

QUARTERLY STATEMENT

OF THE

HALLMARK SPECIALTY INSURANCE COMPANY

of OKLAHOMA CITY

in the state of OKLAHOMA

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

June 30, 2020

PROPERTY AND CASUALTY

2020



26808202020100102

QUARTERLY STATEMENT

AS OF JUNE 30, 2020
OF THE CONDITION AND AFFAIRS OF THE

Hallmark Specialty Insurance Company

NAIC Group Code

3478

(Current Period)

3478

(Prior Period)

NAIC Company Code

26808

Employer's ID Number

74-2378996

Organized under the Laws of

Oklahoma

State of Domicile or Port of Entry

OK

Country of Domicile

US

Incorporated/Organized

December 24, 1986

Commenced Business

December 31, 1986

Statutory Home Office

201 Robert S. Kerr Ave., Suite 600

Oklahoma City, OK US 73102

(Street and Number)

(City or Town, State, Country and Zip Code)

Main Administrative Office

5420 Lyndon B. Johnson Freeway Suite 1100

(Street and Number)

Dallas, TX US 75240-2345

(City or Town, State, Country and Zip Code)

817-348-1600

(Area Code)

(Telephone Number)

Mail Address

5420 Lyndon B. Johnson Freeway Suite 1100

Dallas, TX US 75240-2345

(Street and Number or P.O. Box)

(City or Town, State, Country and Zip Code)

Primary Location of Books and Records

5420 Lyndon B. Johnson Freeway Suite 1100

Dallas, TX US 75240-2345

(Street and Number)

(City or Town, State, Country and Zip Code)

817-348-1600

(Area Code)

(Telephone Number)

Internet Website Address

www.hallmarkgrp.com

Statutory Statement Contact

Felica M. Smith

817-348-1887

(Name)

(Area Code)

(Telephone Number)

(Extension)

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(E-Mail Address)

(Fax Number)

OFFICERS

	Name	Title
1.	Naveen Anand	President
2.	Jeffrey Ray Passmore	Chief Financial Officer & Secretary
3.	Christopher James Kenney	Vice President

VICE-PRESIDENTS

Name	Title	Name	Title

DIRECTORS OR TRUSTEES

Naveen Anand	Kenneth Russell Krissingser	Jeffrey Ray Passmore	Mark Edward Schwarz
Charles Edward Stauber			

State of Texas

County of Dallas ss

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

(Signature)

Naveen Anand

(Printed Name)

1.

President

(Title)

(Signature)

Jeffrey R. Passmore

(Printed Name)

2.

Chief Financial Officer & Secretary

(Title)

(Signature)

Christopher J. Kenney

(Printed Name)

3.

Vice President

(Title)

Subscribed and sworn to before me this
11th day of August, 2020

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

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	90,376,843		90,376,843	116,594,872
2. Stocks:				
2.1 Preferred stocks	251,661		251,661	312,416
2.2 Common stocks	6,628,535		6,628,535	33,297,930
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (384,913)), cash equivalents (\$ 32,273,125), and short-term investments (\$ 19,545,485)	51,433,697		51,433,697	16,445,105
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities	58,501		58,501	124,794
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	148,749,237		148,749,237	166,775,117
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	709,564		709,564	869,283
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	86,873,753		86,873,753	96,746,347
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	49,084,523		49,084,523	31,892,517
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	5,705,447		5,705,447	7,002,469
18.2 Net deferred tax asset	3,644,945	480,277	3,164,668	1,023,627
19. Guaranty funds receivable or on deposit	1,779		1,779	2,468
20. Electronic data processing equipment and software				
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	4,695		4,695	
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	294,773,943	480,277	294,293,666	304,311,828
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	294,773,943	480,277	294,293,666	304,311,828

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.				
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)				

NONE

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 27,354,946)	76,080,287	75,972,538
2. Reinsurance payable on paid losses and loss adjustment expenses	21,876,625	24,786,758
3. Loss adjustment expenses	15,678,188	14,164,921
4. Commissions payable, contingent commissions and other similar charges	2,656,700	2,860,948
5. Other expenses (excluding taxes, licenses and fees)		
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	(42,418)	16,877
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 (after deducting unearned premiums for ceded reinsurance of \$ 193,827,002 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)	54,773,550	58,423,296
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	71,477,752	71,055,639
13. Funds held by company under reinsurance treaties	42,200	42,200
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ 0 certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		21,565
20. Derivatives		
21. Payable for securities	2,740	
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		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	242,545,624	247,344,742
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	242,545,624	247,344,742
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	3,500,000	3,500,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	31,829,000	31,829,000
35. Unassigned funds (surplus)	16,419,042	21,638,086
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)	51,748,042	56,967,086
38. Totals (Page 2, Line 28, Col. 3)	294,293,666	304,311,828

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

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 196,828,041)	203,576,362	141,522,724	321,525,093
1.2 Assumed (written \$ 61,221,630)	64,871,376	49,326,883	113,587,892
1.3 Ceded (written \$ 196,828,041)	203,576,362	141,522,724	321,525,093
1.4 Net (written \$ 61,221,630)	64,871,376	49,326,883	113,587,892
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 35,119,078):			
2.1 Direct	151,211,931	82,557,658	170,807,424
2.2 Assumed	38,801,464	27,695,525	74,287,603
2.3 Ceded	151,208,719	82,560,091	170,803,231
2.4 Net	38,804,676	27,693,092	74,291,796
3. Loss adjustment expenses incurred	8,780,599	6,076,669	18,234,070
4. Other underwriting expenses incurred	16,904,548	15,016,393	33,411,886
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	64,489,823	48,786,154	125,937,752
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	381,553	540,729	(12,349,860)
INVESTMENT INCOME			
9. Net investment income earned	1,783,845	2,800,835	5,297,961
10. Net realized capital gains (losses) less capital gains tax of \$ 1,019,822	3,836,475	291,976	271,871
11. Net investment gain (loss) (Lines 9 + 10)	5,620,320	3,092,811	5,569,832
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ (171,168))	(171,168)	(104,727)	(254,848)
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)	(171,168)	(104,727)	(254,848)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	5,830,705	3,528,813	(7,034,876)
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)	5,830,705	3,528,813	(7,034,876)
19. Federal and foreign income taxes incurred	277,200	963,347	(546,472)
20. Net income (Line 18 minus Line 19) (to Line 22)	5,553,505	2,565,466	(6,488,404)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	56,967,085	60,972,367	60,972,367
22. Net income (from Line 20)	5,553,505	2,565,466	(6,488,404)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(12,913,589)	4,922,213	6,830,950
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	2,621,318	(692,813)	(347,828)
27. Change in nonadmitted assets	(480,277)		
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders		(2,500,000)	(4,000,000)
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	(5,219,043)	4,294,866	(4,005,282)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	51,748,042	65,267,233	56,967,085

DETAILS OF WRITE-IN LINES			
0501.	NONE		
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401.	NONE		
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
3701.	NONE		
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

	1	2	3
Cash from Operations	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	71,751,955	50,475,752	111,388,372
2. Net investment income	2,201,798	3,146,648	5,602,544
3. Miscellaneous income	(171,168)	(104,727)	(254,848)
4. Total (Lines 1 to 3)	73,782,585	53,517,673	116,736,068
5. Benefit and loss related payments	58,900,532	29,544,237	58,652,751
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	24,333,958	20,113,750	43,321,515
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		1,635,000	6,535,000
10. Total (Lines 5 through 9)	83,234,490	51,292,987	108,509,266
11. Net cash from operations (Line 4 minus Line 10)	(9,451,905)	2,224,686	8,226,802
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	30,029,125	36,968,434	60,852,999
12.2 Stocks	25,955,915		1,747,891
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)	55,985,040	36,968,434	62,600,890
13. Cost of investments acquired (long-term only):			
13.1 Bonds	5,359,803	16,415,428	48,150,462
13.2 Stocks	5,992,586		1,747,859
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	(69,034)	(347,417)	630,010
13.7 Total investments acquired (Lines 13.1 to 13.6)	11,283,355	16,068,011	50,528,331
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	44,701,685	20,900,423	12,072,559
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		2,500,000	4,000,000
16.6 Other cash provided (applied)	(261,188)	(151,793)	(2,396,447)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(261,188)	(2,651,793)	(6,396,447)
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)	34,988,592	20,473,316	13,902,914
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	16,445,105	2,542,191	2,542,191
19.2 End of period (Line 18 plus Line 19.1)	51,433,697	23,015,507	16,445,105

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

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

PROPERTY

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NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements have been prepared in conformity with statutory accounting practices prescribed or permitted by the Oklahoma Department of Insurance (the Department). Such practices vary from U.S. generally accepted accounting principles (GAAP). The National Association of Insurance Commissioners’ (NAIC) *Accounting Practices and Procedures Manual* has been adopted as a component of prescribed practices by the state of Oklahoma (NAIC SAP). For the Company, there are no significant differences between Oklahoma prescribed practices and the NAIC’s *Accounting Practices and Procedures Manual*. Such practices differ from state to state, may differ from company to company within a state, and may change in the future.

NET INCOME	SSAP#	F/S Page	F/S Line #	2020	2019
(1) Hallmark Specialty Insurance Company state basis	XXX	XXX	XXX	\$ 5,553,505	\$ (6,488,404)
(2) State Prescribed Practices: NONE					
(3) State Permitted Practices: NONE					
(4) NAIC SAP	XXX	XXX	XXX	\$ 5,553,505	\$ (6,488,404)
SURPLUS					
(5) Hallmark Specialty Insurance Company state basis	XXX	XXX	XXX	\$ 51,748,042	\$ 56,967,085
(6) State Prescribed Practices: NONE					
(7) State Permitted Practices: NONE					
(8) NAIC SAP	XXX	XXX	XXX	\$ 51,748,042	\$ 56,967,085

B. Use of Estimates

No changes.

C. Accounting policies

No changes.

2. Accounting Changes and Correction of Errors

Not applicable.

3. Business Combinations and Goodwill

No changes.

4. Discontinued Operations

Not applicable.

5. Investments

D. a. The aggregate Amount of unrealized losses:

	(1)
Less than 12 months	928,718
12 Months or Longer	141,745

b. The aggregate re;ated fair value of securities with unrealized losses:

	(2)
Less than 12 months	2,955,852
12 Months or Longer	2,070,776

Q. Prepayment Penalty and Acceleration Fees

	General Account
(1) Number of CUSIPs	3
(2) Aggregate Amount of Investment Income	42,816

6. Joint Venture, Partnerships, and Limited Liability Companies

Not applicable.

7. Investment Income

No changes.

NOTES TO FINANCIAL STATEMENTS

8. Derivative Instruments

Not applicable.

9. Income Taxes

The Company files a consolidated Federal income tax return with HFS (EIN 87-0447375) and its affiliates with the exception of Hallmark County Mutual Insurance Company. Pursuant to a written tax sharing agreement, the Company's provision for income taxes, if any, equals or approximates tax expense or benefit computed on a separate return basis.

SSAP 101, *Income Taxes*, a replacement of SSAP 10 and SSAP 10R, was adopted on January 1, 2012. SSAP No. 101 includes a valuation allowance criterion whereby only gross deferred tax assets that are more likely than not to generate a tax benefit are potentially admissible. Under SSAP 101, deferred income tax assets are limited to 1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with the Internal Revenue Service tax loss carryback provisions, not to exceed three years, plus 2) the lesser of the remaining gross deferred income tax assets expected to be realized within three years of the balance sheet date or 15% of capital and surplus excluding any net deferred income tax assets, electronic data processing equipment and operating software and any net positive goodwill, plus 3) the amount of remaining gross deferred income tax assets that can be offset against existing gross deferred income tax liabilities after considering the character (i.e., ordinary versus capital) of the deferred tax assets and liabilities. The remaining deferred income tax assets are nonadmitted.

Deferred income taxes do not include amounts for state taxes. Under GAAP, state taxes are included in the computation of deferred income taxes.

A. The net deferred tax asset/(liability) at June 30, 2020 and the change from the prior year are comprised of the following components:

1.	06/30/2020			12/31/2019		
	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Gross Deferred Tax Assets.....	\$ 3,268,532	433,347	3,701,879	3,366,967	70,295	3,437,262
b. Statutory Valuation Allowance Adjustment.....	\$ -	-	-	-	-	-
c. Adjusted Gross Deferred Tax Assets (1a - 1b).....	\$ 3,268,532	433,347	3,701,879	3,366,967	70,295	3,437,262
d. Deferred Tax Assets Nonadmitted.....	\$ 46,930	433,347	480,277	-	-	-
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d). \$	3,221,602	-	3,221,602	3,366,967	70,295	3,437,262
f. Deferred Tax Liabilities.....	\$ 56,934	-	56,934	56,934	2,356,701	2,413,635
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f).....	\$ 3,164,668	-	3,164,668	3,310,033	(2,286,406)	1,023,627

	Change		
	Ordinary	Capital	Total
a. Gross Deferred Tax Assets.....	\$ (98,435)	363,052	264,617
b. Statutory Valuation Allowance Adjustment.....	\$ -	-	-
c. Adjusted Gross Deferred Tax Assets (1a - 1b).....	\$ (98,435)	363,052	264,617
d. Deferred Tax Assets Nonadmitted.....	\$ 46,930	433,347	480,277
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d). \$	(145,365)	(70,295)	(215,660)
f. Deferred Tax Liabilities.....	\$ -	(2,356,701)	(2,356,701)
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f).....	\$ (145,365)	2,286,406	2,141,041

The Company does not have a valuation allowance against its deferred assets as the Company does not believe it is more likely than not that some portion or all the gross deferred tax assets will not be realized. The amount of admitted adjusted gross deferred tax assets admitted pursuant to the deferred tax admission calculation, is as follows:

Admission Calculation Components SSAP No. 101	06/30/2020			12/31/2019		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 1,297,022	-	1,297,022	1,569,923	-	1,569,923
Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of Through Loss Carrybacks.	\$ 1,867,646	-	1,867,646	1,699,065	-	1,699,065
Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ -	-	-	-	-	-
Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	7,342,054	X X X	X X X	8,236,478
Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ (376,413)	433,347	56,934	97,979	70,295	168,274
Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 2,788,255	433,347	3,221,602	3,366,967	70,295	3,437,262

NOTES TO FINANCIAL STATEMENTS

(cont'd)			
Admission Calculation Components SSAP No. 101	<u>Ordinary</u>	<u>Change Capital</u>	<u>Total</u>
Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ (272,901)	-	(272,901)
Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of Through Loss Carrybacks.	\$ 168,581		168,581
Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	\$ -	-	-
Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	(894,424)
Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	\$ (474,392)	363,052	(111,340)
Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ (578,712)	363,052	(215,660)

The risk-based capital level to determine the applicable realization period and percentage from the Realization Threshold Limitation Table for RBC Reporting Entities is:

3.	<u>2020</u>	<u>2019</u>
a. Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.	270.6%	311.6%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 48,583,374	55,943,459

4.	<u>06/30/2020</u>		<u>12/31/2019</u>		<u>Change</u>	
Impact of Tax Planning Strategies	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>
a. Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.						
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 3,268,532	433,347	3,366,967	70,295	36,607	363,052
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact of Tax Planning Strategies	\$					
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 3,221,602		3,366,967	70,295	(145,365)	(70,295)
4. Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Attributable To The Impact of Tax Planning Strategies	\$					
b. Does the Company's Tax-planning Strategies include the use of reinsurance?			NO			

C. Current income taxes incurred consist of the following major components:

	<u>06/30/2020</u>	<u>12/31/2019</u>	<u>Change</u>
1. Current Income Tax			
a. Federal	\$ (742,622)	(552,222)	(190,400)
b. Foreign	\$ -	-	-
c. Subtotal	\$ (742,622)	(552,222)	(190,400)
d. Federal Income Tax on net capital gains.....	\$ 1,019,822	(2,007)	1,021,829
e. Utilization of capital loss carry-forwards.....	\$ -	-	-
f. Other.....	\$	7,756	(7,756)
g. Federal and foreign income taxes incurred.....	\$ 277,200	(546,473)	823,673
2. Deferred Tax Assets:			
a. Ordinary			
(1) Discounting of unpaid losses.....	\$ 968,044	913,189	54,855
(2) Unearned premium reserve.....	\$ 2,300,489	2,453,779	(153,290)
(3) Policyholder reserves.....	\$ -	-	-
(4) Investments.....	\$		
(5) Deferred acquisition costs.....	\$ -	-	-
(6) Policyholder dividends accrual.....	\$ -	-	-
(7) Fixed assets.....	\$ -	-	-
(8) Compensation and benefits accrual.....	\$ -	-	-
(9) Pension accrual.....	\$ -	-	-
(10) Receivables - nonadmitted.....	\$ -	-	-
(11) Net operating loss carry-forward.....	\$		
(12) Tax credit carry-forward.....	\$ -	-	-
(13) Other (including items <5% of total ordinary tax assets).....	\$ -	-	-
Subtotal.....	\$ 3,268,533	3,366,968	(98,435)
b. Statutory valuation allowance adjustment.....	\$		
c. Nonadmitted.....	\$ 46,930		46,930
d. Admitted ordinary deferred tax assets (2a99 - 2b - 2c).....	\$ 3,221,603	3,366,968	(145,365)

NOTES TO FINANCIAL STATEMENTS

e.	Capital:	06/30/2020	12/31/2019	Change
(1)	Investments.....	\$ 433,347	70,295	363,052
(2)	Net capital loss carry-forward.....	\$ -	-	-
(3)	Real estate.....	\$ -	-	-
(4)	Other (including items <5% of total capital tax assets)...	\$ -	-	-
	Subtotal.....	\$ 433,347	70,295	363,052
f.	Statutory valuation allowance adjustment.....	\$ -	-	-
g.	Nonadmitted.....	\$ 433,347	-	433,347
h.	Admitted capital deferred tax assets (2e99 - 2f - 2g).....	\$ 70,295	(70,295)	
i.	Admitted deferred tax assets (2d + 2h).....	\$ 3,221,603	3,437,263	(215,660)
	Deferred Tax Liabilities:			
a.	Ordinary			
(1)	Investments.....	\$ 52,411	52,411	-
(2)	Fixed assets.....	\$ -	-	-
(3)	Deferred and uncollected premium.....	\$ -	-	-
(4)	Policyholder reserves.....	\$ -	-	-
(5)	Other (including items <5% of total ordinary tax liabilities)....	\$ 4,523	4,523	-
	Subtotal.....	\$ 56,934	56,934	-
b.	Capital:			
(1)	Investments.....	\$ 2,356,701	(2,356,701)	
(2)	Real Estate.....	\$ -	-	-
(3)	Other (including items <5% of total capital tax liabilities).....	\$ -	-	-
	Subtotal.....	\$ 2,356,701	(2,356,701)	
c.	Deferred tax liabilities (3a99 + 3b99).....	\$ 56,934	2,413,635	(2,356,701)
	Net deferred tax assets/liabilities (2i - 3c).....	\$ 3,164,669	1,023,628	2,141,041

D. Operating loss carryforward

As of June 30, 2020, there is no operating loss carryforward available for tax purposes.

The amounts of Federal income taxes incurred that are available for recoupment in the event of future net losses are:

	Ordinary	Capital	Total
2020	933,368	-	933,368
2019	-	-	-
2018	-	-	-

The aggregate amounts of deposits admitted under Section 6603 of the Internal Revenue Code are \$0.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. No changes.

B. No changes.

11. Debt

Not applicable.

12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and Other Post Retirement Benefit Plans

Not applicable.

13. Capital Surplus, Dividend Restrictions and Quasi Reorganizations

A. Capital Stock Authorized, Issued and Outstanding as of the Balance Sheet Date:

The Company has 500,000 shares of \$7 par value common stock authorized, issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

B. Dividend Rate of Preferred Stock: Not applicable.

C. Dividend Restrictions: No changes.

D. Dates and Amounts of Dividends Paid:

During 2019 the Company declared and paid an ordinary cash dividend of \$4,000,000 to its parent AHIC.

NOTES TO FINANCIAL STATEMENTS

E. Portion of the Company’s Profits that may be paid as Ordinary Dividends to Stockholders:

No changes.

F. Restrictions Placed on the Unassigned Funds, Including for Whom the Surplus is Being Held:

Not applicable.

G. Mutual Surplus Advances: Not applicable.

H. Company Stock Held for Special Purposes: Not applicable.

I. Changes in Special Surplus Funds: Not applicable.

J. Changes in Unassigned Funds:

Unassigned funds or surplus have been increase or (decreased), in part, by the items shown below:

Net unrealized gains or (losses)	\$ (12,913,589)
Change in net deferred income tax	\$ 2,621,318
Change in nonadmitted assets	\$ (480,277)

K. Surplus Notes: Not applicable.

L. Impact of Restatement Due to Quasi Reorganizations: Not applicable.

M. Effective Date of Quasi Reorganizations: Not applicable.

14. Contingencies

A. Contingent Commitments: No changes.

B. Guaranty Fund and Other Assessments: No changes.

C. Gain Contingencies: Not applicable.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits: Not applicable.

E. All Other Contingencies: No changes.

15. Leases

Not applicable.

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk

Not applicable.

17. Sales, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

Not applicable.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Underinsured Portion of Partially Insured Plan

Not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Direct Premiums Written/ Produced by
AmWins Program Underwriters, Inc 214 Senate Avenue Suite 201 Camp Hill, PA 17011	25-1835859	No	Primary Professional liability, General liability and Employee Benefits liability.	B,P,U	\$ 28,154,955

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurement

1. Fair Value Measurements at Reporting Date

a. Assets at fair Value	(Level 1)	(Level 2)	(Level 3)	Total
Cash Equivalents	\$ 19,794,124	\$ -	\$ -	\$ 19,794,124
Bonds: Indust. & Misc	\$ -	\$ 2,116,603	\$ -	\$ 2,116,603
Bonds: Bank Loans	\$ -	\$ 10,975,506	\$ -	\$ 10,975,506
Common Stock	\$ 6,628,535	\$ -	\$ -	\$ 6,628,535
Total assets at fair value	\$ 26,422,659	\$ 13,092,109	\$ -	\$ 39,514,768

b. Liabilities at fair value

Not applicable

2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

There were no transfers into or from level 3 during the second quarter of 2020.

C.

The table below reflects the fair value and admitted values of all admitted assets that are financial instruments of the company and are categorized into the three-level fair value hierarchy at June 30, 2020. (\$ in thousands)

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	91,217,281	90,376,843	-	90,283,443	93,400	-	
Preferred Stock	206,193	251,661	251,661				
Common Stocks	6,628,535	6,628,535	6,628,535		-	-	
Cash, Cash Equivalents, and Short term Investments	51,433,697	51,433,697	31,888,211	19,545,486			
Total	149,485,706	148,690,736	38,768,407	109,828,929	93,400	-	-

21. Other Items

Not applicable

22. Events Subsequent

On July 16, 2020, American Hallmark Insurance Company of Texas (AHIC), Hallmark Insurance Company (HIC), Hallmark County Mutual (HCM), Hallmark National Insurance Company (HNIC) and the Company (collectively, the “Hallmark Insurers”), entered into a Loss Portfolio Transfer Reinsurance Contract to be effective as of January 1, 2020 (the “LPT Contract”) with DARAG Bermuda Ltd. (“DARAG Bermuda”) and DARAG Insurance (Guernsey) Limited (“DARAG Guernsey” and, collectively with DARAG Bermuda, the “Reinsurers”). The transactions contemplated by the LPT Contract were consummated on July 31, 2020.

Pursuant to the LPT Contract, (a) the Hallmark Insurers ceded to the Reinsurers all existing and future claims for losses occurring on or prior to December 31, 2019 on the binding primary commercial automobile liability insurance policies and the brokerage primary commercial automobile liability insurance policies issued by the Hallmark Insurers (the “Subject Business”) up to an aggregate limit of \$240.0 million, with (i) the first layer of \$151.2 million in reinsurance provided by DARAG Bermuda, (ii) the Hallmark Insurers retaining a loss corridor of the next \$24.9 million in losses on the Subject Business, (iii) DARAG Bermuda reinsuring a second layer of \$27.8 million above the first layer and the Hallmark Insurers’ loss corridor, and (iv) DARAG Guernsey reinsuring the top layer of \$36.1 million in losses on the Subject Business, in each case net of third-party reinsurance and other recoveries; (b) the Hallmark Insurers will continue to manage and retain the benefit of other third-party reinsurance on the Subject Business; and (c) the Hallmark Insurers paid the Reinsurers a net reinsurance premium of \$92.6 million. In connection with the closing, the parties also entered into a Services Agreement and a Trust Agreement. Pursuant to the Services Agreement, DARAG Bermuda assumed responsibility for certain administrative services, including claims handling, for the Subject Business. Pursuant to the Trust Agreement, the Reinsurers made initial cash deposits in the aggregate amount of \$96.7 million into collateral trust accounts with The Bank of New York Mellon, as trustee, to be held as security for the Reinsurers’ obligations to the Hallmark Insurers under the LPT Contract.

23. Reinsurance

A. No changes.

B. No changes.

C. No changes.

D. No changes.

E. No changes.

F. No changes.

G. No changes.

NOTES TO FINANCIAL STATEMENTS

24. Retrospective Rated Contracts and Contracts Subject to Redetermination

No changes.

25. Changes in Incurred Loss and Adjustment Expenses

Reserves as of December 31, 2019 were \$90.1 million. As of June 30, 2020, \$36.0 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$59.1 million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on commercial auto liability and general liability lines of insurance. Therefore, there has been a \$5.0 million unfavorable prior-year development since December 31, 2019 to June 30, 2020. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

The Company is a participant in an intercompany pooling arrangement. The lead company of the pool is American Hallmark Insurance Company of Texas (AHIC). Under the terms of the arrangement, the underwriting risk for all lines of business of the intercompany pool participants are reinsured with AHIC. The pool or net underwriting risk remaining after reinsurance is transacted with third parties by AHIC is then retro ceded to the pool participants based on pool participation percentages. The provision for reinsurance and the write-off of uncollectible reinsurance are reported in the statutory financial statements of AHIC and are not allocated to the other pool participants.

The names, NAIC company codes and intercompany pooling percentages of the companies participating in the pool are as follows:

<u>Pool Participant</u>	<u>NAIC Company Code</u>	<u>Pool Participation%</u>
American Hallmark Insurance Company of Texas	43494	32.0
Hallmark Insurance Company	34037	32.0
Hallmark Specialty Insurance Company	26808	26.0
Hallmark National Insurance Company	19530	10.0

All of the above pool companies are party to reinsurance agreements with non-affiliated reinsurers covering business subject to the pooling agreement and have contractual rights of direct recovery from the non-affiliated reinsurers under the terms of such reinsurance agreements.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

No changes.

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 Accounts

Not applicable.

NOTES TO FINANCIAL STATEMENTS

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state?

Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2 If yes, date of change:

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X] No []

If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes [] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

3.4 Is the reporting entity publicly traded or a member of a publicly traded group?

Yes [X] No []

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

0000819913

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

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

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes [] No [X] N/A []

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2018

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

12/31/2018

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

07/29/2020

6.4 By what department or departments?
Oklahoma Department of Insurance, Texas Department of Insurance, Arizona Department of Insurance.

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [X] No [] N/A []

6.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

GENERAL INTERROGATORIES

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

7.2 If yes, give full information

.....

.....

.....

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

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

.....

.....

.....

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

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

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules, and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

.....

.....

.....

9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

.....

.....

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

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

.....

.....

FINANCIAL

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

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

GENERAL INTERROGATORIES

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$

13. Amount of real estate and mortgages held in short-term investments: \$

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

14.2 If yes, please complete the following:	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates		
(Subtotal Lines 14.21 to 14.26)	\$	\$
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

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

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

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

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

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

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

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

1	2
Name of Custodian(s)	Custodian Address
JP Morgan Chase	1111 Polaris Parkway Suite, 3J OH-0634, Columbus OH, 43240

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

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

GENERAL INTERROGATORIES

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
Mark Schwarz	I
Wes Olfers	I
James Dvorak	I

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

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

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

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

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

18.2 If no, list exceptions:
.
.
.
.

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

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

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

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

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

Has the reporting entity self-designated PLGI securities? Yes [] No [X]

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

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

GENERAL INTERROGATORIES

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

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

Yes [☐] No [☒]

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?
If yes, attach an explanation.

Yes [] No [X] N/A []

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?
If yes, attach an explanation.

Yes [] No [X]

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled?

Yes [] No [X]

3.2 If yes, give full and complete information thereto:

.....

.....

.....

.....

.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero?

Yes [] No [X]

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1. A&H loss percent _____ %

5.2. A&H cost containment percent _____ %

5.3. A&H expense percent excluding cost containment expenses _____ %

6.1 Do you act as a custodian for health savings accounts?

Yes [] No [X]

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

\$ _____

6.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]

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

\$ _____

7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

Yes [X] No []

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

Yes [] No []

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

[illegible]

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

			Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2	3	4	5	6	7
States, Etc.			Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date
1. Alabama	AL	E	3,319,899	2,295,487	209,091	3,675,760	2,783,266	2,349,791
2. Alaska	AK	E	109,386	128,633	410,821		836,323	308,018
3. Arizona	AZ	E	1,436,605	1,524,471	552,570		2,085,171	1,715,135
4. Arkansas	AR	E	2,278,630	4,782,403	2,301,863	1,189,897	4,519,575	5,008,043
5. California	CA	E	31,218,625	28,038,787	16,940,420	9,176,230	56,385,802	39,313,355
6. Colorado	CO	E	3,546,366	2,129,430	102,923		4,032,339	2,721,918
7. Connecticut	CT	E	1,772,922	1,919,772	111,777	(11,336)	3,639,027	2,296,265
8. Delaware	DE	E	904,603	230,783	5,866		255,065	141,582
9. District of Columbia	DC	E	530,050	129,499	3,463	19,291	207,763	140,392
10. Florida	FL	E	26,108,044	19,230,424	4,298,973	3,777,924	21,333,801	15,072,197
11. Georgia	GA	E	6,246,268	5,245,232	5,400,988	2,143,743	7,327,324	8,978,177
12. Hawaii	HI	E	1,602,904	1,158,264			756,240	339,170
13. Idaho	ID	E	1,276,571	680,887	4,000,000	2,524	1,180,085	828,932
14. Illinois	IL	E	5,519,666	3,763,187	263,411	1,573,063	7,011,506	5,788,617
15. Indiana	IN	E	1,994,011	1,265,928	11,379	5,000,000	2,060,458	1,310,384
16. Iowa	IA	E	843,389	608,161	2,886,394		1,389,649	1,234,654
17. Kansas	KS	E	1,586,818	1,233,233	76,444	23,854	1,107,488	868,506
18. Kentucky	KY	E	824,305	1,395,189	574,653	12,500	2,221,136	1,528,027
19. Louisiana	LA	E	7,265,202	5,443,712	2,341,754	3,944,325	11,036,764	12,464,729
20. Maine	ME	E	178,025	193,189	2,154,810		254,408	238,969
21. Maryland	MD	E	2,070,365	1,707,947	(49,941)	61,153	2,893,133	1,780,876
22. Massachusetts	MA	E	1,992,845	1,919,851	750	15,789	2,925,924	1,969,106
23. Michigan	MI	E	1,396,714	1,830,839	2,577,128	1,187,500	4,268,396	4,063,856
24. Minnesota	MN	E	1,392,230	892,064		29,658	1,526,926	947,613
25. Mississippi	MS	E	2,402,421	1,348,791	390,907	556,460	3,049,938	4,589,800
26. Missouri	MO	E	2,547,872	2,204,184	146,447	91,700	3,875,026	2,347,369
27. Montana	MT	E	515,226	487,632	748,500		566,103	735,341
28. Nebraska	NE	E	489,600	486,497		149,755	626,800	575,238
29. Nevada	NV	E	2,150,652	1,561,709	(24,909)	17,608	2,266,803	1,204,513
30. New Hampshire	NH	E	(52,450)	156,900			34,544	210,514
31. New Jersey	NJ	E	6,754,656	7,081,420	4,408,799	6,821,600	25,522,296	12,625,434
32. New Mexico	NM	E	766,377	864,401	737,764		1,630,003	1,728,639
33. New York	NY	E	11,105,791	10,180,890	843,968	562,608	14,639,223	8,863,645
34. North Carolina	NC	E	2,947,944	2,019,514	512,965	5,978	2,431,166	1,933,774
35. North Dakota	ND	E	206,827	352,592		962	1,160,539	1,331,137
36. Ohio	OH	E	2,899,653	2,376,912	5,839,078	395,978	5,082,281	6,582,410
37. Oklahoma	OK	L	702,202	4,210,390	1,030,669	2,239,932	4,372,979	3,769,003
38. Oregon	OR	E	1,905,454	1,460,106	97,116	305,225	3,465,320	2,295,954
39. Pennsylvania	PA	E	6,075,859	5,032,625	1,785,473	25,000	7,423,117	4,967,793
40. Rhode Island	RI	E	695,250	566,550	248,000		1,962,994	1,925,073
41. South Carolina	SC	E	2,654,106	2,327,110	95,684	419,972	1,499,725	1,194,991
42. South Dakota	SD	E	243,155	233,260			215,224	185,400
43. Tennessee	TN	E	2,857,373	2,070,223	333,022	9,714	37,474,216	1,810,608
44. Texas	TX	E	33,550,029	33,496,339	13,908,895	14,635,369	56,055,319	45,781,359
45. Utah	UT	E	769,031	803,584	4,789,000	44,640	2,048,957	1,685,190
46. Vermont	VT	E	27,299	27,756			133,076	109,208
47. Virginia	VA	E	4,104,783	4,442,515	703,381	45,000	2,625,589	2,132,249
48. Washington	WA	E	3,108,847	3,472,766	8,750	1,426,400	4,041,037	2,958,601
49. West Virginia	WV	E	279,072	241,034	50,000		495,691	479,975
50. Wisconsin	WI	E	1,490,824	1,644,041	481,634	513,499	3,495,458	4,244,442
51. Wyoming	WY	E	215,746	300,080			542,782	484,202
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CAN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals		X X X	196,828,042	177,197,193	82,310,680	60,089,275	328,773,775	228,160,174

DETAILS OF WRITE-INS							
58001.		X X X	NONE				
58002.		X X X					
58003.		X X X					
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X					
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X					

(a)	Active Status Counts	
	L – Licensed or Chartered - Licensed insurance carrier or domiciled RRG	1
	E – Eligible - Reporting entities eligible or approved to write surplus lines in the state	50
	D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile	
	R - Registered - Non-domiciled RRGs	
	Q - Qualified - Qualified or accredited reinsurer	
	N – None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLII)	6

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

PART 1 - ORGANIZATIONAL CHART

Newcastle Partners, L.P., Mark E. Schwarz, General Partner 27.9%	Texas	
... Hallmark Financial Services, Inc.	Nevada	87-0447375
... .. ACO Holdings, Inc. (Inactive Co)	Texas	45-8544756
... .. American Hallmark G.A., Inc.	Texas	75-2341879
... .. Hallmark Claim Services, Inc.	Texas	75-1693596
... .. Aerospace Holdings, LLC	Texas	20-0785668
... .. Aerospace Claims Management Group	Texas	75-2853986
... .. Aerospace Insurance Managers, Inc.	Texas	52-2099239
... .. Aerospace Special Risk, Inc.	Texas	20-0786154
... .. Mannequin PCC Ltd. Cell A-22*	Guernsey	N/A
... .. Heath XS, LLC	New Jersey	02-0557327
... .. CITON Agency, Inc. 49%	Florida	26-2010050
... .. American Hallmark Ins. Co. of TX. (43494)*	Texas	75-1817901
... .. Hallmark Specialty Ins. Co. (26808)*	Oklahoma	74-2378996
... .. CYR Insurance Management Company	Texas	75-1661749
... .. Hallmark County Mutual Insurance Company (29408)*	Texas	74-0814987
... .. TBIC Holding Corporation.	Texas	41-2130851
... .. Texas Builders Insurance Company (27170)*	Texas	74-2439728
... .. TBIC Risk Management, Inc.	Texas	37-1417618
... .. Effective Claims Management, Inc.	Texas	75-2825542
... .. American Hallmark Insurance Services, Inc	Texas	75-2652618
... ..Hallmark Specialty Underwriters, Inc	Texas	74-2228153
... .. TGA Special Risk	Texas	74-2774138
... .. Pan American Acceptance Corporation	Texas	74-1683629
... .. Hallmark Insurance Company (34037)*	Arizona	47-0718164
... .. Hallmark National Insurance Company (19530)*	Arizona	31-1334827

Notes:

* Denotes affiliated insurer. Unless otherwise stated, subsidiaries listed above are 100% owned by respective parent

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
0		00000	87-0447375	0	819913	NASDAQ	Hallmark Financial Services, Inc.	TX	UDP	Newcastle Partners, L.P., Mark E. Schwarz, General Partner	Ownership	27.900	Newcastle Partners, L.P.	N	
0		00000	45-8544756	0	0		ACO Holdings, Inc. (Inactive Co)	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	75-2341879	0	0		American Hallmark G.A., Inc.	TX	UDP	ACO Holdings, Inc. (Inactive Co)	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	75-1693596	0	0		Hallmark Claim Services, Inc.	TX	UDP	ACO Holdings, Inc. (Inactive Co)	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	20-0785668	0	0		Aerospace Holdings, LLC	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	75-2853986	0	0		Aerospace Claims Management Group	TX	UDP	Aerospace Holdings, LLC	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	52-2099239	0	0		Aerospace Insurance Managers, Inc.	TX	UDP	Aerospace Holdings, LLC	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	20-0786154	0	0		Aerospace Special Risk, Inc.	TX	UDP	Aerospace Holdings, LLC	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	N/A	0	0		Mannequin PCC Ltd. Cell A-22*	GG	UDP	Aerospace Holdings, LLC	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	02-0557327	0	0		Heath XS, LLC	NJ	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	26-2010050	0	0		CITON Agency, Inc	FL	UDP	Hallmark Financial Services, Inc.	Ownership	49.000	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	43494	75-1817901	0	0		American Hallmark Ins. Co. of TX	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	26808	74-2378996	0	0		Hallmark Specialty Ins. Co	OK	UDP	American Hallmark Ins. Co. of TX	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	75-1661749	0	0		CYR Insurance Management Company	TX	UDP	American Hallmark Ins. Co. of TX	Ownership	100.000	Newcastle Partners, L.P.	Y	
3478	Hallmark Financial Services Group	29408	74-0814987	0	0		Hallmark County Mutual Insurance Company	TX	OTH	Mutual Ownership	Other	100.000	Newcastle Partners, L.P.	N	
0		00000	41-2130851	0	0		TBIC Holding Corporation	TX	UDP	American Hallmark Ins. Co. of TX	Ownership	100.000	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	27170	74-2439728	0	0		Texas Builders Insurance Company	TX	UDP	TBIC Holding Corporation	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	37-1417618	0	0		TBIC Risk Management, Inc.	TX	UDP	Texas Builders Insurance Company	Ownership	100.000	Newcastle Partners, L.P.	Y	
0		00000	75-2825542	0	0		Effective Claims Management, Inc.	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	75-2652618	0	0		American Hallmark Insurance Services, Inc	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	74-2228153	0	0		Hallmark Specialty Underwriters, Inc	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	74-2774138	0	0		TGA Special Risk	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
0		00000	74-1683629	0	0		Pan American Acceptance Corporation	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	34037	47-0718164	0	0		Hallmark Insurance Company	AZ	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
3478	Hallmark Financial Services Group	19530	31-1334827	0	0		Hallmark National Insurance Company	AZ	UDP	Hallmark Insurance Company	Ownership	100.000	Newcastle Partners, L.P.	N	

Asterik	Explanation
	NONE

PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	32,281,660	23,247,428	72.0	42.0
2. Allied lines	26,094,984	47,709,810	182.8	143.2
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	58,223	(11,918)	-20.5	78.7
10. Financial guaranty				
11.1 Medical professional liability-occurrence	3,258,900	1,815,990	55.7	68.4
11.2 Medical professional liability-claims made	32,912,856	15,299,274	46.5	44.1
12. Earthquake	9,632,346	1,124,218	11.7	-7.5
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence	75,865,614	52,003,075	68.5	56.5
17.2 Other liability-claims made	16,871,230	8,083,784	47.9	57.5
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence	45,433	47,597	104.8	46.2
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability	5,298,017	673,085	12.7	16.1
21. Auto physical damage	1,257,097	1,219,589	97.0	90.8
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	203,576,360	151,211,932	74.3	58.3

DETAILS OF WRITE-INS			
3401.	NONE		
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

PART 2 – DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	14,196,537	26,178,507	21,426,391
2. Allied lines	19,810,286	29,390,052	23,235,077
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	30,610	64,152	68,394
10. Financial guaranty			
11.1 Medical professional liability-occurrence	(29,254)	(28,504)	3,247,225
11.2 Medical professional liability-claims made	19,931,386	40,890,784	28,667,555
12. Earthquake	3,658,484	6,098,864	5,064,623
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence	32,298,894	68,204,940	72,749,587
17.2 Other liability-claims made	10,749,922	16,531,884	14,587,312
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence	80,000	80,000	117,614
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability	3,757,383	7,163,160	7,188,178
21. Auto physical damage	1,283,280	2,254,201	845,233
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	105,767,528	196,828,040	177,197,189

DETAILS OF WRITE-INS			
3401.	NONE		
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page			
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)			

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2020 Loss and LAE Payments on Claims Reported as of Prior Year-End	2020 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2020 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2017 + prior	14,173	6,041	20,214	11,582	288	11,870	11,451	681	1,143	13,275	8,860	(3,929)	4,931
2. 2018	10,270	11,693	21,963	10,490	111	10,601	8,232	287	3,803	12,322	8,452	(7,492)	960
3. Subtotals 2018 + prior	24,443	17,734	42,177	22,072	399	22,471	19,683	968	4,946	25,597	17,312	(11,421)	5,891
4. 2019	22,842	25,119	47,961	12,815	761	13,576	16,830	777	15,919	33,526	6,803	(7,662)	(859)
5. Subtotals 2019 + prior	47,285	42,853	90,138	34,887	1,160	36,047	36,513	1,745	20,865	59,123	24,115	(19,083)	5,032
6. 2020	X X X	X X X	X X X	X X X	9,917	9,917	X X X	8,575	24,060	32,635	X X X	X X X	X X X
7. Totals	47,285	42,853	90,138	34,887	11,077	45,964	36,513	10,320	44,925	91,758	24,115	(19,083)	5,032

8. Prior Year-End Surplus As
Regards Policyholders

56,967

Col. 11, Line 7
As % of Col. 1,
Line 7

Col. 12, Line 7
As % of Col. 2,
Line 7

Col. 13, Line 7
As % of Col. 3,
Line 7

1. 50.999 2. -44.531 3. 5.583

Col. 13, Line 7
Line 8

4. 8.833

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

Question 1: Not applicable

Question 3: Not applicable

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION
Real Estate

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

SCHEDULE B - VERIFICATION
Mortgage Loans

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

SCHEDULE BA - VERIFICATION
Other Long-Term Invested Assets

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

SCHEDULE D - VERIFICATION
Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	150,205,220	156,113,122
2. Cost of bonds and stocks acquired	11,352,389	49,898,321
3. Accrual of discount	65,889	142,232
4. Unrealized valuation increase (decrease)	(12,913,590)	6,830,951
5. Total gain (loss) on disposals	4,856,297	269,864
6. Deduct consideration for bonds and stocks disposed of	56,040,659	62,775,406
7. Deduct amortization of premium	311,321	448,380
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	42,816	174,516
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	97,257,041	150,205,220
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	97,257,041	150,205,220

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	46,952,821	155,956	606,791	411,222	46,952,821	46,913,208		27,637,103
2. NAIC 2 (a)	53,591,176	203,232	3,869,986	(7,411)	53,591,176	49,917,011		61,080,170
3. NAIC 3 (a)	13,375,547		1,524,871	(502,967)	13,375,547	11,347,709		26,785,481
4. NAIC 4 (a)	1,606,388		4,991	143,004	1,606,388	1,744,401		1,292,118
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	115,525,932	359,188	6,006,639	43,848	115,525,932	109,922,329		116,794,872
PREFERRED STOCK								
8. NAIC 1	248,447	3,117	20	117	248,447	251,661		312,416
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	248,447	3,117	20	117	248,447	251,661		312,416
15. Total Bonds & Preferred Stock	115,774,379	362,305	6,006,659	43,965	115,774,379	110,173,990		117,107,288

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$ 19,545,486; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	19,545,486	X X X	19,544,690	2,969	904

SCHEDULE DA - VERIFICATION
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	200,000	495,000
2. Cost of short-term investments acquired	19,443,265	1,203,905
3. Accrual of discount	2,451	
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	100,000	1,480,000
7. Deduct amortization of premium	230	18,905
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)	19,545,486	200,000
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	19,545,486	200,000

- NONE Schedule DB - Part A and B Verification**
- NONE Schedule DB - Part C - Section 1**
- NONE Schedule DB - Part C - Section 2**
- NONE Schedule DB - Verification**

SCHEDULE E PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	16,735,962	2,057,599
2. Cost of cash equivalents acquired	66,334,239	71,739,470
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	50,797,076	57,061,107
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)	32,273,125	16,735,962
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	32,273,125	16,735,962

NONE Schedule A - Part 2 and 3

NONE Schedule B - Part 2 and 3

NONE Schedule BA - Part 2 and 3

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol
010014-GG-7 05620P-BV-4	AKRON N Y CENT SCH DIST BABYLON N Y		04/01/2020 04/01/2020	NATIONAL FINL SVCS CORP NATIONAL FINL SVCS CORP		45,572 60,154	45,000.00 60,000.00	675 887	1FE 1FE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	105,726	105,000.00	1,562	X X X
668823-DD-6 767495-DZ-4	NORWALK CALIF REDEV AGY RIPON CALIF REDEV AGY TAX ALLOCATION		04/14/2020 04/15/2020	NATIONAL FINL SVCS CORP NATIONAL FINL SVCS CORP		76,102 127,130	75,000.00 125,000.00	128 2,450	2FE 2FE
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	203,232	200,000.00	2,578	X X X
8399997	Subtotal - Bonds - Part 3				X X X	308,958	305,000	4,140	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total - Bonds				X X X	308,958	305,000.00	4,140	X X X
85814R-20-6	STEEL PARTNERS HOLDINGS LP		06/15/2020	Unknown	181,940	3,117			Z
8599999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated) Redeemable Preferred				X X X	3,117	X X X		X X X
02079K-10-7 025816-10-9 060505-10-4 254709-10-8 293792-10-7 46625H-10-0 92556H-20-6 949746-10-1	ALPHABET CL C ORD AMERICAN EXPRESS ORD BANK OF AMERICA ORD DISCOVER FINANCIAL SERVICES ORD ENTERPRISE PRODUCTS PARTNERS UNT JPMORGAN CHASE ORD VIACOMCBS CL B ORD WELLS FARGO ORD		04/20/2020 04/16/2020 04/15/2020 04/15/2020 04/20/2020 04/16/2020 04/20/2020 04/20/2020	RAYMOND JAMES & ASSOCIATES RAYMOND JAMES & ASSOCIATES RAYMOND JAMES & ASSOCIATES RAYMOND JAMES & ASSOCIATES RAYMOND JAMES & ASSOCIATES RAYMOND JAMES & ASSOCIATES Not Available RAYMOND JAMES & ASSOCIATES	1,000.000 8,200.000 20,000.000 8,000.000 75,000.000 7,000.000 20,000.000 40,000.000	1,272,030 683,987 459,482 276,818 1,184,743 638,362 318,594 1,155,453			Z Z Z Z Z Z Z Z
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated) Publicly Traded				X X X	5,989,469	X X X		X X X
9799997	Subtotal - Common Stock - Part 3				X X X	5,989,469	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
9799999	Total - Common Stock				X X X	5,989,469	X X X		X X X
9899999	Total - Preferred and Common Stock				X X X	5,992,586	X X X		X X X
9999999	Totals				X X X	6,301,544	X X X	4,140	X X X

EO4

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident- ification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractua Maturity Date	NAIC Designation and Administrative Symbol
951427-W4-1	WEST BEND WIS		04/01/2020	Maturity @ 100.00		100,000	100,000.00	100,621	100,000						100,000				1,350	04/01/2020	Z
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	100,000	100,000.00	100,621	100,000						100,000				1,350	X X X	X X X
EIS	072016-DC-9		06/02/2020	Call @ 100.00		40,000	40,000.00	41,126	40,000						40,000				1,000	07/01/2022	1FE
	349291-BR-4		05/05/2020	Call @ 100.00		10,000	10,000.00	10,209	10,000						10,000				87	06/01/2021	1FE
	57420N-BC-4		06/01/2020	Maturity @ 100.00		105,000	105,000.00	111,248	105,460		(460)		(460)		105,000				2,691	06/01/2020	Z
	592247-DC-1		06/15/2020	Maturity @ 100.00		255,000	255,000.00	200,093	250,782		4,218		4,218		255,000					06/15/2020	Z
	60416S-JB-7		06/02/2020	Call @ 100.00		30,000	30,000.00	30,000	30,000						30,000				545	01/01/2032	1FE
	60637B-CP-3		04/02/2020	Call @ 100.00		15,000	15,000.00	14,888	14,903		1		1		14,904		96	96	134	11/01/2041	1FE
	924190-LY-5		04/02/2020	Call @ 100.00		25,000	25,000.00	25,094	25,070		(4)		(4)		25,066		(66)	(66)	10	05/01/2037	1FE
	92812U-K5-6		06/01/2020	Paydown		26,821	26,820.60	26,787	26,792		29		29		26,821				320	04/25/2042	1FE
3199999	Subotal - Bonds - U.S. Special Revenue and Special Assessment Non-Guaranteed Obligati				X X X	506,821	506,820.60	459,445	503,007		3,784		3,784		506,791		30	30	4,787	X X X	X X X
023770-AB-6	AMERICAN AIRLINES INC - ABS		05/01/2020	Paydown		83,055	83,055.07	81,186	81,355		1,700		1,700		83,055				1,537	11/01/2024	3FE
00206R-CR-1	AT&T INC		06/24/2020	Call @ 100.00		477,141	470,000.00	464,576	467,503		1,081		1,081		468,584		1,416	1,416	18,546	02/17/2021	2FE
233283-AA-8	DNA ALPHA LTD - ABS		05/30/2020	Paydown		87,836	87,836.33	91,789	91,117		(3,281)		(3,281)		87,836				2,306	05/30/2025	3FE
36962G-4Y-7	GENERAL ELECTRIC CO		05/19/2020	CORPORATE REORGANI		2,050,000	2,000,000.00	2,050,220	2,047,403		(17,691)		(17,691)		2,029,712		20,288	20,288	80,167	01/07/2021	2FE
714264-AA-6	PERNOD RICARD SA	C	05/21/2020	Call @ 100.00		317,320	305,000.00	320,765			(5,219)		(5,219)		313,709		(8,709)	(8,709)	16,809	04/07/2021	2FE
84858E-AA-4	SPIRIT AIRLINES CLASS B PASS THROUG		04/01/2020	Paydown		33,069	33,069.06	32,862	32,677		392		392		33,069				736	10/01/2025	3FE
85208N-AA-8	SPRNTS 161 A1 - ABS		06/22/2020	Paydown		62,500	62,500.00	63,063	62,709		(209)		(209)		62,500				1,043	03/20/2023	2FE
210795-QC-7	UNITED AIRLINES INC - ABS		04/29/2020	Paydown		101,172	101,171.50	106,736	103,638		(2,467)		(2,467)		101,172				2,782	04/29/2022	2FE
92343V-DW-1	VERIZON COMMUNICATIONS INC		06/24/2020	Call @ 100.00		523,355	500,000.00	512,630	511,261		(2,464)		(2,464)		508,797		(8,797)	(8,797)	35,638	03/16/2022	2FE
984121-CH-4	XEROX CORP		05/15/2020	Maturity @ 100.00		1,000,000	1,000,000.00	942,500	994,862		5,138		5,138		1,000,000				14,000	05/15/2020	3FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	4,735,448	4,642,631.96	4,666,327	4,392,525		(23,020)		(23,020)		4,688,434		4,198	4,198	173,564	X X X	X X X
8099999	Subtotal - Bonds - SVO Identified Funds				X X X															X X X	X X X
72584D-AE-4	2018 TERM B LOAN:KFC HOLDING CO. AK		06/30/2020	Call @ 100.00		616	615.66	613	614						614		2	2	9	04/03/2025	3FE
89705D-AD-4	INITIAL DOLLAR TERM LOAN FIRST LIEN:T		03/03/2020	Adjustment		(10,510)					(20)		(20)		(20)		(10,490)	(10,490)	276	09/13/2024	3FE
91136E-AJ-4	INITIAL TERM LOAN:UNITED RENTALS (N		06/30/2020	Call @ 167.37		1,046	625.00	625	625						625		421	421	6	10/01/2025	2FE
05377J-AR-3	NEW TRANCHE B TERM LOAN:AVIS BUDG		06/30/2020	Call @ 186.18		4,454	2,392.27	2,392	2,392						2,392		2,062	2,062	34	08/06/2027	3FE
37252K-AP-7	REFINANCING TERM LOAN:GEO GROUP, I		06/30/2020	Call @ 194.84		4,883	2,506.27	2,509	2,245						2,508		2,375	2,375	27	03/22/2024	3FE
81727P-AB-2	TENTH AMENDMENT TERM LOAN:SENSA		06/30/2020	Call @ 100.00		1,963	1,963.42	1,959	1,960						1,961		3	3	35	09/20/2026	2FE
70757D-AV-1	TERM B-1 FACILITY LOAN:PENN NATIONA		03/31/2020	Call @ 100.00															133	08/14/2025	4FE

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident- ification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractua Maturity Date	NAIC Designation and Administrative Symbol
92940J-AB-4	TERM B-1 LOAN:W.R. GRACE & CO.-CONN		06/30/2020	Call @ 418.72		5,785	1,381.58	1,380	1,380						1,380		4,404	4,404	13	02/21/2025	2FE
16117L-BX-6	TERM B-2 LOAN:CHARTER COMMUNICATI		06/30/2020	Call @ 168.28		8,267	4,912.50	4,906	4,908						4,908		3,358	3,358	48	02/01/2027	2FE
92940J-AD-0	TERM B-2 LOAN:W.R. GRACE & CO.-CONN		06/30/2020	Call @ 418.72		9,917	2,368.42	2,365	2,366						2,366		7,550	7,550		02/21/2025	2FE
53803H-AM-2	TERM B-4 LOAN:LIVE NATION ENTERTAIN		06/30/2020	Call @ 100.00		3,602	3,601.59	3,602	3,602						3,602				54	10/19/2026	3FE
65336R-AW-8	TERM B-4 LOAN:NEXSTAR BROADCASTIN		03/09/2020	Call @ 100.00															4,165	06/19/2026	3FE
15018L-AJ-0	TERM LOAN B:CEDAR FAIR, L.P.		04/27/2020	Call @ 100.21		309,468	308,833.33	308,833	308,833						308,833		635	635	1,759	04/28/2024	3FE
22207E-BG-8	TERM LOAN B:COTY INC.		06/29/2020	Call @ 100.14		5,007	5,000.00	4,988	4,878	112	1		113		4,991		16	16	88	03/28/2025	4FE
389376-AX-2	TERM LOAN B:GRAY TELEVISION, INC.		02/24/2020	Unknown															97	02/28/2024	3FE
80862Q-AD-3	TERM LOAN B:SCIENCE APPLICATIONS IN		03/03/2020	Unknown															1,104	11/05/2025	3FE
02406M-AP-2	TRANCHE B TERM LOAN:AMERICAN AXLE		02/25/2020	Adjustment															33	03/08/2024	3FE
29362L-AH-7	TRANCHE B TERM LOAN:ENTEGRIS, INC.		06/26/2020	Call @ 100.58		376,458	375,000.00	374,063	374,213		58		58		374,271		2,187	2,187	3,487	10/31/2025	2FE
58446H-AR-3	TRANCHE N TERM LOAN:MEDIACOM ILLI		06/30/2020	Call @ 109.24		3,262	2,986.11	2,979	2,981		1		1		2,982		280	280	36	02/15/2024	3FE
8299999	Subtotal - Bonds - Unaffiliated Bank Loans				X X X	724,218	712,186	711,214	710,997	376	40		416		711,413		12,803	12,803	11,404	X X X	X X X
8399997	Subtotal - Bonds - Part 4				X X X	6,066,487	5,961,639	5,937,607	5,706,529	376	(19,196)		(18,820)		6,006,638		17,031	17,031	191,105	X X X	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total - Bonds				X X X	6,066,487	5,961,638.71	5,937,607	5,706,529	376	(19,196)		(18,820)		6,006,638		17,031	17,031	191,105	X X X	X X X
85814R-20-6	STEEL PARTNERS HOLDINGS LP		06/15/2020	CORPORATE REORGANI	0.94	16		20	20						20		(3)	(3)	1		Z
8599999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated) Redeemable Preferre				X X X	16	X X X	20	20						20		(3)	(3)	1	X X X	X X X
02376R-10-2	AMERICAN AIRLINES GROUP ORD		05/12/2020	RAYMOND JAMES & ASS	12,000.00	115,891		395,150	344,160	50,990			50,990		395,150		(279,259)	(279,259)	1,200		Z
025816-10-9	AMERICAN EXPRESS ORD		06/23/2020	RAYMOND JAMES & ASS	7,566.00	752,209		650,323	941,891	(291,569)			(291,569)		650,323		101,886	101,886	6,507		Z
060505-10-4	BANK OF AMERICA ORD		06/23/2020	RAYMOND JAMES & ASS	15,100.00	378,549		351,829	140,880	(49,440)			(49,440)		351,829		26,720	26,720	3,438		Z
254709-10-8	DISCOVER FINANCIAL SERVICES ORD		06/23/2020	RAYMOND JAMES & ASS	12,000.00	654,892		709,175	1,017,840	(308,665)			(308,665)		709,175		(54,283)	(54,283)	10,560		Z
293792-10-7	ENTERPRISE PRODUCTS PARTNERS UNT		06/23/2020	RAYMOND JAMES & ASS	43,750.00	850,301		681,311							681,311		168,990	168,990	19,469		Z
46625H-10-0	JPMORGAN CHASE ORD		06/23/2020	RAYMOND JAMES & ASS	5,500.00	539,590		525,673	476,609	(148,626)			(148,626)		525,673		13,917	13,917	6,154		Z
92556H-20-6	VIACOMCBS CL B ORD		06/23/2020	RAYMOND JAMES & ASS	18,000.00	426,160		543,247	391,118	13,843			13,843		543,247		(117,086)	(117,086)	6,405		Z
949746-10-1	WELLS FARGO ORD		06/23/2020	RAYMOND JAMES & ASS	15,000.00	409,491		442,203							442,203		(32,712)	(32,712)	7,650		Z
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated) Publicly Traded				X X X	4,127,083		4,298,911	3,312,498	(733,467)			(733,467)		4,298,911		(171,827)	(171,827)	61,383	X X X	X X X

E05.1

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident- ification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractua Maturity Date	NAIC Designation and Administrative Symbol
9799997	Subtotal - Common Stock - Part 4				X X X	4,127,083	X X X	4,298,911	3,312,498	(733,467)			(733,467)		4,298,911		(171,827)	(171,827)	61,383	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799999	Total - Common Stocks				X X X	4,127,083	X X X	4,298,911	3,312,498	(733,467)			(733,467)		4,298,911		(171,827)	(171,827)	61,383	X X X	X X X
9899999	Total - Preferred and Common Stocks				X X X	4,127,099	X X X	4,298,931	3,312,518	(733,467)			(733,467)		4,298,931		(171,830)	(171,830)	61,384	X X X	X X X
E05.2																					
9999999	Totals					10,193,586	X X X	10,236,538	9,019,047	(733,091)	(19,196)		(752,287)		10,305,569		(154,799)	(154,799)	252,489	X X X	X X X

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

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

[illegible]

E14

Designate the type of health care
providers reported on this page.
Physicians



SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

States, Etc.		1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
				3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama	AL	75,512	61,698			62,259			58,890
2. Alaska	AK	20,791	10,224			(576)			11,045
3. Arizona	AZ	278,128	172,967	249,000	1	141,327	160,005	4	128,151
4. Arkansas	AR	39,697	39,939			166,562	200,000	1	93,616
5. California	CA	2,101,052	1,991,834	711,182	3	176,166	2,041,018	22	1,501,424
6. Colorado	CO	7,240	46,634	(10,000)		(4,726)	235,000	1	41,559
7. Connecticut	CT	17,017	73,229			18,158	25,000	1	42,347
8. Delaware	DE	29,490	14,650			1,592			10,032
9. District of Columbia	DC	57,816	50,317			(2,154)			13,251
10. Florida	FL	428,253	412,876	(5,000)		542,600	249,000	1	472,001
11. Georgia	GA	145,697	138,153	(10,000)		97,290	25,000	1	120,437
12. Hawaii	HI	38,708	30,092			27,856	225,000	1	39,840
13. Idaho	ID		8,521			2,857			7,093
14. Illinois	IL	97,837	154,907			77,772			125,740
15. Indiana	IN	61,565	65,503			25,177	75,000	1	61,584
16. Iowa	IA	14,900	14,558			1,765			12,728
17. Kansas	KS					(215)			(215)
18. Kentucky	KY	56,158	26,059			27,592			20,818
19. Louisiana	LA					38,286			6,697
20. Maine	ME	8,975	5,063			651			3,318
21. Maryland	MD	263,631	239,937	(5,000)	1	20,851			171,913
22. Massachusetts	MA	2,587	9,242			236,102	350,000	1	111,687
23. Michigan	MI	54,711	46,520	825,000	1	23,487			58,119
24. Minnesota	MN	11,412	19,584			103,195	245,000	1	16,437
25. Mississippi	MS	169,194	79,312	(1,500)	1	(12,573)			101,083
26. Missouri	MO	118,949	217,979			71,947			89,036
27. Montana	MT	26,783	15,904	688,500	1	(13,723)	25,500	1	18,258
28. Nebraska	NE								
29. Nevada	NV	29,000	57,122			3,078			8,485
30. New Hampshire	NH	5,388	6,508			21,909			18,451
31. New Jersey	NJ	266,398	210,649	241,500	1	152,485	115,000	3	81,880
32. New Mexico	NM	100,833	72,608			40,983	225,000	1	57,682
33. New York	NY					116,043			9,875
34. North Carolina	NC	122,056	61,027			8,030			45,723
35. North Dakota	ND								
36. Ohio	OH	131,166	150,174			37,160	25,000	1	107,183
37. Oklahoma	OK								
38. Oregon	OR	56,616	50,993			32,444			43,242
39. Pennsylvania	PA	221,089	182,642			152,168	50,000	1	142,371
40. Rhode Island	RI					(318)			(318)
41. South Carolina	SC	230,947	81,268			18,780			47,142
42. South Dakota	SD	58,838	29,858			5,638			26,799
43. Tennessee	TN	42,182	21,335			58,064	25,000	1	29,437
44. Texas	TX	124,418	162,455	50,000	1	25,188	200,000	1	100,237
45. Utah	UT	4,000	10,018			23,856	25,500	1	14,216
46. Vermont	VT	2,900	23,299			4,771			11,920
47. Virginia	VA	216,448	198,297	15,000	1	6,608			131,595
48. Washington	WA	127,798	78,011			20,340	5	1	47,439
49. West Virginia	WV	39,675	108,087			50,485			65,654
50. Wisconsin	WI					4,298			946
51. Wyoming	WY					(176)			(176)
52. American Samoa	AS								
53. Guam	GU								
54. Puerto Rico	PR								
55. US Virgin Islands	VI								
56. Northern Mariana Islands	MP								
57. Canada	CAN								
58. Aggregate Other Alien	OT								
59. Totals		5,905,855	5,450,053	2,748,682	11	2,611,359	4,521,028	46	4,326,672

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

NONE

Designate the type of health care providers reported on this page.
Other Health Care Professionals



SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

		1	2	Direct Losses Paid		5	Direct Losses Unpaid		8
				3	4		6	7	
States, Etc.		Direct Premiums Written	Direct Premiums Earned	Amount	Number of Claims	Direct Losses Incurred	Amount Reported	Number of Claims	Direct Losses Incurred But Not Reported
1.	Alabama	AL	746			(262)			373
2.	Alaska	AK	1,343			266			671
3.	Arizona	AZ	3,052			(612)			3,115
4.	Arkansas	AR	3,700			147			147
5.	California	CA	68,155			(20,583)			64,406
6.	Colorado	CO				2,428			4,519
7.	Connecticut	CT	4,525			(1,136)			2,262
8.	Delaware	DE							
9.	District of Columbia	DC							
10.	Florida	FL	16,213			(3,321)			11,117
11.	Georgia	GA	12,113			(6,794)			13,989
12.	Hawaii	HI							
13.	Idaho	ID	10,350			851			1,288
14.	Illinois	IL	43,038			(15,599)			10,506
15.	Indiana	IN				(2,623)			1,189
16.	Iowa	IA				(1,209)			1,276
17.	Kansas	KS							
18.	Kentucky	KY	4,850			(2,309)			996
19.	Louisiana	LA							
20.	Maine	ME							
21.	Maryland	MD				(2,197)			49
22.	Massachusetts	MA	2,715			305			305
23.	Michigan	MI				(1,315)			145
24.	Minnesota	MN	2,000			(5,073)			498
25.	Mississippi	MS	3,869			(1,692)			1,768
26.	Missouri	MO	2,000			(962)			326
27.	Montana	MT							
28.	Nebraska	NE							
29.	Nevada	NV	6,225			1,283			2,401
30.	New Hampshire	NH							
31.	New Jersey	NJ	(7,784)			(6,766)			6,296
32.	New Mexico	NM	2,828			671			2,866
33.	New York	NY							
34.	North Carolina	NC							
35.	North Dakota	ND							
36.	Ohio	OH	23,748			(2,196)			4,857
37.	Oklahoma	OK							
38.	Oregon	OR							
39.	Pennsylvania	PA	2,000			274			2,992
40.	Rhode Island	RI							
41.	South Carolina	SC				256			622
42.	South Dakota	SD	1,076			(1,262)			1,725
43.	Tennessee	TN				1,300			2,466
44.	Texas	TX	15,096			(3,323)			11,055
45.	Utah	UT				(2,482)			
46.	Vermont	VT							
47.	Virginia	VA				479			559
48.	Washington	WA	21,500			3,293			3,293
49.	West Virginia	WV	3,754			1,695			1,779
50.	Wisconsin	WI							
51.	Wyoming	WY	2,029			446			446
52.	American Samoa	AS							
53.	Guam	GU							
54.	Puerto Rico	PR							
55.	US Virgin Islands	VI							
56.	Northern Mariana Islands	MP							
57.	Canada	CAN							
58.	Aggregate Other Alien	OT							
59.	Totals	242,527	320,610			(68,022)			160,302

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

Designate the type of health care providers reported on this page.
Other Health Care Facilities



SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

		1	2	Direct Losses Paid		5	Direct Losses Unpaid		8	
				3	4		6	7		
States, Etc.		Direct Premiums Written	Direct Premiums Earned	Amount	Number of Claims	Direct Losses Incurred	Amount Reported	Number of Claims	Direct Losses Incurred But Not Reported	
1.	Alabama	AL	837,731	563,907		160,935	225,001	2	274,993	
2.	Alaska	AK	31,000	73,768		33,277			78,091	
3.	Arizona	AZ	297,734	197,538	225,000	74,909	370,010	5	(429,099)	
4.	Arkansas	AR	423,405	580,307	652,348	196,243	50,005	2	909,897	
5.	California	CA	4,854,337	4,675,684	3,442,810	2,596,050	4,321,566	48	1,464,391	
6.	Colorado	CO	201,900	107,862		54,588			8,393	
7.	Connecticut	CT	1,032,134	947,830	105,000	611,762	2,304,555	22	236,408	
8.	Delaware	DE	82,000	20,583		9,517			28,336	
9.	District of Columbia	DC	358,250	80,663		37,471			40,430	
10.	Florida	FL	2,649,773	2,653,928	433,750	709,158	3,651,600	41	(847,090)	
11.	Georgia	GA	559,743	1,219,024		438,839	110,500	3	1,529,285	
12.	Hawaii	HI	255,198	127,700		(3,577)			74,457	
13.	Idaho	ID	866,500	227,472		110,645	35,010	2	230,322	
14.	Illinois	IL	891,905	891,265	12,000	407,996	1,245,530	14	78,734	
15.	Indiana	IN	113,342	52,269		(38,171)			26,135	
16.	Iowa	IA	202,148	164,056		100,120	200,000	2	157,166	
17.	Kansas	KS	22,500	5,253		5,170			49,616	
18.	Kentucky	KY	233,219	244,698		94,258	100,000	1	379,795	
19.	Louisiana	LA	379,005	451,087	100,000	151,582	50,000	1	294,948	
20.	Maine	ME	32,000	11,417		31,000	25,520		11,557	
21.	Maryland	MD	737,025	788,186	1,342	420,351	270,005	3	1,497,380	
22.	Massachusetts	MA	724,785	1,139,717		132,693	50,000	3	902,375	
23.	Michigan	MI	327,233	207,253		112,991	250,020	3	105,417	
24.	Minnesota	MN	148,600	72,307		29,394			169,901	
25.	Mississippi	MS	27,888	24,614		20,081	5	1	157,930	
26.	Missouri	MO	677,634	287,102		176,630	397,500	3	326,698	
27.	Montana	MT	21,500	24,011		36,426	25,500	1	27,956	
28.	Nebraska	NE	112,500	23,438		13,334			48,195	
29.	Nevada	NV	293,205	195,414	(50,000)	104,575	35,510	2	284,698	
30.	New Hampshire	NH	(121,454)	(14,083)		(24,866)			13,426	
31.	New Jersey	NJ	2,786,779	3,336,458	1,071,549	1,911,139	3,609,532	49	874,054	
32.	New Mexico	NM	76,691	213,219	210,000	93,998	102,000	4	142,303	
33.	New York	NY	5,955,493	4,881,104	808,538	2,556,692	7,863,056	68	1,117	
34.	North Carolina	NC	132,463	81,332		25,956			95,664	
35.	North Dakota	ND								
36.	Ohio	OH	1,116,242	1,015,194		473,655	41	6	1,788,587	
37.	Oklahoma	OK								
38.	Oregon	OR	313,821	378,221		185,803	79,239	1	590,579	
39.	Pennsylvania	PA	1,742,989	1,118,684	604,999	450,540	800,015	8	561,142	
40.	Rhode Island	RI	527,250	357,388	248,000	183,721	85,000	2	154,424	
41.	South Carolina	SC	188,018	245,478		107,071	335,006	4	(156,026)	
42.	South Dakota	SD				(4,324)			6,246	
43.	Tennessee	TN	758,451	535,165	175,000	324,714	225,505	4	462,613	
44.	Texas	TX	3,101,062	1,639,291	330,000	867,312	600,511	13	1,511,200	
45.	Utah	UT		40,298		(15,305)			20,149	
46.	Vermont	VT		6,750		3,367			4,801	
47.	Virginia	VA	174,633	175,709	449,000	309,301	265,000	4	258,347	
48.	Washington	WA	226,617	167,402		56,427			247,131	
49.	West Virginia	WV	164,399	70,992	50,000	3,298			35,496	
50.	Wisconsin	WI	145,250	85,348		230,943	285,000	2	17,360	
51.	Wyoming	WY	31,000	8,792		4,237			12,820	
52.	American Samoa	AS								
53.	Guam	GU								
54.	Puerto Rico	PR								
55.	US Virgin Islands	VI								
56.	Northern Mariana Islands	MP								
57.	Canada	CAN								
58.	Aggregate Other Alien	OT								
59.	Totals		34,713,898	30,401,095	8,869,336	61	14,571,926	27,967,742	324	14,758,748

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

NONE



DIRECTOR AND OFFICER INSURANCE COVERAGE SUPPLEMENT
Year To Date For The Period Ended 2020

NAIC Group Code 3478

NAIC Company Code 26808

Company Name Hallmark Specialty Insurance Company

If the reporting entity writes any director and officer (D&O) business, please provide the following:

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$ 13,365,201	\$ 12,884,494	\$ 6,377,825

2. Commercial Multiple Peril (CMP) Packaged Policies

2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy? Yes [] No [X]

2.2 Can the direct premium earned for D&O liability coverage provided as part of a CMP packaged policy be quantified or estimated? Yes [] No [X]

2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified: \$ _____

2.32 Amount estimated using reasonable assumptions: \$ _____

2.4 If the answer to question 2.1 is yes, provide direct losses incurred (losses paid plus change in case reserves) for the D&O liability coverage provided in CMP packaged policies. \$ _____