

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)	1,354,577,466		1,354,577,466	1,360,042,387
2. Stocks (Schedule D):				
2.1 Preferred stocks	642,234		642,234	642,234
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 \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 46,360,028, Schedule E - Part 1), cash equivalents (\$ 13,729,251, Schedule E - Part 2) and short-term investments (\$ 54,875,380, Schedule DA)	114,964,659		114,964,659	119,937,624
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	148,862,369		148,862,369	178,854,545
9. Receivables for securities	15,600		15,600	3,438,784
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)	1,619,062,328		1,619,062,328	1,662,915,574
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	12,221,746		12,221,746	11,341,957
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	53,999,663		53,999,663	44,679,424
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	37,615,216		37,615,216	28,612,624
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	6,886,242		6,886,242	6,259,908
16.2 Funds held by or deposited with reinsured companies	9,469,990		9,469,990	7,099,616
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	18,312,132	11,362,179	6,949,953	3,904,759
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
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	874,252		874,252	488,473
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	39		39	5
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,758,441,608	11,362,179	1,747,079,429	1,765,302,340
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	1,758,441,608	11,362,179	1,747,079,429	1,765,302,340
Details of Write-Ins				
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. Misc Receivables				
2502. Claims for State Premium Tax Refunds	39		39	5
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	39		39	5

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	759,690,212	802,300,678
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	25,173,067	7,397,983
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	236,574,165	232,729,459
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	2,966,251	2,317,303
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	2,666,915	1,664,931
7.1 Current federal and foreign income taxes (including \$ 12,546,867 on realized capital gains (losses)).....	4,585,089	14,850,784
7.2 Net deferred tax liability.....		
8. Borrowed money \$ and interest thereon \$.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 50,048,881 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act).....	98,170,926	66,016,551
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	15,027,389	13,931,435
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20).....	2,491,140	1,486,059
14. Amounts withheld or retained by company for account of others.....	6,152	29,959
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$ 1,771,995 certified) (Schedule F, Part 3 Column 78).....	12,255,304	2,326,540
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	162,003	
20. Derivatives.....		
21. Payable for securities.....	1,045,015	6,700,277
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$ and interest thereon \$.....		
25. Aggregate write-ins for liabilities.....		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,160,813,628	1,151,751,959
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	1,160,813,628	1,151,751,959
29. Aggregate write-ins for special surplus funds.....		
30. Common capital stock.....	5,000,000	5,000,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other-than-special surplus funds.....		
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	221,000,000	221,000,000
35. Unassigned funds (surplus).....	360,265,801	387,550,381
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$).....		
36.2 shares preferred (value included in Line 31 \$).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	586,265,801	613,550,381
38. Totals (Page 2, Line 28, Col. 3).....	1,747,079,429	1,765,302,340
Details of Write-Ins		
2501.....		
2502.....		
2503.....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....		
2901.....		
2902.....		
2903.....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....		
3201.....		
3202.....		
3203.....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....		

STATEMENT OF INCOME

	1	2
	Current Year	Prior Year
Underwriting Income		
1. Premiums earned (Part 1, Line 35, Column 4).....	247,215,263	227,001,110
Deductions:		
2. Losses incurred (Part 2, Line 35, Column 7).....	161,948,116	201,613,996
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	24,087,971	15,044,563
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	56,527,526	39,286,085
5. Aggregate write-ins for underwriting deductions.....		
6. Total underwriting deductions (Lines 2 through 5).....	242,563,613	255,944,644
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	4,651,650	(28,943,534)
Investment Income		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	29,566,019	20,526,259
10. Net realized capital gains (losses) less capital gains tax of \$ 3,650,339 (Exhibit of Capital Gains (Losses)).....	8,302,261	31,665,843
11. Net investment gain (loss) (Lines 9 + 10).....	37,868,280	52,192,102
Other Income		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 7,647 amount charged off \$).....	7,647	(7,647)
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	2,231,616	723,474
15. Total other income (Lines 12 through 14).....	2,239,263	715,827
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	44,759,193	23,964,395
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).....	44,759,193	23,964,395
19. Federal and foreign income taxes incurred.....	9,176,646	(3,390,675)
20. Net income (Line 18 minus Line 19) (to Line 22).....	35,582,547	27,355,070
Capital and Surplus Account		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	613,550,381	614,772,384
22. Net income (from Line 20).....	35,582,547	27,355,070
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (11,756,547).....	(44,227,010)	14,632,091
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	2,650,826	(1,229,045)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3).....	(11,362,179)	3,772,588
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	(9,928,764)	(752,707)
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.....		(45,000,000)
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 to policyholders (Lines 22 through 37).....	(27,284,580)	(1,222,003)
39. Surplus as regards to policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	586,265,801	613,550,381
Details of Write-Ins		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page.....		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....		
1401. Gain/(Loss) on Foreign Exchange Translation.....	(219,240)	124,878
1402. Miscellaneous Income/Expense.....	2,281,813	399,767
1403. Interest on Funds Held.....	169,043	198,829
1498. Summary of remaining write-ins for Line 14 from overflow page.....		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	2,231,616	723,474
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page.....		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	262,142,761	245,680,059
2. Net investment income	43,482,626	32,877,425
3. Miscellaneous income	(131,111)	3,167,450
4. Total (Lines 1 to 3)	305,494,276	281,724,934
5. Benefit and loss related payments	187,475,548	107,448,260
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	75,054,143	53,777,165
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 11,864,255 tax on capital gains (losses)	23,092,680	11,954,671
10. Total (Lines 5 through 9)	285,622,371	173,180,096
11. Net cash from operations (Line 4 minus Line 10)	19,871,905	108,544,838
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	200,947,512	236,922,687
12.2 Stocks		4,046,810
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	29,831,518	100,724,020
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	1,977,095	410,798
12.7 Miscellaneous proceeds	5,271,879	17,190,482
12.8 Total investment proceeds (Lines 12.1 to 12.7)	238,028,004	359,294,797
13. Cost of investments acquired (long-term only):		
13.1 Bonds	249,264,291	540,332,609
13.2 Stocks		4,328,793
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	8,710,784	6,011,516
13.6 Miscellaneous applications	5,655,262	837,792
13.7 Total investments acquired (Lines 13.1 to 13.6)	263,630,337	551,510,710
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(25,602,333)	(192,215,913)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock	-	-
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		45,000,000
16.6 Other cash provided (applied)	757,463	(254,976)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	757,463	(45,254,976)
Reconciliation of Cash, Cash Equivalents and Short-Term Investments		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(4,972,965)	(128,926,051)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	119,937,624	248,863,675
19.2 End of year (Line 18 plus Line 19.1)	114,964,659	119,937,624

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

20.0001		
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