net investment income	(137,152)	(18,369)
3. Miscellaneous income	(645,382)	(199,081)
4. Total (Lines 1 through 3)	63,904,232	52,058,627
5. Benefit and loss related payments	30,810,581	31,269,679
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	26,468,681	23,451,850
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		
10. Total (Lines 5 through 9)	57,279,262	54,721,529
11. Net cash from operations (Line 4 minus Line 10)	6,624,970	(2,662,902)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks		
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		
12.8 Total investment proceeds (Lines 12.1 to 12.7)		
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)		
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)		
<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)	(258,565)	616,729
17. Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	(258,565)	616,729
<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)	6,366,405	(2,046,173)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	35,322,413	37,368,586
19.2 End of year (Line 18 plus Line 19.1)	41,688,818	35,322,413

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

20.0001		
20.0002		
20.0003		

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 – PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire	3,423,277	1,215,374	1,715,022	2,923,629
2. Allied lines	15,898,387	6,087,262	8,008,222	13,977,427
3. Farmowners multiple peril				
4. Homeowners multiple peril	46,863,778	17,975,117	24,859,557	39,979,338
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 (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability—occurrence				
17.2 Other liability—claims-made				
17.3 Excess workers' compensation				
18.1 Products liability—occurrence				
18.2 Products liability—claims-made				
19.1,19.2 Private passenger auto liability				
19.3,19.4 Commercial auto liability				
21. Auto physical damage				
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				
32. Reinsurance-nonproportional assumed liability				
33. Reinsurance-nonproportional assumed financial lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	66,185,442	25,277,753	34,582,801	56,880,394

DETAILS OF WRITE-IN LINES				
3401.				
3402.				
3403.				
3498. Sum of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)				

NONE

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1A – RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire	1,715,022				1,715,022
2. Allied lines	8,008,222				8,008,222
3. Farmowners multiple peril					
4. Homeowners multiple peril	24,859,557				24,859,557
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 (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability—occurrence					
17.2 Other liability—claims-made					
17.3 Excess workers' compensation					
18.1 Products liability—occurrence					
18.2 Products liability—claims-made					
19.1,19.2 Private passenger auto liability					
19.3,19.4 Commercial auto liability					
21. Auto physical damage					
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					
32. Reinsurance-nonproportional assumed liability					
33. Reinsurance-nonproportional assumed financial lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	34,582,801				34,582,801
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					34,582,801

DETAILS OF WRITE-IN LINES					
3401.					
3402.					
3403.					
3498. Sum of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

(a) State here basis of computation used in each case



## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1B – PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non- Affiliates	4 To Affiliates	5 To Non- Affiliates	
1. Fire	5,233,165			1,809,888		3,423,277
2. Allied lines	24,947,825			9,049,438		15,898,387
3. Farmowners multiple peril						
4. Homeowners multiple peril	72,202,203			25,338,425		46,863,778
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 (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability—occurrence						
17.2 Other liability—claims-made						
17.3 Excess workers' compensation						
18.1 Products liability—occurrence						
18.2 Products liability—claims-made						
19.1,19.2 Private passenger auto liability						
19.3,19.4 Commercial auto liability						
21. Auto physical damage						
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	X X X					
32. Reinsurance-nonproportional assumed liability	X X X					
33. Reinsurance-nonproportional assumed financial lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	102,383,193			36,197,751		66,185,442

DETAILS OF WRITE-IN LINES						
3401.						
3402.						
3403.						
3498. Sum of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)						

NONE

(a) Does the company's direct premiums written include premiums recorded on an installment basis?      Yes [ ]    No [X]

If yes: 1. The amount of such installment premiums \$ ..... 0

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ ..... 0

## UNDERWRITING AND INVESTMENT EXHIBIT PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	3,172,067			3,172,067	1,170,287	461,635	3,880,719	132.736
2. Allied lines	6,493,740			6,493,740	3,339,989	3,059,919	6,773,810	48.462
3. Farmowners multiple peril								
4. Homeowners multiple peril	21,498,774			21,498,774	16,621,869	20,147,550	17,973,093	44.956
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 (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability—occurrence								
17.2 Other liability—claims-made								
17.3 Excess workers' compensation								
18.1 Products liability—occurrence								
18.2 Products liability—claims-made								
19.1,19.2 Private passenger auto liability								
19.3,19.4 Commercial auto liability								
21. Auto physical damage								
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	X X X							
32. Reinsurance-nonproportional assumed liability	X X X							
33. Reinsurance-nonproportional assumed financial lines	X X X							
34. Aggregate write-ins for other lines of business								
35. TOTALS	31,164,581			31,164,581	21,132,145	23,669,104	28,627,622	50.330

DETAILS OF WRITE-IN LINES								
3401.								
3402.								
3403.								
3498. Sum of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)								

NONE

## UNDERWRITING AND INVESTMENT EXHIBIT PART 2A – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	443,004			443,004	727,283			1,170,287	178,623
2. Allied lines	852,125			852,125	2,487,864			3,339,989	991,377
3. Farmowners multiple peril									
4. Homeowners multiple peril	6,268,737			6,268,737	10,353,132			16,621,869	2,991,216
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								(a)	
14. Credit accident and health (group and individual)									
15. Other accident and health								(a)	
16. Workers' compensation									
17.1 Other liability—occurrence									
17.2 Other liability—claims-made									
17.3 Excess workers' compensation									
18.1 Products liability—occurrence									
18.2 Products liability—claims-made									
19.1,19.2 Private passenger auto liability									
19.3,19.4 Commercial auto liability									
21. Auto physical damage									
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	X X X				X X X				
32. Reinsurance-nonproportional assumed liability	X X X				X X X				
33. Reinsurance-nonproportional assumed financial lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	7,563,866			7,563,866	13,568,279			21,132,145	4,161,216

DETAILS OF WRITE-IN LINES									
3401.									
3402.									
3403.									
3498. Sum of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)									

NONE

(a) Including \$ 0 for present value of life indemnity claims.

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	(3,418,568)			(3,418,568)
1.2 Reinsurance assumed				
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	(3,418,568)			(3,418,568)
2. Commission and brokerage:				
2.1 Direct, excluding contingent		11,257,330		11,257,330
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent		1,059,888		1,059,888
2.4 Contingent—direct				
2.5 Contingent—reinsurance assumed				
2.6 Contingent—reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1+2.2-2.3+2.4+2.5-2.6+2.7)		10,197,442		10,197,442
3. Allowances to manager and agents				
4. Advertising				
5. Boards, bureaus and associations	4,641	179,015		183,656
6. Surveys and underwriting reports		1,437,479		1,437,479
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	1,928,177	2,895,449		4,823,626
8.2 Payroll taxes	72,414	217,242		289,656
9. Employee relations and welfare	260,938	772,164		1,033,102
10. Insurance	4,678	14,035		18,713
11. Directors' fees	1,314	28,991		30,305
12. Travel and travel items	3,466	5,502		8,968
13. Rent and rent items	83,154	384,360		467,514
14. Equipment	98,371	30,446		128,817
15. Cost or depreciation of EDP equipment and software	3,097	9,291		12,388
16. Printing and stationery	45,146	136,389		181,535
17. Postage, telephone and telegraph, exchange and express	258,841	353,312		612,153
18. Legal and auditing	52,806	282,020		334,826
19. Totals (Lines 3 to 18)	2,817,043	6,745,695		9,562,738
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 0		2,017,896		2,017,896
20.2 Insurance department licenses and fees	35,308	207,460		242,768
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)	1,570	4,710		6,280
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	36,878	2,230,066		2,266,944
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	390,186	1,172,691	174,306	1,737,183
25. Total expenses incurred	(174,461)	20,345,894	174,306	(a) 20,345,739
26. Less unpaid expenses—current year	4,161,216	2,361,984		6,523,200
27. Add unpaid expenses—prior year	11,704,526	1,500,307		13,204,833
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	7,368,849	19,484,217	174,306	27,027,372

DETAILS OF WRITE-IN LINES				
2401. IT Systems Support & Development	355,166	1,065,499		1,420,665
2402. Line Of Credit Fees			174,306	174,306
2403. Disaster Recovery		104,672		104,672
2498. Sum of remaining write-ins for Line 24 from overflow page	35,020	2,520		37,540
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	390,186	1,172,691	174,306	1,737,183

(a) Includes management fees of \$ 0 to affiliates and \$ 6,262,452 to non-affiliates.

### EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 37,153	37,153
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	37,153	37,153
11. Investment expenses		(g) 174,306
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		174,306
17. Net investment income (Line 10 minus Line 16)		(137,153)

DETAILS OF WRITE-IN LINES			
0901.	<b>NONE</b>		
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)			
1501.	<b>NONE</b>		
1502.			
1503.			
1598. Summary of remaining write-ins for Line 15 from overflow page			
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)			

- (a) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

### EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					

DETAILS OF WRITE-IN LINES					
0901.	<b>NONE</b>				
0902.					
0903.					
0998. Summary of remaining write-ins for Line 09 from overflow page					
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)					

## EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2), and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	71,436	72,568	1,132
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
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			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	135	12,522	12,387
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	150,290	89,300	(60,990)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	221,861	174,390	(47,471)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	221,861	174,390	(47,471)

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. Due from Agents	94,933	89,300	(5,633)
2502. Prepaid Assets	55,357		(55,357)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	150,290	89,300	(60,990)

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The accompanying financial statements of Texas FAIR Plan Association (the "Association") have been prepared on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance.

The state of Texas requires insurance companies domiciled in the state of Texas to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioner's ("NAIC") *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Texas Insurance Department.

Reconciliations of net income and policyholder's surplus between the amounts reported in the accompanying financial statements (Texas basis) and NAIC statutory accounting practices follow:

Net Income	2012	2011
Net Income as reported	\$7,354,168	(\$22,282,659)
Effect of Texas prescribed practices	-	-
Effect of Texas permitted practices	-	-
NAIC statutory accounting practices basis	<u>\$7,354,168</u>	<u>(\$22,282,659)</u>

Policyholder's surplus	December 31, 2012	December 31, 2011
Policyholder's surplus as reported	(\$25,722,095)	(\$33,860,069)
Effect of Texas prescribed practices	-	-
Effect of Texas permitted practices	-	-
NAIC statutory accounting practices basis	<u>(\$25,722,095)</u>	<u>(\$33,860,069)</u>

#### B. Uses of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and 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. Significant estimates included in the accompanying financial statements are the reserve for losses, loss adjustment expenses, and premiums ceded.

#### C. Accounting Policies

Direct and ceded premiums are earned over the terms of the related policies or reinsurance contracts, respectively. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for both direct and ceded business. The Association has a minimum policy premium of \$100.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- 1) Short-term investments are stated at historical cost, which approximates market value. These short-term investments are comprised solely of United States Government securities and Governmental Money Market Mutual Funds.
- 2) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports, and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amounts 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.

### 2. Accounting Changes and Corrections of Errors

#### A. Material Changes in Accounting Principles

There were no changes in accounting principles.

#### B. Correction of Errors- There were no corrections due to errors.

### 3. Business Combinations and Goodwill – Not Applicable

### 4. Discontinued Operations – Not Applicable

## NOTES TO FINANCIAL STATEMENTS

5. Investments  
Short-term investments are stated at historical cost, which approximates market value. These short-term investments are comprised solely of United States Government securities and Governmental Money Market Mutual Funds.
6. Joint Ventures, Partnerships and Limited Liability Companies – Not Applicable
7. Investment Income
- A. Accrued Investment Income  
The Association does not admit investment income due and accrued if amounts are over 90 days past due.
- B. Amounts Non admitted – None
8. Derivative Instruments – Not Applicable
9. Income Taxes  
As of June 18, 2005, the Association is a tax exempt organization whose gross income is excludable under Internal Revenue Code Section 115 and is no longer required to file federal tax returns.
- A. Components of Net Deferred Tax Assets – Not Applicable
- B. Unrecognized Deferred Tax Liabilities – Not Applicable
- C. Current Tax and Change in Deferred Tax – Not Applicable
- D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate – Not Applicable
- E. Operating Loss and Tax Credit Carry-forward and Protective Tax Deposits – Not Applicable
- F. Consolidated Federal Income Tax Return – Not Applicable
10. Information Concerning Parent, Subsidiaries, Affiliates, and Other Related Parties
- A. Nature of Relationship  
On October 10, 2002, the Texas Commissioner of Insurance enacted Article 21.49A of the Texas Insurance Code implementing the creation of the Texas FAIR Plan Association. The commissioner then instructed the Texas Windstorm Insurance Association (“TWIA”) to manage the Association.
- The Association entered into a service contract with TWIA in which the Association is to reimburse TWIA for all expenditures, professional fees, and consulting services, allocated employee time, lost investment income and other costs directly associated with the services provided by TWIA on behalf of the Association. During 2012 and 2011 the Association incurred expenses from TWIA under its contract in the amounts of \$6,262,452 and \$6,186,772 respectively. As of December 31, 2012 and 2011, the Association had outstanding expenses for which it has reimbursed TWIA in the amount of \$364,264 and \$1,885, respectively. The amounts are recognized in the statutory statements of liabilities, surplus and other funds as a payable to Texas Windstorm Insurance Association.
- B. Detail of Transactions Greater than ½% of Admitted Assets – Not Applicable
- C. Changes in Terms of Intercompany Arrangements – Not Applicable
- D. Amounts Due from Related Parties- Not Applicable
- E. Guarantees or Contingencies for Related Parties - Not Applicable
- F. Management, Service Contracts, Cost Sharing Arrangements – See Nature of Relationship above
- G. Nature of Relationships that Could Affect Operations – Not Applicable
- 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 Affiliates – Not Applicable
- K. Foreign Insurance Subsidiary Valued Using CARVM – Not Applicable
- L. Downstream Holding Company Valued Using Look-through Method– Not Applicable
11. Debt – Not Applicable
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans – Not Applicable
13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations – Not Applicable
14. Contingencies
- A. Contingent Commitments – Not Applicable
- B. Guaranty Fund and Other Assessments – Not Applicable
- C. Gain Contingencies – Not Applicable
- D. Extra Contractual Obligation and Bad Faith Losses – None
- E. Other Contingencies None  
The Association is subject to various investigations, claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business activities. Management believes that any liability that may ultimately result from the resolution of these matters in excess of the amounts provided will not have a material adverse effect on the financial position of the Association. These matters are subject to various uncertainties, and some of these matters may be resolved unfavorably to the Association.



## NOTES TO FINANCIAL STATEMENTS

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15. Leases– Not Applicable

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk – Not Applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – Not Applicable

18. Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans – Not Applicable

19. Direct Premium Written/Produced by Managing Federal Agents/Third Party Administrators – Not Applicable

20. Fair Value Measurement

The Association has no assets or liabilities that are measured and reported at fair value in the statutory financial statements. Short-term investments are recorded at cost which approximates market value. These short-term investments are comprised solely of United States Government securities and Governmental Money Market Mutual Funds.

21. Other Items

A. Extraordinary Items – Not Applicable

B. Troubled Debt Restructuring for Debtors – Not Applicable

C. Other Disclosures – Not Applicable

D. Uncollectible Premiums Receivable

The Association routinely assesses the collectability of premiums receivable due from policyholders and agents. Based upon the Association's experience, the potential for any additional loss is not believed to be material to the Association's financial position and no additional provision for uncollectible amounts has been recorded.

E. Business Interruption Insurance Recoveries – Not Applicable

F. State Transferable Tax Credits – Not Applicable

G. Subprime Mortgage Related Exposure – Not Applicable

22. Subsequent Events

The Association has evaluated subsequent events occurring after December 31, 2012, the date of the most recent balance sheet date, through February 28, 2013, the date the annual statement was issued. The Association does not believe any subsequent events have occurred that would require further disclosure or adjustment to the statutory financial statements

## NOTES TO FINANCIAL STATEMENTS

### 23. Reinsurance

- A. Unsecured Reinsurance Recoverables – The Association has unsecured reinsurance recoverables which exceed 3% of the Association’s surplus with the following reinsurers as of December 31, 2012, in 000’s.

<u>Federal ID #</u>	<u>NAIC Code</u>	<u>Name of Reinsurer</u>	<u>2012</u>
22-2005057	26921	Everest Reinsurance Company	\$ 1
47-0698507	23680	Odyssey Reinsurance Company	8
13-5616275	19453	Transatlantic Reinsurance Company	6
AA-1126033	-	Lloyd’s Underwriter Syndicate No. 0033 HIS	3
AA-1127183	-	Lloyd's Underwriter Syndicate No. 1183 TAL	3
AA-1127414	-	Lloyd’s Underwriter Syndicate No. 1414 ASC	12
AA-1120102	-	Lloyd’s Underwriter Syndicate No. 1458 RNR	2
AA-1120083	-	Lloyd's Underwriter Syndicate No. 1910 ARW	11
AA-1128001	-	Lloyd's Underwriter Syndicate No. 2001 AML	10
AA-1128010	-	Lloyd's Underwriter Syndicate No. 2010 MMX	2
AA-1128791	-	Lloyd's Underwriter Syndicate No. 2791 MAP	8
AA-1120075	-	Lloyd's Underwriter Syndicate No. 4020 ARK	2
AA-3190770	-	Ace Tempest Reinsurance Ltd.	19
AA-1464104	-	Allianz Risk Transfer Ltd.	6
AA-3190829	-	Alterra Bermuda Ltd.	6
AA-1460019	-	Amlin AG	11
AA-3194168	-	Aspen Insurance Limited	8
AA-3194139	-	AXIS Specialty Limited	21
AA-3194122	-	DaVinci Reinsurance Ltd.	7
AA-3194130	-	Endurance Specialty Insurance Limited	10
AA-1460006	-	Flagstone Reassurance Suisse SA	11
AA-3190875	-	Hiscox Insurance Company (Bermuda) Ltd.	22
AA-3194129	-	Montpelier Reinsurance Ltd	13
AA-3190686	-	Partner Reinsurance Company Ltd.	11
AA-3194174	-	Platinum Underwriters Bermuda Ltd.	10
AA-3190339	-	Renaissance Reinsurance Ltd.	10
AA-1320031	-	SCOR Global P&C S.E.	10
AA-3190870	-	Validus Reinsurance Ltd.	3
Total			\$246

B. Reinsurance Recoverables in Dispute

The Association does not have reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholder’s surplus from an individual reinsurer or exceed 10% of policy holder’s surplus in aggregate.

C. Reinsurance Assumed and Ceded and Protected Cells

The following table summarizes ceded unearned premiums and the related commission equity at the end of the current year.

	Assumed Unearned Premiums	Assumed Commission Equity	Ceded Unearned Premiums	Ceded Commission Equity	Net Unearned Premiums	Assumed Less Ceded Commission Equity
Affiliates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Others	-	-	18,098,876	542,966	( 18,098,876)	(542,966)
Total	\$ -	\$ -	\$18,098,876	\$ 542,966	(\$18,098,876)	(\$542,966)

Direct unearned premium reserves at the end of the current year \$52,681,677.

The amount of return commission that would have been due the reinsurers if they or the Association had cancelled the Association’s excess of loss reinsurance agreement would have been approximately \$1,809,888 for the fiscal year ended December 31, 2012.

## NOTES TO FINANCIAL STATEMENTS

- D. Uncollectible Reinsurance – Not Applicable
- E. Commutation of Ceded Reinsurance – Not Applicable
- F. Retroactive Reinsurance – Not Applicable
- G. Reinsurance Accounted for as a Deposit – Not Applicable
- H. Run-off Agreements – Not Applicable
- I. Certified Reinsurance Downgraded or Status Subject to Revocation – Not Applicable

24. Retrospectively Rated Contracts and Contacts Subject to Redetermination – Not Applicable

25. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expense (LAE) attributable to insured events of prior years decreased by approximately \$15 million during 2012 and increased by approximately \$20 million during 2011. Increases and decreases of this nature occur as the result of claim settlements during the current year, and as additional information is received regarding individual claims, causing changes from the original estimates of the cost of these claims.

	2012	2011
Beginning Balance	\$35,374,630	\$61,905,565
Less: reinsurance recoverables	-	(37,753,311)
Net beginning balance	35,374,630	24,152,254
Net incurred related to:		
Current loss year	43,263,413	32,851,000
Prior loss years	(14,810,252)	20,158,506
Net losses and loss adjustment expense incurred	28,453,161	53,009,506
Net paid related to:		
Current loss year	(27,444,150)	(21,459,000)
Prior loss years	(11,090,280)	(20,328,130)
Net paid losses and loss adjustment expense	(38,534,430)	(41,787,130)
Net ending balance	25,293,361	35,374,630
Plus: reinsurance recoverables	-	-
Ending balance	\$25,293,361	\$35,374,630

The Company attempts to consider all significant facts and circumstances known at the time loss reserves are established. Due to the inherently uncertain process involving loss and loss adjustment expense reserve estimates, the final resolution of the ultimate liability may be different from that anticipated at the reporting date. Therefore, actual paid damages in the future may yield a material different favorable or unfavorable amount than currently reserved. While the Company believes that the estimated for loss and loss adjustment expense reserves are adequate as of December 31, 2012, there can be no assurance that the estimates and the extended period of time that it can take to settle claims may change the results of operations.

The Company does not issue and retrospective rated policies, as such, the net incurred increase or decrease related to prior years did not result in any direct accrual of additional premiums.

26. Intercompany Pooling Arrangements – Not Applicable

27. Structured Settlements – Not Applicable

28. Health Care Receivables – Not Applicable

29. Participating Policies – Not Applicable

30. Premium Deficiency Reserves

The Association evaluated the need to record a premium deficiency reserve as of the end of the current year. No such reserve was required. The Association does not anticipate investment income when evaluating the need for premium deficiency reserves.

31. High Deductibles – Not Applicable

32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses – Not Applicable

33. Asbestos / Environmental Reserves – Not Applicable

34. Subscriber Savings Account – Not Applicable

35. Multiple Peril Crop – Not Applicable

36. Financial Guaranty Insurance – Not Applicable

# GENERAL INTERROGATORIES

## PART 1 – COMMON INTERROGATORIES

### GENERAL

- 1.1 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 [ ] No [X]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ ] No [ ] N/A [X]
- 1.3 State Regulating? \_\_\_\_\_
- 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 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007
- 3.2 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. 12/31/2007
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/15/2008
- 3.4 By what department or departments?  
 Texas Department of Insurance  
 .....  
 .....  
 .....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [X] No [ ] N/A [ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [ ] No [X]
- 4.12 renewals? Yes [ ] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [ ] No [X]
- 4.22 renewals? Yes [ ] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]
- 5.2 If yes, provide the name of the 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
.....	.....	.....
.....	.....	.....

- 6.1 Has the 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

6.2 If yes, give full information:

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

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

- 7.21 State the percentage of foreign control. \_\_\_\_\_ %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....	.....

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 the names and locations (city and state of the main office) of any affiliates regulated by a federal financial 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. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Calhoun, Thomson & Matza, LLP, 9500 Arboretum Blvd, Austin, TX 78759  
 .....  
 .....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If response to 10.1 is yes, provide information related to this exemption:

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

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If response to 10.3 is yes, provide information related to this exemption:

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

## GENERAL INTERROGATORIES

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes  No  N/A

10.6 If the response to 10.5 is no or n/a, please explain:

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

James Murphy FCAS, MAA, 5700 S. Mopac Expy., Austin, TX 78749. Inhouse Actuary

.....  
 .....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes  No

12.11 Name of real estate holding company

\_\_\_\_\_

12.12 Number of parcels involved

\_\_\_\_\_

12.13 Total book/adjusted carrying value

\$ \_\_\_\_\_

12.2 If yes, provide explanation:

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

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes  No

13.3 Have there been any changes made to any of the trust indentures during the year? Yes  No

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes  No  N/A

14.1 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  No

14.11 If the response to 14.1 is no, please explain:

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

14.2 Has the code of ethics for senior managers been amended? Yes  No

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

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

## GENERAL INTERROGATORIES

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

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

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
.....	.....	.....	.....
.....	.....	.....	.....

## BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

## FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers	\$ _____
20.12 To stockholders not officers	\$ _____
20.13 Trustees, supreme or grand (Fraternal only)	\$ _____

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers	\$ _____
20.22 To stockholders not officers	\$ _____
20.23 Trustees, supreme or grand (Fraternal only)	\$ _____

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others	\$ _____
21.22 Borrowed from others	\$ _____
21.23 Leased from others	\$ _____
21.24 Other	\$ _____

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment	\$ _____
22.22 Amount paid as expenses	\$ _____
22.23 Other amounts paid	\$ _____

## GENERAL INTERROGATORIES

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ \_\_\_\_\_

### INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ ] No [X]

24.02 If no, give full and complete information, relating thereto:  
TFPA does not hold any stocks, bonds or other securities. TFPA only holds cash bank accounts and short term investments.  
.....  
.....  
.....

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided):  
TFPA has no security lending program.  
.....  
.....  
.....

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ \_\_\_\_\_

24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ \_\_\_\_\_

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ \_\_\_\_\_

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ \_\_\_\_\_

24.103 Total payable for securities lending reported on the liability page \$ \_\_\_\_\_

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [ ] No [X]

25.2 If yes, state the amount thereof at December 31 of the current year:

- 25.21 Subject to repurchase agreements \$ \_\_\_\_\_
- 25.22 Subject to reverse repurchase agreements \$ \_\_\_\_\_
- 25.23 Subject to dollar repurchase agreements \$ \_\_\_\_\_
- 25.24 Subject to reverse dollar repurchase agreements \$ \_\_\_\_\_
- 25.25 Pledged as collateral \$ \_\_\_\_\_
- 25.26 Placed under option agreements \$ \_\_\_\_\_
- 25.27 Letter stock or securities restricted as to sale \$ \_\_\_\_\_
- 25.28 On deposit with state or other regulatory body \$ \_\_\_\_\_
- 25.29 Other \$ \_\_\_\_\_

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	.....	.....
.....	.....	.....



## GENERAL INTERROGATORIES

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes  No

26.2 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  N/A

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes  No

27.2 If yes, state the amount thereof at December 31 of the current year. \$ \_\_\_\_\_

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes  No

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

1 Name of Custodian(s)	2 Custodian's Address
.....	.....
.....	.....

28.02 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)
.....	.....	.....
.....	.....	.....

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes  No

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....
.....	.....	.....	.....

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

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

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D – Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes  No

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	.....	.....
.....	.....	.....
29.2999 TOTAL		.....

## GENERAL INTERROGATORIES

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds			
30.2 Preferred stocks			
30.3 Totals			

30.4 Describe the sources or methods utilized in determining the fair values:

.....

.....

.....

.....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ ] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [X]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

No Schedule D investments.

.....

.....

.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [ ] No [X]

32.2 If no, list exceptions:  
The TFPA had nothing to file with the SVO.

.....

.....

.....

### OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 195,770

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1	2
Name	Amount Paid
Insurance Services Office, Inc.	\$ 169,803
	\$
	\$

34.1 Amount of payments for legal expenses, if any? \$ 232,272

## GENERAL INTERROGATORIES

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Sneed, Vine & Perry .....	\$ ..... 75,822
Legal Cost Control .....	\$ ..... 58,157
	\$ .....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$ \_\_\_\_\_

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
	\$ .....

# GENERAL INTERROGATORIES

## PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only. \$ \_\_\_\_\_

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ \_\_\_\_\_

1.31 Reason for excluding

.....

.....

.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ \_\_\_\_\_

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ \_\_\_\_\_

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ \_\_\_\_\_

1.62 Total incurred claims \$ \_\_\_\_\_

1.63 Number of covered lives \_\_\_\_\_

All years prior to most current three years:

1.64 Total premium earned \$ \_\_\_\_\_

1.65 Total incurred claims \$ \_\_\_\_\_

1.66 Number of covered lives \_\_\_\_\_

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ \_\_\_\_\_

1.72 Total incurred claims \$ \_\_\_\_\_

1.73 Number of covered lives \_\_\_\_\_

All years prior to most current three years:

1.74 Total premium earned \$ \_\_\_\_\_

1.75 Total incurred claims \$ \_\_\_\_\_

1.76 Number of covered lives \_\_\_\_\_

2. Health Test:

	1		2	
	Current Year		Prior Year	
2.1 Premium Numerator	\$ _____		\$ _____	
2.2 Premium Denominator	\$ _____		\$ _____	
2.3 Premium Ratio (2.1/2.2)				
2.4 Reserve Numerator	\$ _____		\$ _____	
2.5 Reserve Denominator	\$ _____		\$ _____	
2.6 Reserve Ratio (2.4/2.5)				

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [ ] No [X]

3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating policies \$ \_\_\_\_\_

3.22 Non-participating policies \$ \_\_\_\_\_

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies? Yes [ ] No [X]

4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [X]

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? \_\_\_\_\_ %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ \_\_\_\_\_

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents? Yes [ ] No [X]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [X]

5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [X]

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

.....

.....

.....

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [ ] No [X]

5.5 If yes, give full information

.....

.....

.....

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit loss:  
Texas Fair Plan does not write Workers Compensation Insurance.

.....

.....

.....

## GENERAL INTERROGATORIES

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:  
 TFPA estimates its probably maximum loss using the AIR CLASIC/2 and RMS RiskLink software models, modeling the risk of Hurricane and other wind hazards. The PML is comprised of residential property exposure in and around the Houston, Texas greater metropolitan area.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
 The excess of loss reinsurance agreement provides the Association with two layers of coverage. The first layer provides 100% of \$85 million in excess of \$40 million of each and every loss occurrence. The second layer provides 100% of \$175 million in excess of \$125 million of each and every loss occurrence.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes  No
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss
- 6.6
- 6.7 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes  No
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes  No
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes  No
- 8.2 If yes, give full information
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
 (c) Aggregate stop loss reinsurance coverage;  
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes  No
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes  No
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes  No
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
 (a) The entity does not utilize reinsurance; or, Yes  No   
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes  No   
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes  No

## GENERAL INTERROGATORIES

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [ ] No [ ] N/A [X]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes [ ] No [X]
- 11.2 If yes, give full information  
 .....  
 .....
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- |   |          |
|---|----------|
| 12.11 Unpaid losses   | \$ _____ |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ _____ |
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$ \_\_\_\_\_
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [ ] N/A [X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- |            |         |
|------------|---------|
| 12.41 From | _____ % |
| 12.42 To   | _____ % |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- |                                  |          |
|----------------------------------|----------|
| 12.61 Letters of Credit          | \$ _____ |
| 12.62 Collateral and other funds | \$ _____ |
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 1,700,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. \_\_\_\_\_ 1
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No [X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
 .....  
 .....
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [ ]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [ ]
- 14.5 If the answer to 14.4 is no, please explain:  
 .....  
 .....
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]
- 15.2 If yes, give full information  
 .....  
 .....
- 16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]  
 If yes, disclose the following information for each of the following types of warranty coverage:
- |                  |    | 1<br>Direct Losses<br>Incurred | 2<br>Direct Losses<br>Unpaid | 3<br>Direct Written<br>Premium | 4<br>Direct Premium<br>Unearned | 5<br>Direct Premium<br>Earned |
|------------------|----|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home       | \$ | _____                          | \$                           | _____                          | \$                              | _____                         |
| 16.12 Products   | \$ | _____                          | \$                           | _____                          | \$                              | _____                         |
| 16.13 Automobile | \$ | _____                          | \$                           | _____                          | \$                              | _____                         |
| 16.14 Other*     | \$ | _____                          | \$                           | _____                          | \$                              | _____                         |

\* Disclose type of coverage: \_\_\_\_\_

## GENERAL INTERROGATORIES

### PART 2 – PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Yes [ ] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$ _____
17.12 Unfunded portion of Interrogatory 17.11	\$ _____
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ _____
17.14 Case reserves portion of Interrogatory 17.11	\$ _____
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ _____
17.16 Unearned premium portion of Interrogatory 17.11	\$ _____
17.17 Contingent commission portion of Interrogatory 17.11	\$ _____

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	\$ _____
17.19 Unfunded portion of Interrogatory 17.18	\$ _____
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$ _____
17.21 Case reserves portion of Interrogatory 17.18	\$ _____
17.22 Incurred but not reported portion of Interrogatory 17.18	\$ _____
17.23 Unearned premium portion of Interrogatory 17.18	\$ _____
17.24 Contingent commission portion of Interrogatory 17.18	\$ _____

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

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

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

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

## FIVE – YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

	1	2	3	4	5
	2012	2011	2010	2009	2008
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	30,180,990	24,483,890	20,941,975	16,907,435	14,518,719
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	72,202,203	58,582,135	52,982,160	43,347,118	49,968,991
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	102,383,193	83,066,025	73,924,135	60,254,553	64,487,710
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	19,321,664	14,084,287	13,754,641	7,927,497	7,076,685
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	46,863,778	33,699,203	34,339,524	23,304,883	25,109,845
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	66,185,442	47,783,490	48,094,165	31,232,380	32,186,530
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	8,081,339	(22,065,209)	(10,715,361)	2,666,672	(53,207,252)
14. Net investment gain (loss) (Line 11)	(137,153)	(18,369)	(138,587)	(32,959)	1,987,354
15. Total other income (Line 15)	(590,018)	(199,081)	(786,690)	(1,675,345)	(646,992)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)					
18. Net income (Line 20)	7,354,168	(22,282,659)	(11,640,638)	958,368	(51,866,890)
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	56,707,383	47,203,436	52,163,484	61,848,372	80,719,751
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	51,812	59,913	131,757	211,680	288,353
20.2 Deferred and not yet due (Line 15.2)	14,966,753	11,446,110	11,066,452	9,270,667	10,515,193
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	82,429,478	81,063,505	69,612,165	74,482,438	80,510,895
22. Losses (Page 3, Line 1)	21,132,145	23,669,104	17,467,503	9,572,641	18,222,647
23. Loss adjustment expenses (Page 3, Line 3)	4,161,216	11,704,526	6,684,751	4,138,015	13,156,261
24. Unearned premiums (Page 3, Line 9)	34,582,801	25,277,753	24,557,168	17,367,995	14,271,924
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	(25,722,095)	(33,860,069)	(17,448,681)	(12,634,066)	209,168
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	6,624,970	(2,662,902)	(3,015,979)	(28,804,856)	(25,262,587)
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	(25,722,095)	(33,860,069)	(17,448,681)	(12,634,066)	209,168
29. Authorized control level risk-based capital	7,027,358	5,669,180	6,191,019	7,777,703	8,815,851
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)					
31. Stocks (Lines 2.1 & 2.2)					
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	100.0	100.0	100.0	100.0	100.0
35. Contract loans (Line 6)					
36. Derivatives (Line 7)				X X X	X X X
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)				X X X	X X X
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47					
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)					



## FIVE – YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2012	2011	2010	2009	2008
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24)					
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	8,137,974	(16,411,388)	(7,695,485)	(12,843,233)	(51,872,094)
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	9,665,807	17,652,048	8,896,494	16,027,765	31,248,076
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	21,498,774	74,182,367	40,452,827	62,842,837	105,047,777
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	31,164,581	91,834,415	49,349,321	78,870,602	136,295,853
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	9,665,807	4,471,241	3,222,773	3,274,726	15,340,789
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	21,498,774	29,352,127	14,654,121	12,839,786	51,571,678
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	31,164,581	33,823,368	17,876,894	16,114,512	66,912,467
<b>Operating Percentages (Page 4)</b> (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	50.3	85.0	63.0	12.7	146.1
68. Loss expenses incurred (Line 3)	(0.3)	27.6	21.6	11.0	25.0
69. Other underwriting expenses incurred (Line 4)	35.8	34.2	41.6	66.9	38.9
70. Net underwriting gain (loss) (Line 8)	14.2	(46.9)	(26.2)	9.5	(110.0)
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	31.6	34.1	37.0	65.6	60.4
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	50.0	112.6	84.6	23.7	171.1
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	(257.3)	(141.1)	(275.6)	(247.2)	15387.9
<b>One Year Loss Development (000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(7,559)	11,066	(7,597)	21,462	(7,308)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0)	22.3	(63.4)	77.9	10260.7	(14.0)
<b>Two Year Loss Development (000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	7,998	7,143	(6,317)	5,229	(7,161)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(45.8)	(73.2)	(3020.1)	10.0	(17.9)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure

Yes [ ] No [ ]

requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

If no, please explain:

.....

.....

.....



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**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)**

BUSINESS IN THE STATE OF TEXAS DURING THE YEAR 2012

NAIC Company Code 11543

NAIC Group Code 4766

	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire	5,233,165	4,648,220		2,619,966	3,172,067	3,880,719	1,170,287				575,402	115,871
2.1 Allied lines	24,947,825	22,607,385		12,532,941	6,493,740	6,773,810	3,339,989				2,743,086	552,389
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril	72,202,203	64,770,938		37,528,770	21,498,774	17,973,093	16,621,869				7,938,842	1,598,684
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A & H (group and individual)												
15.1 Collectively renewable A & H (b)												
15.2 Non-cancelable A & H (b)												
15.3 Guaranteed renewable A & H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A & H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17.1 Other liability - Occurrence												
17.2 Other liability - Claims - Made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)	102,383,193	92,026,543		52,681,677	31,164,581	28,627,622	21,132,145				11,257,330	2,266,944
<b>DETAILS OF WRITE-INS</b>												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page												
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)												

**NONE**

(a) Finance and service charges not included in Lines 1 to 35 \$ 348,633  
 (b) For health business on indicated lines report: Number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0.



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**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)**

BUSINESS IN THE STATE OF TOTAL DURING THE YEAR 2012

NAIC Company Code 11543

NAIC Group Code 4766

	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire	5,233,165	4,648,220		2,619,966	3,172,067	3,880,719	1,170,287				575,402	115,871
2.1 Allied lines	24,947,825	22,607,385		12,532,941	6,493,740	6,773,810	3,339,989				2,743,086	552,389
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril	72,202,203	64,770,938		37,528,770	21,498,774	17,973,093	16,621,869				7,938,842	1,598,684
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical Professional Liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A & H (group and individual)												
15.1 Collectively renewable A & H (b)												
15.2 Non-cancelable A & H (b)												
15.3 Guaranteed renewable A & H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A & H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17.1 Other liability - Occurrence												
17.2 Other liability - Claims - Made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)	102,383,193	92,026,543		52,681,677	31,164,581	28,627,622	21,132,145				11,257,330	2,266,944
<b>DETAILS OF WRITE-INS</b>												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page												
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)												

**NONE**

(a) Finance and service charges not included in Lines 1 to 35 \$ 348,633  
 (b) For health business on indicated lines report: Number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0.

19.GT

**NONE**    **Schedule F - Part 1 Assumed Reinsurance**

**NONE**    **Schedule F - Part 2 Premium Portfolio**

### SCHEDULE F – PART 3

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On									Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Cols. 15 – [16 + 17]	19 Funds Held by Company Under Reinsurance Treaties
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Cols. 7 through 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers		
22-2005057	26921	Everest Reinsurance Company	DE	0	178							89		89	88		1	
47-0698507	23680	Odyssey Reinsurance Company	CT	0	1,176							588		588	580		8	
13-5616275	19453	Transatlantic Reinsurance Company	NY	0	908							454		454	448		6	
0599998	Total Authorized - Other U.S. Unaffiliated Insurers (Under \$100,000)																	
0599999	Total Authorized - Other U.S. Unaffiliated Insurers					2,262						1,131		1,131	1,116		15	
AA-1126033	00000	Lloyd's Underwriter Syndicate No. 0033	GBR	0	523							261		261	258		3	
AA-1126727	00000	Lloyd's Underwriter Syndicate No. 0727	GBR	0	76							38		38	38			
AA-1127183	00000	Lloyd's Underwriter Syndicate No. 1183	GBR	0	362							181		181	178		3	
AA-1127414	00000	Lloyd's Underwriter Syndicate No. 1414	GBR	0	1,625							813		813	801		12	
AA-1120102	00000	Lloyd's Underwriter Syndicate No. 1458	GBR	0	349							174		174	172		2	
AA-1120083	00000	Lloyd's Underwriter Syndicate No. 1910	GBR	0	1,513							757		757	746		11	
AA-1128001	00000	Lloyd's Underwriter Syndicate No. 2001	GBR	0	1,407							704		704	694		10	
AA-1128010	00000	Lloyd's Underwriter Syndicate No. 2010	GBR	0	362							181		181	179		2	
AA-1128791	00000	Lloyd's Underwriter Syndicate No. 2791	GBR	0	1,238							619		619	611		8	
AA-1120075	00000	Lloyd's Underwriter Syndicate No. 4020	GBR	0	256							128		128	126		2	
0899998	Total Authorized - Other Non-U.S. Insurers (Under \$100,000)																	
0899999	Total Authorized - Other Non-U.S. Insurers					7,711						3,856		3,856	3,803		53	
0999999	Total Authorized					9,973						4,987		4,987	4,919		68	
AA-3190770	00000	ACE Tempest Reinsurance Ltd.	BMU	0	2,834							1,417		1,417	1,398		19	
AA-1464104	00000	Allianz Risk Transfer Limited	CHE	0	850							425		425	419		6	
AA-3190829	00000	Alterra Bermuda Limited	BMU	0	905							452		452	446		6	
AA-1460019	00000	Amlin AG	CHE	0	1,523							762		762	751		11	

NOTE:

A. Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000:

1 Name of Reinsurer	2 Commission Rate	3 Ceded Premium
1) _____	_____	_____
2) _____	_____	_____
3) _____	_____	_____
4) _____	_____	_____
5) _____	_____	_____

B. Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 9999999, Column 15, the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer).

1 Name of Reinsurer	2 Total Recoverables	3 Ceded Premiums	4 Affiliated
1) Axis Specialty Limited	1,763	3,529	Yes [ ] No [ X ]
2) ACE Tempest Reinsurance Ltd.	1,417	2,834	Yes [ ] No [ X ]
3) Hiscox Insurance Company (Ber	1,337	2,715	Yes [ ] No [ X ]
4) Montpelier Reinsurance Ltd.	1,078	2,157	Yes [ ] No [ X ]
5) Partner Reinsurance Company Lt	862	1,725	Yes [ ] No [ X ]

### SCHEDULE F – PART 3

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Cols. 15 – [16 + 17]	19 Funds Held by Company Under Reinsurance Treaties
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Cols. 7 through 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			
AA-3194168	00000	Aspen Insurance Limited	BMU	0	1,192							596		596	588		8		
AA-3194139	00000	Axis Specialty Limited	BMU	0	3,529							1,763		1,763	1,742		21		
AA-3194122	00000	DaVinci Reinsurance Ltd.	BMU	0	1,014							507		507	500		7		
AA-3194130	00000	Endurance Specialty Insurance Ltd.	BMU	0	1,427							714		714	704		10		
AA-1460006	00000	Flagstone Reassurance Suisse SA	CHE	0	1,629							814		814	803		11		
AA-3190875	00000	Hiscox Insurance Company (Bermuda) Limite	BMU	0	2,715							1,359		1,359	1,337		22		
AA-3194129	00000	Montpelier Reinsurance Ltd.	BMU	0	2,157							1,078		1,078	1,065		13		
AA-3190686	00000	Partner Reinsurance Company Ltd.	BMU	0	1,725							862		862	851		11		
AA-3194174	00000	Platinum Underwriters Bermuda Ltd.	BMU	0	1,347							674		674	664		10		
AA-3190339	00000	Renaissance Reinsurance Ltd	BMU	0	1,520							760		760	750		10		
AA-1320031	00000	SCOR Global P&C S.E.	FRA	0	1,448							724		724	714		10		
AA-3190870	00000	Validus Reinsurance Ltd.	BMU	0	410							205		205	202		3		
1499998	Total Unauthorized - Other U.S. Unaffiliated Insurers (Under \$100,000)																		
1499999	Total Unauthorized - Other U.S. Unaffiliated Insurers					26,225						13,112		13,112	12,934		178		
1899999	Total Unauthorized					26,225						13,112		13,112	12,934		178		
2899999	Total Authorized, Unauthorized and Certified					36,198						18,099		18,099	17,853		246		
9999999	Totals					36,198						18,099		18,099	17,853		246		

22.1

NOTE: A. Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000:

1 Name of Reinsurer	2 Commission Rate	3 Ceded Premium
1) _____	_____	_____
2) _____	_____	_____
3) _____	_____	_____
4) _____	_____	_____
5) _____	_____	_____

B. Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on-the total recoverables, Line 9999999, Column 15, the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer).

1 Name of Reinsurer	2 Total Recoverables	3 Ceded Premiums	4 Affiliated
1) Axis Specialty Limited	1,763	3,529	Yes [ ] No [ X ]
2) ACE Tempest Reinsurance Ltd.	1,417	2,834	Yes [ ] No [ X ]
3) Hiscox Insurance Company (Ber	1,337	2,715	Yes [ ] No [ X ]
4) Montpelier Reinsurance Ltd.	1,078	2,157	Yes [ ] No [ X ]
5) Partner Reinsurance Company Lt	862	1,725	Yes [ ] No [ X ]

**NONE Schedule F - Part 4 Aging of Ceded Reinsurance**

### SCHEDULE F – PART 5

Provision for Unauthorized Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Recoverable all Items Schedule F Part 3, Col. 15	6 Funds Held By Company Under Reinsurance Treaties	7 Letters of Credit	Letter of Credit Issuing or Confirming Bank (a)			11 Ceded Balances Payable	12 Miscellaneous Balances	13 Other Allowed Offset Items	14 6 + 7 + 11 + 12 + 13 but not in excess of Col. 5	15 Subtotal Col. 5 minus Col. 14	16 Recoverable Paid Losses & LAE Expenses Over 90 Day past Due not in Dispute	17 20 % of Amount in Col. 16	18 Smaller of Col. 14 or Col. 17	19 Smaller of Col. 14 or 20 % of Amount in Dispute Included in Col. 5	20 Total Provision for Unauthorized Reinsurance Smaller of Col. 5 or Cols 15 + 18 + 19
							8 American Bankers Association (ABA) Routing Number	9 Letter of Credit Code	10 Bank Name										
AA-3190770	00000	ACE Tempest Reinsurance Ltd.	BMU	1,417						1,398			1,398	19					19
AA-1464104	00000	Allianz Risk Transfer Limited	CHE	425						419			419	6					6
AA-3190829	00000	Alterra Bermuda Limited	BMU	452						446			446	6					6
AA-1460019	00000	Amlin AG	CHE	762						751			751	11					11
AA-3194168	00000	Aspen Insurance Limited	BMU	596						588			588	8					8
AA-3194139	00000	Axis Specialty Limited	BMU	1,763						1,742			1,742	21					21
AA-3194122	00000	DaVinci Reinsurance Ltd.	BMU	507						500			500	7					7
AA-3194130	00000	Endurance Specialty Insurance Ltd	BMU	714						704			704	10					10
AA-1460006	00000	Flagstone Reassurance Suisse SA	CHE	814						803			803	11					11
AA-3190875	00000	Hiscox Insurance Company (Berm)	BMU	1,359						1,337			1,337	22					22
AA-3194129	00000	Montpelier Reinsurance Ltd.	BMU	1,078						1,065			1,065	13					13
AA-3190686	00000	Partner Reinsurance Company Ltd	BMU	862						851			851	11					11
AA-3194174	00000	Platinum Underwriters Bermuda Lt	BMU	674						664			664	10					10
AA-3190339	00000	Renaissance Reinsurance Ltd	BMU	760						750			750	10					10
AA-1320031	00000	SCOR Global P&C S.E.	FRA	724						714			714	10					10
AA-3190870	00000	Validus Reinsurance Ltd.	BMU	205						202			202	3					3
0899999	Total Other Non-U.S. Insurers #			13,112				X X X	X X X	12,934			12,934	178					178
0999999	Total Affiliates and Others			13,112				X X X	X X X	12,934			12,934	178					178
9999999	Totals			13,112				X X X	X X X	12,934			12,934	178					178

1. Amounts in dispute totaling \$ 0 are included in Column 5.  
 2. Amounts in dispute totaling \$ 0 are excluded from Column 16.



(a)

Code	American Bankers Association (ABA) Routing Number	Bank Name
		<b>NONE</b>

**NONE**    **Schedule F - Part 6 - Section 1**

**NONE**    **Schedule F - Part 6 - Section 2**

**NONE**    **Schedule F - Part 7**

## SCHEDULE F – PART 8

Provision for Overdue Reinsurance as of December 31, Current Year

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Reinsurance Recoverable All Items	5 Funds Held By Company Under Reinsurance Treaties	6 Letters of Credit	7 Ceded Balances Payable	8 Other Miscellaneous Balances	9 Other Allowed Offset Items	10 Sum of Cols. 5 through 9 but not in Excess of Col. 4	11 Col. 4 minus Col. 10	12 Greater of Col. 11 or Schedule F - Part 4 Cols. 8 + 9
<b>NONE</b>											
9999999	Totals										

29

1. Total	
2. Line 1 x .20	
3. Schedule F-Part 7 Col. 11	
4. Provision for Overdue Authorized Reinsurance (Lines 2 + 3)	
5. Provision for Unauthorized Reinsurance (Schedule F-Part 5, Col. 20 x 1000)	178,000
6. Provision for Reinsurance Ceded to Certified Reinsurers (Schedule F Part 6, Section 1, Col. 23 x 1000)	
7. Provision for Overdue Reinsurance Ceded to Certified Reinsurers (Schedule F Part 6, Section 2, Col. 15 x 1000)	
8. Provision for Reinsurance (sum Lines 4 + 5 + 6 +7) (Enter this amount on Page 3, Line 16)	178,000

## SCHEDULE F – PART 9

### Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1	2	3
	As Reported (Net of Ceded)	Restatement Adjustments	Restated (Gross of Ceded)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 12)	41,688,818		41,688,818
2. Premiums and considerations (Line 15)	15,018,565		15,018,565
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1)			
4. Funds held by or deposited with reinsured companies (Line 16.2)			
5. Other assets			
6. Net amount recoverable from reinsurers		67,968	67,968
7. Protected cell assets (Line 27)			
8. Totals (Line 28)	56,707,383	67,968	56,775,351
<b>LIABILITIES (Page 3)</b>			
9. Losses and loss adjustment expenses (Lines 1 through 3)	25,293,361		25,293,361
10. Taxes, expenses, and other obligations (Lines 4 through 8)	2,361,984		2,361,984
11. Unearned premiums (Line 9)	34,582,801	18,098,876	52,681,677
12. Advance premiums (Line 10)	629,199		629,199
13. Dividends declared and unpaid (Line 11.1 and 11.2)			
14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12)	17,853,000	(17,853,000)	
15. Funds held by company under reinsurance treaties (Line 13)			
16. Amounts withheld or retained by company for account of others (Line 14)			
17. Provision for reinsurance (Line 16)	178,044	(178,044)	
18. Other liabilities	1,531,089		1,531,089
19. Total liabilities excluding protected cell business (Line 26)	82,429,478	67,832	82,497,310
20. Protected cell liabilities (Line 27)			
21. Surplus as regards policyholders (Line 37)	(25,722,095)	X X X	(25,722,095)
22. Totals (Line 38)	56,707,383	67,832	56,775,215

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements?    Yes [ ]    No [ X ]

If yes, give full explanation:

.....

.....

.....

**NONE**    **Schedule H - Part 1**

**NONE**    **Schedule H - Part 2, 3 and 4**

**NONE**    **Schedule H - Part 5**

## SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES

### SCHEDULE P – PART 1 – SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1–2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X								X X X	
2. 2003	34,604	3,317	31,287	11,833		1		1,742		11	13,576	X X X
3. 2004	95,328	10,090	85,238	26,070		1		4,720		26	30,791	X X X
4. 2005	84,300	6,911	77,389	33,240		15		6,242		170	39,497	X X X
5. 2006	57,066	11,199	45,867	17,895		14		3,598		167	21,507	X X X
6. 2007	67,995	15,040	52,955	18,579		45		3,720		119	22,344	X X X
7. 2008	69,720	21,357	48,363	299,662	234,511	2,072	2,072	45,490	23,417	309	87,224	X X X
8. 2009	60,884	32,748	28,136	21,966				3,336		177	25,302	X X X
9. 2010	67,214	26,309	40,905	16,027				2,343		45	18,370	X X X
10. 2011	78,866	31,803	47,063	22,731				3,699		53	26,430	X X X
11. 2012	92,027	35,147	56,880	22,287				5,157		9	27,444	X X X
12. Totals	X X X	X X X	X X X	490,290	234,511	2,148	2,072	80,047	23,417	1,086	312,485	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		Other Unpaid				
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded			
1. Prior													X X X
2. 2003			41					5				46	X X X
3. 2004	98		83					12				193	X X X
4. 2005			137					22				159	X X X
5. 2006			103					14				117	X X X
6. 2007	4		151					20				175	X X X
7. 2008	1,592		2,389					1,192				5,173	X X X
8. 2009	134		237					119				490	X X X
9. 2010	212		313					595				1,120	X X X
10. 2011	814		923					264				2,001	X X X
11. 2012	4,710		9,191					1,918				15,819	X X X
12. Totals	7,564		13,568					4,161				25,293	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. 2003	13,622		13,622	39,365		43,539				41	5
3. 2004	30,984		30,984	32,503		36,350				181	12
4. 2005	39,656		39,656	47,042		51,242				137	22
5. 2006	21,624		21,624	37,893		47,145				103	14
6. 2007	22,519		22,519	33,119		42,525				155	20
7. 2008	352,397	260,000	92,397	505,446	1217,399	191,049				3,981	1,192
8. 2009	25,792		25,792	42,363		91,669				371	119
9. 2010	19,490		19,490	28,997		47,647				525	595
10. 2011	28,431		28,431	36,050		60,411				1,737	264
11. 2012	43,263		43,263	47,011		76,060				13,901	1,918
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	21,132	4,161

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

### SCHEDULE P – PART 2 – SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior												
2. 2003	18,043	13,106	12,155	12,091	12,011	11,946	11,908	11,951	11,937	11,875	(62)	(76)
3. 2004	XXX	37,898	27,133	26,556	26,416	26,463	26,385	26,538	26,471	26,252	(219)	(286)
4. 2005	XXX	XXX	39,569	34,678	33,630	33,524	33,485	33,596	33,548	33,392	(156)	(204)
5. 2006	XXX	XXX	XXX	23,705	18,528	17,936	18,076	18,168	18,116	18,012	(104)	(156)
6. 2007	XXX	XXX	XXX	XXX	19,500	19,887	19,387	19,481	18,907	18,779	(128)	(702)
7. 2008	XXX	XXX	XXX	XXX	XXX	63,380	62,243	56,075	71,442	69,132	(2,310)	13,057
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	23,722	21,800	21,928	22,337	409	537
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,724	17,050	16,552	(498)	(4,172)
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	28,959	24,468	(4,491)	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	36,188	XXX	XXX
											12. Totals	
											(7,559)	7,998

### SCHEDULE P – PART 3 – SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
1. Prior	000										XXX	XXX
2. 2003	6,365	5,030	11,731	11,877	11,831	11,834	11,834	11,834	11,834	11,834	XXX	XXX
3. 2004	XXX	18,412	25,023	25,687	25,734	26,039	26,068	26,071	26,071	26,071	XXX	XXX
4. 2005	XXX	XXX	23,953	32,235	32,700	33,027	33,128	33,253	33,255	33,255	XXX	XXX
5. 2006	XXX	XXX	XXX	14,027	17,320	17,558	17,785	17,908	17,909	17,909	XXX	XXX
6. 2007	XXX	XXX	XXX	XXX	15,003	18,150	18,323	18,612	18,594	18,624	XXX	XXX
7. 2008	XXX	XXX	XXX	XXX	XXX	62,922	63,804	50,888	61,256	65,151	XXX	XXX
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	14,693	19,841	21,116	21,966	XXX	XXX
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,459	15,886	16,027	XXX	XXX
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,769	22,731	XXX	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22,287	XXX	XXX

### SCHEDULE P – PART 4 – SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)											
	1	2	3	4	5	6	7	8	9	10		
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
1. Prior												
2. 2003	6,912	1,075	180	117	114	93	68	50	42	41		
3. 2004	XXX	12,418	646	437	261	205	121	107	76	83		
4. 2005	XXX	XXX	7,395	876	435	307	291	214	176	137		
5. 2006	XXX	XXX	XXX	5,619	775	238	230	135	107	103		
6. 2007	XXX	XXX	XXX	XXX	6,579	653	411	201	151	151		
7. 2008	XXX	XXX	XXX	XXX	XXX	19,159	7,647	314	5,346	2,389		
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	4,660	508	276	237		
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,559	713	313		
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,466	923		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,191		

## SCHEDULE P – PART 1A – HOMEOWNERS/FARMOWNERS

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X								X X X	
2. 2003	33,443	3,065	30,378	11,621		1		1,706		11	13,328	1,804
3. 2004	86,708	8,940	77,768	24,408		1		4,236		26	28,645	5,205
4. 2005	72,032	5,595	66,437	29,545		15		5,312		117	34,872	4,805
5. 2006	45,739	8,958	36,781	15,030		14		2,998		167	18,042	2,479
6. 2007	54,593	12,103	42,490	13,870		45		3,146		68	17,061	3,157
7. 2008	55,037	16,859	38,178	237,522	182,617	2,072	2,072	35,000	17,687	214	72,218	20,491
8. 2009	45,302	24,367	20,935	16,832				2,632		77	19,464	2,709
9. 2010	48,358	19,083	29,275	13,122				1,855		16	14,977	2,293
10. 2011	56,042	22,943	33,099	18,275				2,813		25	21,088	2,901
11. 2012	64,771	24,792	39,979	14,138				3,334		9	17,472	3,423
12. Totals	X X X	X X X	X X X	394,363	182,617	2,148	2,072	63,032	17,687	730	257,167	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior													
2. 2003			31						4			35	
3. 2004	98		62						10			170	2
4. 2005			103						18			121	4
5. 2006			77						11			88	6
6. 2007	4		113						15			132	5
7. 2008	1,205		1,964						1,117			4,286	444
8. 2009	134		149						111			394	18
9. 2010	212		264						72			548	10
10. 2011	781		693						201			1,675	53
11. 2012	3,835		6,896						1,434			12,165	539
12. Totals	6,269		10,352						2,993			19,614	1,081

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. 2003	13,363		13,363	39,958		43,989				31	4
3. 2004	28,815		28,815	33,232		37,053				160	10
4. 2005	34,993		34,993	48,580		52,671				103	18
5. 2006	18,130		18,130	39,638		49,292				77	11
6. 2007	17,193		17,193	31,493		40,464				117	15
7. 2008	278,880	202,376	76,504	506,714	1200,403	200,388				3,169	1,117
8. 2009	19,858		19,858	43,835		94,856				283	111
9. 2010	15,525		15,525	32,104		53,032				476	72
10. 2011	22,763		22,763	40,618		68,772				1,474	201
11. 2012	29,637		29,637	45,757		74,131				10,731	1,434
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	16,621	2,993



- NONE**    **Schedule P - Part 1B Private Passenger**
- NONE**    **Schedule P - Part 1C Commercial Auto**
- NONE**    **Schedule P - Part 1D Workers Compensation**
- NONE**    **Schedule P - Part 1E Commercial Multiple Peril**
- NONE**    **Schedule P - Part 1F - Section 1 Med. Prof. Liab. Occurence**
- NONE**    **Schedule P - Part 1F - Section 2 Med. Prof. Liab. Claims-Made**
- NONE**    **Schedule P - Part 1G Special Liability**
- NONE**    **Schedule P - Part 1H - Section 1 Other Liab. Occurence**
- NONE**    **Schedule P - Part 1H - Section 2 Other Liab. Claims-Made**

## SCHEDULE P – PART 11 – SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4	5	6	7	8	9			
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior	X X X	X X X	X X X	590					182		772	X X X
2. 2011	22,824	8,860	13,964	4,456					886	28	5,342	X X X
3. 2012	27,256	10,355	16,901	8,149					1,823		9,972	X X X
4. Totals	X X X	X X X	X X X	13,195					2,891	28	16,086	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1. Prior	387		691						621			1,699	239
2. 2011	33		230						63			326	6
3. 2012	875		2,295						484			3,654	116
4. Totals	1,295		3,216						1,168			5,679	361

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X	1,078	621
2. 2011	5,668		5,668	24.834		40.590				263	63
3. 2012	13,626		13,626	49.993		80.622				3,170	484
4. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	4,511	1,168

- NONE**    **Schedule P - Part 1J Auto Physical Damage**
- NONE**    **Schedule P - Part 1K Fidelity/Surety**
- NONE**    **Schedule P - Part 1L Other**
- NONE**    **Schedule P - Part 1M International**
- NONE**    **Schedule P - Part 1N Nonproportional Assumed Prop.**
- NONE**    **Schedule P - Part 1O Nonproportional Assumed Liab.**
- NONE**    **Schedule P - Part 1P Nonproportional Assumed Fin. Lines**
- NONE**    **Schedule P - Part 1R - Section 1 Prod. Liab. Occurence**
- NONE**    **Schedule P - Part 1R - Section 2 Prod. Liab. Claims-Made**
- NONE**    **Schedule P - Part 1S Financial Guaranty/Mortgage Guaranty**
- NONE**    **Schedule P - Part 1T - Warranty**

### SCHEDULE P – PART 2A – HOMEOWNERS/FARMOWNERS

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior												
2. 2003	17,643	12,880	11,921	11,859	11,775	11,713	11,682	11,719	11,705	11,653	(52)	(66)
3. 2004	XXX	35,412	25,380	24,816	24,693	24,755	24,699	24,792	24,742	24,569	(173)	(223)
4. 2005	XXX	XXX	35,164	30,825	29,880	29,781	29,752	29,834	29,792	29,663	(129)	(171)
5. 2006	XXX	XXX	XXX	19,815	15,518	15,041	15,185	15,253	15,209	15,121	(88)	(132)
6. 2007	XXX	XXX	XXX	XXX	20,178	14,593	14,126	14,612	14,136	14,032	(104)	(580)
7. 2008	XXX	XXX	XXX	XXX	XXX	53,544	48,205	48,659	60,068	58,074	(1,994)	9,415
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	18,384	16,615	16,693	17,115	422	500
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,849	13,908	13,598	(310)	(3,251)
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	23,097	19,749	(3,348)	XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24,869	XXX	XXX
12. Totals											(5,776)	5,492

### SCHEDULE P – PART 2B – PRIVATE PASSENGER AUTO LIABILITY/MEDICAL

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior												
2. 2003												
3. 2004	XXX											
4. 2005	XXX	XXX										
5. 2006	XXX	XXX	XXX									
6. 2007	XXX	XXX	XXX	XXX								
7. 2008	XXX	XXX	XXX	XXX	XXX							
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX
12. Totals												

### SCHEDULE P – PART 2C – COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior												
2. 2003												
3. 2004	XXX											
4. 2005	XXX	XXX										
5. 2006	XXX	XXX	XXX									
6. 2007	XXX	XXX	XXX	XXX								
7. 2008	XXX	XXX	XXX	XXX	XXX							
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX
12. Totals												

### SCHEDULE P – PART 2D – WORKERS' COMPENSATION (EXCLUDING EXCESS WORKERS' COMPENSATION)

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior												
2. 2003												
3. 2004	XXX											
4. 2005	XXX	XXX										
5. 2006	XXX	XXX	XXX									
6. 2007	XXX	XXX	XXX	XXX								
7. 2008	XXX	XXX	XXX	XXX	XXX							
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX
12. Totals												

### SCHEDULE P – PART 2E – COMMERCIAL MULTIPLE PERIL

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior												
2. 2003												
3. 2004	XXX											
4. 2005	XXX	XXX										
5. 2006	XXX	XXX	XXX									
6. 2007	XXX	XXX	XXX	XXX								
7. 2008	XXX	XXX	XXX	XXX	XXX							
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX
12. Totals												

**NONE**    **Schedule P - Part 2F - Sec. 1 and 2, 2G, 2H Sec. 1 and 2**

## SCHEDULE P – PART 2I – SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(23)	3,185	2,545	(640)	2,568
2. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,862	4,719	(1,143)	XXX
3. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,319	XXX	XXX
4. Totals											(1,783)	2,568

## SCHEDULE P – PART 2J – AUTO PHYSICAL DAMAGE

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4. Totals											XXX	XXX

## SCHEDULE P – PART 2K – FIDELITY, SURETY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4. Totals											XXX	XXX

## SCHEDULE P – PART 2L – OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4. Totals											XXX	XXX

## SCHEDULE P – PART 2M – INTERNATIONAL

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	One Year	Two Year
1. Prior												
2. 2003												
3. 2004	XXX											
4. 2005	XXX	XXX										
5. 2006	XXX	XXX	XXX									
6. 2007	XXX	XXX	XXX	XXX								
7. 2008	XXX	XXX	XXX	XXX	XXX							
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX
12. Totals											XXX	XXX

**NONE**    **Schedule P - Part 2N, 2O, 2P**

**NONE**    **Schedule P - Part 2R Sec. 1 and 2, 2S, 2T**

### SCHEDULE P – PART 3A – HOMEOWNERS/FARMOWNERS

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1	2	3	4	5	6	7	8	9	10			
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012			
1. Prior	000												
2. 2003	6,297	4,810	11,520	11,666	11,620	11,621	11,622	11,622	11,622	11,622		1,115	689
3. 2004	XXX	17,167	23,361	24,025	24,072	24,378	24,407	24,409	24,409	24,409		2,966	2,237
4. 2005	XXX	XXX	20,874	28,557	29,049	29,355	29,456	29,558	29,560	29,560		3,062	1,740
5. 2006	XXX	XXX	XXX	11,451	14,482	14,715	14,942	15,043	15,044	15,044		1,437	1,036
6. 2007	XXX	XXX	XXX	XXX	10,953	13,496	13,663	13,900	13,885	13,915		1,888	1,264
7. 2008	XXX	XXX	XXX	XXX	XXX	48,199	50,084	57,517	51,545	54,905		17,014	3,033
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	10,792	15,012	16,030	16,832		1,742	949
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,212	12,988	13,122		1,300	983
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,176	18,275		1,756	1,092
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	14,138		1,506	1,378

### SCHEDULE P – PART 3B – PRIVATE PASSENGER AUTO LIABILITY/MEDICAL

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1	2	3	4	5	6	7	8	9	10			
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012			
1. Prior	000												
2. 2003													
3. 2004	XXX												
4. 2005	XXX	XXX											
5. 2006	XXX	XXX	XXX										
6. 2007	XXX	XXX	XXX	XXX									
7. 2008	XXX	XXX	XXX	XXX	XXX								
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX							
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

NONE

### SCHEDULE P – PART 3C – COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1	2	3	4	5	6	7	8	9	10			
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012			
1. Prior	000												
2. 2003													
3. 2004	XXX												
4. 2005	XXX	XXX											
5. 2006	XXX	XXX	XXX										
6. 2007	XXX	XXX	XXX	XXX									
7. 2008	XXX	XXX	XXX	XXX	XXX								
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX							
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

NONE

### SCHEDULE P – PART 3D – WORKERS' COMPENSATION (EXCLUDING EXCESS WORKERS' COMPENSATION)

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1	2	3	4	5	6	7	8	9	10			
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012			
1. Prior	000												
2. 2003													
3. 2004	XXX												
4. 2005	XXX	XXX											
5. 2006	XXX	XXX	XXX										
6. 2007	XXX	XXX	XXX	XXX									
7. 2008	XXX	XXX	XXX	XXX	XXX								
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX							
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

NONE

### SCHEDULE P – PART 3E – COMMERCIAL MULTIPLE PERIL

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1	2	3	4	5	6	7	8	9	10			
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012			
1. Prior	000												
2. 2003													
3. 2004	XXX												
4. 2005	XXX	XXX											
5. 2006	XXX	XXX	XXX										
6. 2007	XXX	XXX	XXX	XXX									
7. 2008	XXX	XXX	XXX	XXX	XXX								
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX							
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

NONE



**NONE**    **Schedule P - Part 3F Sec. 1 and 2, 3G, 3H Sec. 1 and 2**

### SCHEDULE P – PART 3I – SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012		
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0 0 0	8 7 7	1,4 6 7	X X X	X X X
2. 2011	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	3,5 9 3	4,4 5 6	X X X	X X X
3. 2012	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	8,1 4 9	X X X	X X X

### SCHEDULE P – PART 3J – AUTO PHYSICAL DAMAGE

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012		
1. Prior	X X X	X X X	X X X	X X X	X X X	<b>NONE</b>		0 0 0				
2. 2011	X X X	X X X	X X X	X X X	X X X	<b>NONE</b>		X X X				
3. 2012	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			

### SCHEDULE P – PART 3K – FIDELITY/SURETY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012		
1. Prior	X X X	X X X	X X X	X X X	X X X	<b>NONE</b>		0 0 0			X X X	X X X
2. 2011	X X X	X X X	X X X	X X X	X X X	<b>NONE</b>		X X X			X X X	X X X
3. 2012	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

### SCHEDULE P – PART 3L – OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012		
1. Prior	X X X	X X X	X X X	X X X	X X X	<b>NONE</b>		0 0 0			X X X	X X X
2. 2011	X X X	X X X	X X X	X X X	X X X	<b>NONE</b>		X X X			X X X	X X X
3. 2012	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

### SCHEDULE P – PART 3M – INTERNATIONAL

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2003	2 2004	3 2005	4 2006	5 2007	6 2008	7 2009	8 2010	9 2011	10 2012		
1. Prior	0 0 0										X X X	X X X
2. 2003											X X X	X X X
3. 2004	X X X										X X X	X X X
4. 2005	X X X	X X X									X X X	X X X
5. 2006	X X X	X X X	X X X								X X X	X X X
6. 2007	X X X	X X X	X X X	X X X							X X X	X X X
7. 2008	X X X	X X X	X X X	X X X	X X X						X X X	X X X
8. 2009	X X X	X X X	X X X	X X X	X X X	X X X					X X X	X X X
9. 2010	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
10. 2011	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
11. 2012	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

**NONE**    **Schedule P - Part 3N, 3O, 3P**

**NONE**    **Schedule P - Part 3R Sec. 1 and 2, 3S, 3T**

### SCHEDULE P – PART 4A – HOMEOWNERS/FARMOWNERS

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior										
2. 2003	6,727	992	157	96	89	72	54	41	31	31
3. 2004	XXX	11,462	562	360	203	159	96	85	57	62
4. 2005	XXX	XXX	6,437	720	339	239	230	169	132	103
5. 2006	XXX	XXX	XXX	4,621	603	186	182	106	80	77
6. 2007	XXX	XXX	XXX	XXX	5,120	508	325	159	113	113
7. 2008	XXX	XXX	XXX	XXX	XXX	14,904	5,974	144	4,403	1,964
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	3,685	402	207	149
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,396	536	264
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,603	693
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,896

### SCHEDULE P – PART 4B – PRIVATE PASSENGER AUTO LIABILITY/MEDICAL

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX						
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

NONE

### SCHEDULE P – PART 4C – COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX						
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

NONE

### SCHEDULE P – PART 4D – WORKERS' COMPENSATION (EXCLUDING EXCESS WORKERS' COMPENSATION)

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

NONE

### SCHEDULE P – PART 4E – COMMERCIAL MULTIPLE PERIL

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX						
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

NONE

**NONE**    **Schedule P - Part 4F Sec. 1 and 2, 4G, 4H Sec. 1 and 2**

### SCHEDULE P – PART 4I – SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,586	1,328	691
2. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,863	230
3. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,295

### SCHEDULE P – PART 4J – AUTO PHYSICAL DAMAGE

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

### SCHEDULE P – PART 4K – FIDELITY/SURETY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

### SCHEDULE P – PART 4L – OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

### SCHEDULE P – PART 4M – INTERNATIONAL

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior										
2. 2003										
3. 2004	XXX									
4. 2005	XXX	XXX								
5. 2006	XXX	XXX	XXX							
6. 2007	XXX	XXX	XXX	XXX						
7. 2008	XXX	XXX	XXX	XXX	XXX					
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**NONE**    **Schedule P - Part 4N, 4O, 4P**

**NONE**    **Schedule P - Part 4R Sec. 1 and 2, 4S, 4T**

**SCHEDULE P – PART 5A – HOMEOWNERS/FARMOWNERS****SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior										
2. 2003	542	919	992	1,068	1,077	1,098	1,108	1,115	1,115	1,115
3. 2004	XXX	1,471	2,136	2,830	2,855	2,896	2,961	2,965	2,965	2,966
4. 2005	XXX	XXX	1,410	2,309	2,899	2,961	3,010	3,058	3,062	3,062
5. 2006	XXX	XXX	XXX	660	821	965	1,399	1,434	1,434	1,437
6. 2007	XXX	XXX	XXX	XXX	996	1,342	1,798	1,856	1,884	1,888
7. 2008	XXX	XXX	XXX	XXX	XXX	7,276	8,375	16,439	16,690	17,014
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	894	1,595	1,724	1,742
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	886	1,232	1,300
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,144	1,756
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,506

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior										
2. 2003	602	198	124	6	6					
3. 2004	XXX	1,532	836	16	26			4	3	2
4. 2005	XXX	XXX	1,677	353	478	2	2	8	5	4
5. 2006	XXX	XXX	XXX	236	250	1	1	10	8	6
6. 2007	XXX	XXX	XXX	XXX	244	27	27	39	10	5
7. 2008	XXX	XXX	XXX	XXX	XXX	4,815	4,815	1,004	775	444
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX		150	32	18
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	369	71	10
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	578	53
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	539

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Prior								1		
2. 2003	1,668	1,838	1,796	1,732	1,734	1,750	1,799	1,804	1,804	1,804
3. 2004	XXX	5,050	5,183	5,034	5,038	5,101	5,182	5,205	5,205	5,205
4. 2005	XXX	XXX	4,530	4,635	4,652	4,698	4,791	4,800	4,802	4,805
5. 2006	XXX	XXX	XXX	2,208	2,356	2,408	2,468	2,477	2,477	2,479
6. 2007	XXX	XXX	XXX	XXX	2,341	2,896	3,012	3,155	3,156	3,157
7. 2008	XXX	XXX	XXX	XXX	XXX	4,039	4,116	20,456	20,481	20,491
8. 2009	XXX	XXX	XXX	XXX	XXX	XXX	263	2,673	2,703	2,709
9. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,086	2,277	2,293
10. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,669	2,901
11. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,423



- NONE Schedule P - Part 5B - Section 1-3**
- NONE Schedule P - Part 5C - Section 1-3**
- NONE Schedule P - Part 5D - Section 1-3**
- NONE Schedule P - Part 5E - Section 1-3**
- NONE Schedule P - Part 5F - Section 1A-3A**
- NONE Schedule P - Part 5F - Section 1B-3B**
- NONE Schedule P - Part 5H - Section 1A-3A**
- NONE Schedule P - Part 5H - Section 1B-3B**
- NONE Schedule P - Part 5R - Section 1A-3A**
- NONE Schedule P - Part 5R - Section 1B-3B**
- NONE Schedule P - Part 5T - Warranty**
- NONE Schedule P - Part 6C Sec. 1 and 2, 6D Sec. 1 and 2**
- NONE Schedule P - Part 6E Sec. 1 and 2, 6H Sec. 1A and 2A**
- NONE Schedule P - Part 6H Sec. 1B and 2B, 6M Sec. 1B and 2B**
- NONE Schedule P - Part 6N Sec. 1 and 2, 6O Sec. 1 and 2**
- NONE Schedule P - Part 6R Sec. 1A, 2A and 1B, 2B**
- NONE Schedule P - Part 7A**
- NONE Schedule P - Part 7A (Continued)**
- NONE Schedule P - Part 7B**
- NONE Schedule P - Part 7B (Continued)**

## SCHEDULE P INTERROGATORIES

1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims Made insurance policies. EREs provided for reasons other than DDR are not to be included.

1.1 Does the company issue Medical Professional Liability Claims Made insurance policies that provide tail (also known as an extended reporting endorse "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost? Yes [ ] No [X]

If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions:

1.2 What is the total amount of the reserve for that provision (DDR Reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)? \$ \_\_\_\_\_

1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65? Yes [ ] No [X]

1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve? Yes [ ] No [X]

1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A – Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2? Yes [ ] No [ ] N/A [X]

1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

Years in Which Premiums Were Earned and Losses Were Incurred	DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid	
	1 Section 1: Occurrence	2 Section 2: Claims-Made
1.601 Prior		
1.602 2003		
1.603 2004		
1.604 2005		
1.605 2006		
1.606 2007		
1.607 2008		
1.608 2009		
1.609 2010		
1.610 2011		
1.611 2012		
1.612 Totals		

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Yes [X] No [ ]

3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement? Yes [X] No [ ]

4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? Yes [ ] No [X]

If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.

Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.

Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.

5. What were the net premiums in force at the end of the year for: 5.1 Fidelity \$ \_\_\_\_\_  
5.2 Surety \$ \_\_\_\_\_  
 (in thousands of dollars)

6. Claim count information is reported per claim or per claimant. (indicate which). Per Claim \_\_\_\_\_

If not the same in all years, explain in Interrogatory 7.

7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses? Yes [X] No [ ]

7.2 An extended statement may be attached  
 Hurricane IKE hit the coast of Texas in September 2008. The Association's ultimate estimated loss for this hurricane was approximately \$300 million at December 31, 2008, \$235 million at December 31, 2009, \$275 million at December 2010, \$330 million at December 31, 2011 and \$320 million at December 31, 2012. The Association has catastrophe excess of loss reinsurance which provides 100% participation of \$300 million in excess of \$40 million.

## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN Allocated By States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	N							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	N							
15. Indiana	IN	N							
16. Iowa	IA	N							
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	N							
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	N							
27. Montana	MT	N							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	N							
33. New York	NY	N							
34. North Carolina	NC	N							
35. North Dakota	ND	N							
36. Ohio	OH	N							
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	N							
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	N							
44. Texas	TX	L	102,383,193	92,026,543	31,164,581	28,627,622	21,132,145	348,633	
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	N							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate Other Alien	OT	X X X							
59. Totals	(a) 1		102,383,193	92,026,543	31,164,581	28,627,622	21,132,145	348,633	

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

NONE

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

**Explanation of basis of allocation of premiums by states, etc.**

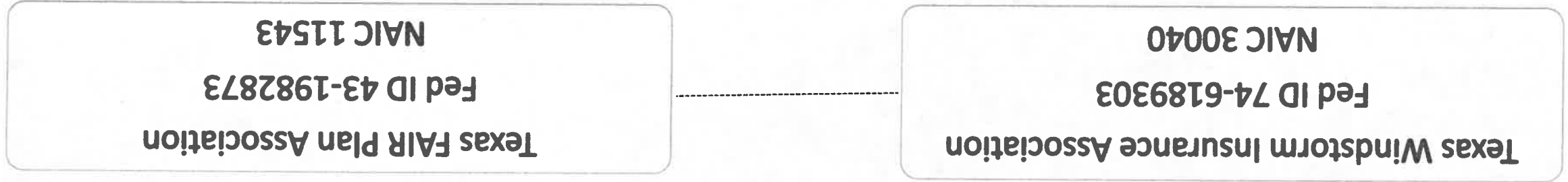
Texas Fair Plan only writes in Texas.

(a) Insert the number of L responses except for Canada and Other Alien.

**NONE Schedule T - Part 2**

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

**PART 1 - ORGANIZATIONAL CHART**



## SCHEDULE Y

### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
4766		11543	43-1982873				Texas FAIR Plan Association	TEXAS	CONTRACT	UNAFFILIATED	SERVICE CONTRACT			
4766		30040	74-6189303				Texas Windstorm Insurance Association	TEXAS	CONTRACT	UNAFFILIATED	SERVICE CONTRACT			

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Asterik	Explanation
	NONE

## SCHEDULE Y

### PART 2 – SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parents, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred Under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
11543 30040	43-1982873 74-6189303	Texas Fair Plan Association Texas Windstorm Insurance Association						(6,262,452) 6,262,452			(6,262,452) 6,262,452	
9999999	Control Totals								XXX			

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED 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.

	Responses
<b>MARCH FILING</b>	
1. Will an actuarial opinion be filed by March 1?	YES
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	YES
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	YES
<b>APRIL FILING</b>	
5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?	YES
6. Will Management's Discussion and Analysis be filed by April 1?	YES
7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?	YES
<b>MAY FILING</b>	
8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?	See Explanation
<b>JUNE FILING</b>	
9. Will an audited financial report be filed by June 1?	See Explanation
10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	See Explanation
<b>AUGUST FILING</b>	
11. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?	YES
<p>The following supplemental reports are required to be filed as part of your annual 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.</p>	
<b>MARCH FILING</b>	
12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	NO
13. Will the Financial Guaranty Insurance Exhibit be filed by March 1?	NO
14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	NO
15. Will Supplemental A to Schedule T (Medical Professional Liability Supplement) be filed by March 1?	NO
16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?	NO
17. Will the Premiums Attributed to Protected Cells be filed by March 1?	NO
18. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?	YES
19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?	YES
21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?	YES
22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?	NO
23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?	NO
24. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
25. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	NO
26. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	NO
27. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	NO
<b>APRIL FILING</b>	
28. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?	NO
29. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
30. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	NO
31. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	NO
32. Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	NO
<b>AUGUST FILING</b>	
33. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	YES

**Explanation:**



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

- Explanation 8: Not Applicable
- Explanation 9: Texas Fair Plan Association is not required to file until June 30.
- Explanation 10: Texas Fair Plan Association is not required to file until June 30.

**Bar Code:**



11543201220100000



11543201222000000



11543201222100000



11543201242000000



11543201224000000



11543201236000000



11543201245500000



11543201249000000



11543201238500000



11543201236500000



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11543201223000000



11543201230600000



11543201221000000



11543201221600000



11543201221700000

**OVERFLOW PAGE FOR WRITE-INS**

**Page 11 - Continuation**

REMAINING WRITE-INS AGGREGATED AT LINE 24 FOR OTHER LINES OF BUSINESS	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. Misc Expense .....	35,020	2,520		37,540
2497. Totals (Lines 2404 through 2496) (Page 11, Line 24)	35,020	2,520		37,540

## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1	2	3	4	5	6
	Amount	Percentage	Amount	Securities Lending Reinvested Collateral Amount	Total (Col. 3 + 4) Amount	Percentage
1. Bonds:						
1.1 U.S. treasury securities						
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies						
1.22 Issued by U.S. government sponsored agencies						
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations						
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations						
1.43 Revenue and assessment obligations						
1.44 Industrial development and similar obligations						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA						
1.512 Issued or guaranteed by FNMA and FHLMC						
1.513 All other						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA						
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521						
1.523 All other						
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)						
2.2 Unaffiliated non-U.S. securities (including Canada)						
2.3 Affiliated securities						
3. Equity interests:						
3.1 Investments in mutual funds						
3.2 Preferred stocks:						
3.21 Affiliated						
3.22 Unaffiliated						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated						
3.32 Unaffiliated						
3.4 Other equity securities:						
3.41 Affiliated						
3.42 Unaffiliated						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated						
3.52 Unaffiliated						
4. Mortgage loans:						
4.1 Construction and land development						
4.2 Agricultural						
4.3 Single family residential properties						
4.4 Multifamily residential properties						
4.5 Commercial loans						
4.6 Mezzanine real estate loans						
5. Real estate investments:						
5.1 Property occupied by company						
5.2 Property held for production of income (including \$ _____ of property acquired in satisfaction of debt)						
5.3 Property held for sale (including \$ _____ of property acquired in satisfaction of debt)						
6. Contract loans						
7. Derivatives						
8. Receivables for securities						
9. Securities Lending (Line 10, Asset Page reinvested collateral)				XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments	41,688,818	100.00	41,688,818		41,688,818	100.00
11. Other invested assets						
12. Total invested assets	41,688,818	100.00	41,688,818		41,688,818	100.00

## SCHEDULE A - VERIFICATION BETWEEN YEARS

### Real Estate

1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6)		
2.2 Additional investment made after acquisition (Part 2, Column 9)		
3. Current year change in encumbrances:		
3.1 Totals, Part 1, Column 13		
3.2 Totals, Part 3, Column 11		
4. Total gain (loss) on disposals, Part 3, Column 18		
5. Deduct amounts received on disposals, Part 3, Column 15		
6. Total foreign exchange change in book/adjusted carrying value:		<b>NONE</b>
6.1 Totals, Part 1, Column 15		
6.2 Totals, Part 3, Column 13		
7. Deduct current year's other than temporary impairment recognized:		
7.1 Totals, Part 1, Column 12		
7.2 Totals, Part 3, Column 10		
8. Deduct current year's depreciation:		
8.1 Totals, Part 1, Column 11		
8.2 Totals, Part 3, Column 9		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

## SCHEDULE B - VERIFICATION BETWEEN YEARS

### Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions (Part 2, Column 7)		
2.2 Additional investment made after acquisitions (Part 2, Column 8)		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 12		
3.2 Totals, Part 3, Column 11		
4. Accrual of discount		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 9		
5.2 Totals, Part 3, Column 8		<b>NONE</b>
6. Total gain (loss) on disposals, Part 3, Column 18		
7. Deduct amounts received on disposals, Part 3, Column 15		
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:		
9.1 Totals, Part 1, Column 13		
9.2 Totals, Part 3, Column 13		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 11		
10.2 Totals, Part 3, Column 10		
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 accounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

## SCHEDULE BA - VERIFICATION BETWEEN YEARS

### Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8)		
2.2 Additional investment made after acquisition (Part 2, Column 9)		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 16		
3.2 Totals, Part 3, Column 12		
4. Accrual of discount		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13		NONE
5.2 Totals, Part 3, Column 9		
6. Total gain (loss) on disposals, Part 3, Column 19		
7. Deduct amounts received on disposals, Part 3, Column 16		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17		
9.2 Totals, Part 3, Column 14		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 15		
10.2 Totals, Part 3, Column 11		
11. Book/adjusted carrying value at the 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)		

## SCHEDULE D - VERIFICATION BETWEEN YEARS

### Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of bonds and stocks acquired, Part 3, Column 7		
3. Accrual of discount		
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12		
4.2 Part 2, Section 1, Column 15		
4.3 Part 2, Section 2, Column 13		
4.4 Part 4, Column 11		
5. Total gain (loss) on disposals, Part 4, Column 19		
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7		NONE
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15		
8.2 Part 2, Section 1, Column 19		
8.3 Part 2, Section 2, Column 16		
8.4 Part 4, Column 15		
9. Deduct current year's other than temporary impairment recognized:		
9.1 Part 1, Column 14		
9.2 Part 2, Section 1, Column 17		
9.3 Part 2, Section 2, Column 14		
9.4 Part 4, Column 13		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		
11. Deduct total nonadmitted accounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

**NONE**    **Schedule D - Summary**

**NONE**    **Schedule D - Part 1A - Sect 1 (3 pgs)**

**NONE**    **Schedule D - Part 1A - Sect 2 (2 pgs)**

## SCHEDULE DA - VERIFICATION BETWEEN YEARS

### Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-Term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	8,692,805			8,692,805	
2. Cost of short-term investments acquired	2,235			2,235	
3. Accrual of discount					
4. Unrealized valuation increase (decrease)					
5. Total gain (loss) on disposals					
6. Deduct consideration received on disposals	8,695,040			8,695,040	
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)					

S110

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: Class One Money Market Mutual Funds.

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

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

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

**NONE Schedule DB - Verification**

**NONE Schedule E Verification**

**NONE Schedule A - Part 1**

**NONE Schedule A - Part 2**

**NONE Schedule A - Part 3**

**NONE Schedule B - Part 1**

**NONE Schedule B - Part 2**

**NONE Schedule B - Part 3**

**NONE Schedule BA - Part 1**

**NONE Schedule BA - Part 2**

**NONE Schedule BA - Part 3**

**NONE Schedule D - Part 1**

**NONE Schedule D - Part 2 - Section 1**

**NONE Schedule D - Part 2 - Section 2**

**NONE Schedule D - Part 3**

**NONE Schedule D - Part 4**

**NONE Schedule D - Part 5**

**NONE Schedule D - Part 6 - Section 1 and 2**

**NONE Schedule DA - Part 1**

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

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

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

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

**NONE Schedule DB - Part D**

**NONE Schedule DL - Part 1**

**NONE Schedule DL - Part 2**





### SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
			<b>NONE</b>				
<div style="display: flex; justify-content: space-between;"> <span>8699999 Total Cash Equivalents</span> </div>							

E26

**NONE Schedule E - Part 3**

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