QUARTERLY STATEMENT

OF THE

HALLMARK INSURANCE COMPANY

of SCOTTSDALE

in the state of ARIZONA

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

June 30, 2020

PROPERTY AND CASUALTY

2020

34037202020100102

QUARTERLY STATEMENT

AS OF JUNE 30, 2020

OF THE CONDITION AND AFFAIRS OF THE

Hallmark Insurance Company

NAIC Group Code 3478 (Current Period), 3478 (Prior Period) **NAIC Company Code** 34037 **Employer's ID Number** 47-0718164

Organized under the Laws of Arizona , **State of Domicile or Port of Entry** AZ

Country of Domicile US

Incorporated/Organized June 20, 1988 **Commenced Business** August 23, 1988

Statutory Home Office 8601 North Scottsdale Road Suite 300 (Street and Number) , Scottsdale, AZ US 85253 (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 (Street and Number or P.O. Box) , Dallas, TX US 75240-2345 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 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)

Internet Website Address www.hallmarkgrp.com

Statutory Statement Contact Felica M. Smith (Name) 817-348-1887 (Area Code) (Telephone Number) (Extension)

fsmith@hallmarkgrp.com (E-Mail Address) 817-348-1820 (Fax Number)

OFFICERS

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

VICE-PRESIDENTS

Name	Title	Name	Title

DIRECTORS OR TRUSTEES

Naveen Anand	Christopher James Kenney	Kenneth Russell Krissinger	Jeffrey Ray Passmore
Mark Edward Schwarz	Charles Edward Stauber	Tarek Nghi Timol	

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)	(Signature)	(Signature)
Naveen Anand	Jeffrey R. Passmore	Christopher J. Kenney
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Chief Financial Officer, Treasurer & Secretary	Vice President
(Title)	(Title)	(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 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	158,792,730		158,792,730	205,430,518
2. Stocks:				
2.1 Preferred stocks	3,069,539		3,069,539	2,364,288
2.2 Common stocks	26,418,703		26,418,703	50,510,351
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 ($ 16,185,873), cash equivalents ($ 13,087,113), and short-term investments ($ 44,190,180)	73,463,166		73,463,166	8,818,221
6. Contract loans (including $ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities	639,909		639,909	7,395,185
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	262,384,047		262,384,047	274,518,563
13. Title plants less $ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,141,491		1,141,491	1,479,261
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	27,035,480		27,035,480	34,210,029
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 0 earned but unbilled premiums)	(5,827)		(5,827)	90,532
15.3 Accrued retrospective premiums ($ 0) and contracts subject to redetermination ($ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	15,905,921		15,905,921	7,586,194
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	4,927,031	1,063,787	3,863,244	3,002,400
19. Guaranty funds receivable or on deposit	4,566		4,566	6,040
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				
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)	311,392,709	1,063,787	310,328,922	320,893,019
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	311,392,709	1,063,787	310,328,922	320,893,019

DETAILS OF WRITE-IN LINES				
1101.				
1102. NONE				
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. NONE				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31, Prior Year
1.	Losses (current accident year $ 33,667,625)	93,637,274	93,504,659
2.	Reinsurance payable on paid losses and loss adjustment expenses	26,920,095	30,395,680
3.	Loss adjustment expenses	19,296,228	17,433,747
4.	Commissions payable, contingent commissions and other similar charges	6,531	8,446
5.	Other expenses (excluding taxes, licenses and fees)	3,845	12,577
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	244,597	672,515
7.1.	Current federal and foreign income taxes (including $ 0 on realized capital gains (losses))	1,909,970	987,071
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 $ 33,065,120 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)	67,413,601	71,905,596
10.	Advance premium		
11.	Dividends declared and unpaid:		
	11.1. Stockholders		
	11.2. Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	14,132,751	14,346,423
13.	Funds held by company under reinsurance treaties	59,293	59,293
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	59,268	(413,897)
20.	Derivatives		
21.	Payable for securities		649,137
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)	223,683,453	229,561,247
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	223,683,453	229,561,247
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	41,137,233	41,137,233
35.	Unassigned funds (surplus)	42,008,236	46,694,539
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)	86,645,469	91,331,772
38.	Totals (Page 2, Line 28, Col. 3)	310,328,922	320,893,019

	DETAILS OF WRITE-IN LINES		
2501.			
2502.	NONE		
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page		
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.			
2902.	NONE		
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.			
3202.	NONE		
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 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $ 31,959,057)	34,932,349	26,271,809	56,282,136
1.2 Assumed (written $ 75,311,361)	80,040,911	66,201,854	140,653,464
1.3 Ceded (written $ 31,920,720)	35,131,566	26,704,485	57,135,117
1.4 Net (written $ 75,349,698)	79,841,694	65,769,178	139,800,483
DEDUCTIONS:			
2. Losses incurred (current accident year $ 43,223,481):			
2.1 Direct	24,790,570	21,701,420	39,232,340
2.2 Assumed	47,508,220	36,860,046	91,467,658
2.3 Ceded	24,539,189	21,637,342	39,263,942
2.4 Net	47,759,601	36,924,124	91,436,056
3. Loss adjustment expenses incurred	10,806,891	8,102,226	22,441,932
4. Other underwriting expenses incurred	19,011,974	20,021,858	41,122,322
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	77,578,466	65,048,208	155,000,310
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	2,263,228	720,970	(15,199,827)
INVESTMENT INCOME			
9. Net investment income earned	3,029,875	4,530,425	8,831,197
10. Net realized capital gains (losses) less capital gains tax of $ 38,372	144,351	1,749,228	1,834,434
11. Net investment gain (loss) (Lines 9 + 10)	3,174,226	6,279,653	10,665,631
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 0 amount charged off $ (210,668))	(210,668)	(139,636)	(313,659)
13. Finance and service charges not included in premiums	9,215	11,844	22,803
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)	(201,453)	(127,792)	(290,856)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	5,236,001	6,872,831	(4,825,052)
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)	5,236,001	6,872,831	(4,825,052)
19. Federal and foreign income taxes incurred	876,236	1,338,821	(742,353)
20. Net income (Line 18 minus Line 19) (to Line 22)	4,359,765	5,534,010	(4,082,699)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	91,331,772	102,607,102	102,607,102
22. Net income (from Line 20)	4,359,765	5,534,010	(4,082,699)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of $ 0	(9,906,912)	4,155,309	1,058,323
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	1,924,631	(555,732)	(180,487)
27. Change in nonadmitted assets	(1,063,787)	377,533	377,533
28. Change in provision for reinsurance		52,000	52,000
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		(5,500,000)	(8,500,000)
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)	(4,686,303)	4,063,120	(11,275,330)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	86,645,469	106,670,222	91,331,772

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

NONE

NONE

NONE

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	82,406,935	71,123,626	148,575,818
2. Net investment income	3,749,899	4,871,946	9,362,213
3. Miscellaneous income	(64,439)	(127,792)	(290,856)
4. Total (Lines 1 to 3)	86,092,395	75,867,780	157,647,175
5. Benefit and loss related payments	59,606,475	45,359,815	78,375,935
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	28,407,079	27,676,724	55,360,576
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	(8,291)	584,000	584,000
10. Total (Lines 5 through 9)	88,005,263	73,620,539	134,320,511
11. Net cash from operations (Line 4 minus Line 10)	(1,912,868)	2,247,241	23,326,664
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	59,005,307	48,038,853	88,655,083
12.2 Stocks	16,262,800		2,177,826
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	6,106,140	1,608,937	(5,232,648)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	81,374,247	49,647,790	85,600,261
13. Cost of investments acquired (long-term only):			
13.1 Bonds	13,500,559	38,859,769	90,530,676
13.2 Stocks	1,849,807		5,447,143
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	15,350,366	38,859,769	95,977,819
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)	66,023,881	10,788,021	(10,377,558)
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	59,293		59,293
16.5 Dividends to stockholders		5,500,000	8,500,000
16.6 Other cash provided (applied)	474,639	16,138	(477,738)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	533,932	(5,483,862)	(8,918,445)
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)	64,644,945	7,551,400	4,030,661
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	8,818,220	4,787,559	4,787,559
19.2 End of period (Line 18 plus Line 19.1)	73,463,165	12,338,959	8,818,220

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

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

PROPERTY

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 Arizona Department of Insurance (the AZDOI). Such practices vary from U.S. generally accepted accounting principles (GAAP). The Company has no permitted practices. 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 Arizona (NAIC SAP). For the Company, there are no significant differences between Arizona 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 Insurance Company state basis	XXX	XXX	XXX	$	4,359,765	$	(4,082,699)
(2) State Prescribed Practices: NONE							
(3) State Permitted Practices: NONE							
(4) NAIC SAP	XXX	XXX	XXX	$	4,359,765	$	(4,082,699)
SURPLUS							
(5) Hallmark Insurance Company state basis	XXX	XXX	XXX	$	86,645,469	$	91,331,772
(6) State Prescribed Practices: NONE							
(7) State Permitted Practices: NONE							
(8) NAIC SAP	XXX	XXX	XXX	$	86,645,469	$	91,331,772

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

In accordance with SSAP 68 the net purchase price of $5.7 million related to the December 31, 2010 acquisition of Hallmark National Insurance Company ("HNIC") was being amortized over 10 years. During the first quarter of 2020 the Company determined that the decline in the fair value of HNIC was other than temporary, and the investment in HNIC was written down to its statutory value and a realized loss of $576 thousand was recognized as a reduction to surplus through the change in unrealized losses.

4. Discontinued Operations

Not applicable.

5. Investments

a. The aggregate Amount of unrealized losses:	
Less than 12 months	1,140,935
12 Months or Longer	92,734
b. The aggregate related fair value of securities with unrealized losses:	
Less than 12 months	4,819,289
12 Months or Longer	1,189,373

R. Prepayment Penalty and Acceleration Fees

	General Account
(1) Number of CUSIPs	7
(2) Aggregate Amount of Investment Income	158,239

6. Joint Venture, Partnerships, and Limited Liability Companies

Not applicable.

NOTES TO FINANCIAL STATEMENTS

7. Investment Income

A. No changes.

B. Amounts Nonadmitted: Not applicable.

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.		6/30/2020			12/31/2019	
	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Gross Deferred Tax Assets $	3,987,238	1,130,751	5,117,989	4,105,142	116,106	4,221,248
b. Statutory Valuation Allowance Adjustment $	-	-	-	-	-	-
c. Adjusted Gross Deferred Tax Assets (1a - 1b) $	3,987,238	1,130,751	5,117,989	4,105,142	116,106	4,221,248
d. Deferred Tax Assets Nonadmitted $	-	1,063,787	1,063,787	-	-	-
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d) $	3,987,238	66,964	4,054,202	4,105,142	116,106	4,221,248
f. Deferred Tax Liabilities $	190,958		190,958	190,958	1,027,890	1,218,848
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f) $	3,796,280	66,964	3,863,244	3,914,184	(911,784)	3,002,400

		Change	
	Ordinary	Capital	Total
a. Gross Deferred Tax Assets $	(117,904)	1,014,645	896,741
b. Statutory Valuation Allowance Adjustment $	-	-	-
c. Adjusted Gross Deferred Tax Assets (1a - 1b) $	(117,904)	1,014,645	896,741
d. Deferred Tax Assets Nonadmitted $	-	1,063,787	1,063,787
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d) $	(117,904)	(49,142)	(167,046)
f. Deferred Tax Liabilities $		(1,027,890)	(1,027,890)
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f) $	(117,904)	978,748	860,844

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.

NOTES TO FINANCIAL STATEMENTS

2. 2

Admission Calculation Components SSAP No. 101		6/30/2020 Ordinary	6/30/2020 Capital	6/30/2020 Total	12/31/2019 Ordinary	12/31/2019 Capital	12/31/2019 Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	$	914,608	-	914,608	2,109,657	-	2,109,657
b. 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.	$	2,948,636	-	2,948,636	1,879,081	-	1,879,081
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	$	-	-	-	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	$	X X X	X X X	12,375,414	X X X	X X X	13,298,551
c. 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.	$	(939,793)	1,130,751	190,958	116,404	116,106	232,510
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$	2,923,451	1,130,751	4,054,202	4,105,142	116,106	4,221,248

Admission Calculation Components SSAP No. 101		Change Ordinary	Change Capital	Change Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	$	(1,195,049)		(1,195,049)
b. 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.	$	1,069,555		1,069,555
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.	$			
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	$	X X X	X X X	(923,137)
c. 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.	$	(1,056,197)	1,014,645	(41,552)
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$	(1,181,691)	1,014,645	(167,046)

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

	2020	2019
Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.	421.1%	449.4%
Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	$ 82,782,225	99,801,748

4.

Impact of Tax Planning Strategies		6/30/2020 Ordinary	6/30/2020 Capital	12/31/2019 Ordinary	12/31/2019 Capital	Change Ordinary	Change Capital
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)	$	3,987,238	1,130,751	4,105,142	116,106	(117,904)	1,014,645
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)	$	3,987,238	66,964	4,105,142	116,106	(117,904)	(49,142)
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:

			6/30/2020	12/31/2019	Change
1.	Current Income Tax				
a.	Federal	$	837,864	(616,523)	1,454,387
b.	Foreign	$	-	-	-
c.	Subtotal	$	837,864	(616,523)	1,454,387
d.	Federal Income Tax on net capital gains	$	38,372	(125,099)	163,471
e.	Utilization of capital loss carry-forwards	$	-	-	-
f.	Other	$		(731)	731
g.	Federal and foreign income taxes incurred	$	876,236	(742,353)	1,618,589

NOTES TO FINANCIAL STATEMENTS

				6/30/2020	12/31/2019	Change
2.		Deferred Tax Assets:				
	a.	Ordinary				
	(1)	Discounting of unpaid losses	$	1,155,867	1,085,106	70,761
	(2)	Unearned premium reserve	$	2,831,371	3,020,035	(188,664)
	(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)	$	-	-	-
	(99)	Subtotal	$	3,987,238	4,105,141	(117,903)
	b.	Statutory valuation allowance adjustment	$			
	c.	Nonadmitted	$			
	d.	Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	$	3,987,238	4,105,141	(117,903)
	e.	Capital:				
	(1)	Investments	$	1,130,751	116,106	1,014,645
	(2)	Net capital loss carry-forward	$	-	-	-
	(3)	Real estate	$	-	-	-
	(4)	Other (including items <5% of total capital tax assets)	$	-	-	-
	(99)	Subtotal	$	1,130,751	116,106	1,014,645
	f.	Statutory valuation allowance adjustment	$	-	-	-
	g.	Nonadmitted	$	1,063,787	-	1,063,787
	h.	Admitted capital deferred tax assets (2e99 - 2f - 2g)	$	66,964	116,106	(49,142)
	i.	Admitted deferred tax assets (2d + 2h)	$	4,054,202	4,221,247	(167,045)
3.		Deferred Tax Liabilities:				
	a.	Ordinary				
	(1)	Investments	$	188,501	188,501	-
	(2)	Fixed assets	$	-	-	-
	(3)	Deferred and uncollected premium	$	-	-	-
	(4)	Policyholder reserves	$	-	-	-
	(5)	Other (including items <5% of total ordinary tax liabilities)	$	2,456	2,456	
	(99)	Subtotal	$	190,957	190,957	
	b.	Capital:				
	(1)	Investments	$		1,027,890	(1,027,890)
	(2)	Real Estate	$	-	-	-
	(3)	Other (including items <5% of total capital tax liabilities)	$	-	-	-
	(99)	Subtotal	$		1,027,890	(1,027,890)
	c.	Deferred tax liabilities (3a99 + 3b99)	$	190,957	1,218,847	(1,027,890)
4.		Net deferred tax assets/liabilities (2i - 3c)	$	3,863,245	3,002,400	860,845

D. Operating loss carryforward

As of June 30, 2020, there is no net operating loss carryforward and no tax credit carryforwards 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	342,449	-	342,449
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.

C. No changes.

D. No changes.

E. No changes.

11. Debt
Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

1. Outstanding Shares: No changes.

2. Dividend Rate of Preferred Stock: Not applicable.

3. Dividend Restrictions: No changes

4. Dates and Amounts of Dividends Paid:

On March 1,2019, the Company declared an ordinary dividend of $2,500,000 in cash to its sole shareholder, Hallmark Financial Services, Inc., which dividend was paid on March 15, 2019

On May 30, 2019, the Company received an ordinary cash dividend of $500,000 from its subsidiary HNIC.

On May 14, 2019, the Company declared an ordinary dividend of $3,000,000 in cash to its sole shareholder, Hallmark Financial Services, Inc., which dividend was paid on May 30, 2019.

On August 14, 2019, the Company declared an ordinary dividend of $1,500,000 in cash to its sole shareholder, Hallmark Financial Services, Inc., which dividend was paid on September 3, 2019.

On September 3, 2019, the Company received an ordinary cash dividend of $250,000 from its subsidiary HNIC.

On November 15, 2019, the Company declared an ordinary dividend of $1,500,000 in cash to its sole shareholder, Hallmark Financial Services, Inc., which dividend was paid on December 16, 2019.

On December 16, 2019, the Company received an ordinary cash dividend of $250,000 from its subsidiary HNIC.

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

No changes.

6. Restrictions Placed on the Unassigned Funds, Including for Whom the Surplus is Being Held: Not applicable.

7. Mutual Surplus Advances: Not applicable.

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

9. Changes in Special Surplus Funds: Not applicable.

10. Changes in Unassigned Funds:

Net unrealized gains or (losses)	$ (9,906,912)
Net deferred income tax	$ 1,924,631
Change in nonadmitted asset	$ (1,063,787)

11. Surplus Notes: Not applicable.

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

13. Effective Date of Quasi Reorganizations: Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

Not applicable.

20. Fair Value Measurement

A.

A.
1. Fair Value Measurements at Reporting Date

a. Assets at fair Value	(Level 1)	(Level 2)	(Level 3)	Total
Cash Equivalent: MMFund	7,629,113	-	-	7,629,113
Bonds: Industrial & Miscellaneous	-	1,610,129	-	1,610,129
Bank Loans		15,917,360		15,917,360
Preferred Stocks: Industrial & Miscellaneous	1,193,501	-	-	1,193,501
Common Stocks: Industrial & Miscellaneous	1,412,598	-	-	1,412,598
Total assets at fair value	10,235,212	17,527,489	-	27,762,701

2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy
Not applicable.

3.
a. No equity security transfers between levels in 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 hiearachy at June 30, 2020.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	160,557,166	158,792,730		160,463,766	93,400	
Preferred Stocks	3,211,909	3,069,539	3,069,539			
Common Stocks	1,412,598	1,412,598	1,412,598			
Cash, Cash Equivalents, and Short term Investments	73,463,166	73,463,166	29,272,986	44,190,180		
Total	238,644,839	236,738,033	33,755,123	204,653,946	93,400	-

NOTES TO FINANCIAL STATEMENTS

21. Other Items

Not applicable.

22. Events Subsequent

On July 16, 2020, American Hallmark Insurance Company of Texas (AHIC), Hallmark National Insurance Company (HNIC), Hallmark Specialty Insurance Company (HSIC), Hallmark County Mutual Insurance Company (HCM) 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.

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 $110.9 million. As of June 30, 2020, $44.4 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 $72.7 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 $6.2 million of 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.

NOTES TO FINANCIAL STATEMENTS

26. Intercompany Pooling Arrangements

The Company is a participant in an intercompany pooling arrangement. The lead company of the pool is 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 revised pool percentages of the companies participating in the pool are as follows:

Pool Participant	NAIC Company Code	Pool Participation%
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.

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. 000819913

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

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

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2018

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

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/26/2020

6.4 By what department or departments?
State of Arizona Department of Insurance, Texas Department of Insurance and Oklahoma 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 [X] No [ ]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$	$
14.22 Preferred Stock	$	$
14.23 Common Stock	$ 25,186,659	$ 25,006,106
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)	$ 25,186,659	$ 25,006,106
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, mortage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
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 Name(s)	2 Location(s)	3 Complete Explanation(s)

GENERAL INTERROGATORIES

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

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

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

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

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [X] N/A [ ]
   If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [ ] No [X]
   If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [ ] No [X]

4.2 If yes, complete the following schedule:

1	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, qualifed, 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

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
		U.S. Insurers				
23787	31-4177100	Nationwide Mutual Insurance Company	OH	Authorized		
		All Other Insurers				
00000	AA-1120191	Convex Insurance UK Ltd.	GBR	Unauthorized		
00000	AA-3190870	Validus Reinsurance Ltd.	BMU	Unauthorized		

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	
		1	2	3	4	5	6	7
States, Etc.		Active Status (a)	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	L	451,170	425,250	60,104	3,022,938	691,400	849,079
2. Alaska	AK	L	48,071	61,950			79,185	45,090
3. Arizona	AZ	L	1,414,804	548,477	46,861	404,332	571,115	659,547
4. Arkansas	AR	L	279,424	345,961	451,416	166,182	286,907	399,395
5. California	CA	L	3,065,787	2,567,616	1,656,368	563,650	5,549,431	9,434,417
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	L	16,061	103,212	56,376	214	1,240,524	64,279
9. District of Columbia	DC	N						
10. Florida	FL	L	1,304,694	1,483,380	992,694	179,332	2,291,948	1,954,236
11. Georgia	GA	L	1,423,543	696,320	1,250,257	149,951	764,473	995,269
12. Hawaii	HI	L	223,090	221,492	100,840	4,452	584,136	5,150,198
13. Idaho	ID	L	394,470	216,174	208,242	199,000	643,639	974,700
14. Illinois	IL	L	121,227	1,352,880	1,337,379	6,037,311	1,602,914	1,316,080
15. Indiana	IN	L	332,418	899,058	286,434	244,996	951,819	2,352,977
16. Iowa	IA	L	153,488	147,997	(21,513)		473,592	196,576
17. Kansas	KS	L	285,998	371,572	168,143	452,772	637,776	784,364
18. Kentucky	KY	L	500,928	173,742	33,607	(418)	1,678,429	1,348,878
19. Louisiana	LA	L	369,110	682,089	174,182	402,596	2,002,998	941,367
20. Maine	ME	N						
21. Maryland	MD	L	346,569	488,407	53,718	127,933	1,598,410	1,600,913
22. Massachusetts	MA	L	137,945	152,028	200,000	1,000,000	197,457	246,996
23. Michigan	MI	L	1,116,797	734,000	69,336	149,292	654,012	820,342
24. Minnesota	MN	L	324,405	428,791	5,513,132	197,891	149,504	327,332
25. Mississippi	MS	L	140,248	173,461	1,474,669	2,179,061	268,731	675,536
26. Missouri	MO	L	56,133	4,225,594	322,818	36,422	3,191,598	3,967,514
27. Montana	MT	L	198,916	178,917	14,808	(22,529)	158,062	269,501
28. Nebraska	NE	L	1,132,918	206,434	33,188	3,432	233,808	190,289
29. Nevada	NV	L	139,915	193,364	82,660	1,884,742	149,423	240,557
30. New Hampshire	NH	L	96,328	130,098	2,943	156,163	78,739	86,632
31. New Jersey	NJ	L	162,705	141,173	74,574	116,576	50,286	99,045
32. New Mexico	NM	L	139,749	208,697	97,469	153,609	248,920	332,964
33. New York	NY	L	665,450	480,240	327,476	158,563	1,727,722	405,368
34. North Carolina	NC	L	413,977	578,712	251,884	97,555	585,516	598,186
35. North Dakota	ND	L	104,920	82,731			56,616	92,875
36. Ohio	OH	L	952,010	1,033,739	783,398	(51,082)	1,036,720	953,577
37. Oklahoma	OK	L	735,389	373,643	405,810	20,180	692,420	654,367
38. Oregon	OR	L	317,073	285,496	40,109	(77,850)	253,313	375,073
39. Pennsylvania	PA	L	784,935	1,548,419	84,339	31,656	2,782,024	2,041,704
40. Rhode Island	RI	L	34,980	46,948		19,373	84,485	108,467
41. South Carolina	SC	L	234,768	133,465	287,905	23,944	519,239	523,240
42. South Dakota	SD	L	41,694	92,223		99,455	49,058	50,629
43. Tennessee	TN	L	863,975	936,144	1,813,924	74,009	1,028,617	708,369
44. Texas	TX	L	10,480,647	2,459,657	6,517,458	1,246,023	3,949,987	4,928,587
45. Utah	UT	L	1,560,130	311,554	89,887	167,654	5,721,862	530,620
46. Vermont	VT	N						
47. Virginia	VA	N						
48. Washington	WA	L	21,870	18,088	7,890	59,792	42,251	49,281
49. West Virginia	WV	L	37,372	62,255		15,837	128,647	211,209
50. Wisconsin	WI	L	249,998	294,034	29,127	664	320,096	200,143
51. Wyoming	WY	L	82,960	98,705		12,424	279,468	422,535
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	XXX						
59. Totals		XXX	31,959,059	26,394,187	25,379,912	19,708,097	46,287,277	49,178,303

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

NONE

(a) Active Status Counts

L – Licensed or Chartered - Licensed insurance carrier or domiciled RRG: 45

E – Eligible - Reporting entities eligble or approved to write surplus lines in the state:

D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile:

R - Registered - Non-domiciled RRGs:

Q - Qualified - Qualified or accredited reinsurer:

N – None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLI): 12

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 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries Or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity / Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 Is an SCA Filing Required? (Y/N)	16 *
0		00000	87-0447375	0	819913	NASDAQ	Hallmark Financial Services, Inc.	TX	UDP	Newcastle Partners, L.P., Mark E. Schwarz, Genera	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	75-2339280	0	0		Hallmark Finance Corporation	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	75-2925120	0	0		Aerospace Flight (Inactive Co)	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	01-0756829	0	0		Hardscrabble Data Solutions, 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 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date Direct Loss Percentage
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril	73,985	591	0.8	14.0
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence	5,236,409	5,488,892	104.8	105.9
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability		(21,326)		
19.3, 19.4 Commercial auto liability	16,300,164	8,070,985	49.5	42.7
21. Auto physical damage	682,867	1,141,100	167.1	53.3
22. Aircraft (all perils)	12,638,923	10,110,332	80.0	79.4
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	34,932,348	24,790,574	71.0	82.6

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

NONE

PART 2 – DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril	37,653	69,360	93,118
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence	869,858	1,857,855	7,375,100
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability	7,929,552	16,757,486	6,445,375
21. Auto physical damage	598,613	734,749	697,774
22. Aircraft (all perils)	6,717,887	12,539,608	11,782,818
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	16,153,563	31,959,058	26,394,185

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

NONE

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2020 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2020 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2020 Loss and LAE Payments (Cols 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss & LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2017 + prior		24,880	24,880	14,255	354	14,609	14,094	838	1,406	16,338	28,349	(22,282)	6,067
2. 2018		27,032	27,032	12,910	136	13,046	10,132	353	4,681	15,166	23,042	(21,862)	1,180
3. Subtotals 2018 + prior		51,912	51,912	27,165	490	27,655	24,226	1,191	6,087	31,504	51,391	(44,144)	7,247
4. 2019		59,029	59,029	15,773	937	16,710	20,714	956	19,593	41,263	36,487	(37,543)	(1,056)
5. Subtotals 2019 + prior		110,941	110,941	42,938	1,427	44,365	44,940	2,147	25,680	72,767	87,878	(81,687)	6,191
6. 2020	X X X	X X X	X X X	X X X	12,206	12,206	X X X	10,554	29,612	40,166	X X X	X X X	X X X
7. Totals		110,941	110,941	42,938	13,633	56,571	44,940	12,701	55,292	112,933	87,878	(81,687)	6,191

8. Prior Year-End Surplus As Regards Policyholders 91,332

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.	2. -73.631	3. 5.580

Col. 13, Line 7 / Line 8

4. 6.779

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

Question 1: Not Applicable

Question 2: Not Applicable

Question 3: Not Applicable

Question 4: Not Applicable

Bar Code:

34037202049000020

34037202045500020

34037202036500020

34037202050500020

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)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	258,305,158	250,933,368
2. Cost of bonds and stocks acquired	15,350,366	95,977,822
3. Accrual of discount	156,492	418,733
4. Unrealized valuation increase (decrease)	(9,906,912)	1,058,323
5. Total gain (loss) on disposals	182,722	1,707,743
6. Deduct consideration for bonds and stocks disposed of	75,426,346	91,009,240
7. Deduct amortization of premium	538,747	957,918
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	158,239	176,327
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	188,280,972	258,305,158
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	188,280,972	258,305,158

SCHEDULE D - PART 1B

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	111,001,539	765,932	6,124,689	1,134,373	111,001,539	106,777,155		73,677,491
2. NAIC 2 (a)	91,375,808		9,869,520	(2,987,017)	91,375,808	78,519,271		97,250,808
3. NAIC 3 (a)	15,482,165		1,156,325	1,616,247	15,482,165	15,942,087		33,147,130
4. NAIC 4 (a)	2,787,538	(3,658,879)	476,733	3,092,473	2,787,538	1,744,399		1,765,089
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	220,647,050	(2,892,947)	17,627,267	2,856,076	220,647,050	202,982,912		205,840,518
PREFERRED STOCK								
8. NAIC 1	1,854,912	20,367	5	112,966	1,854,912	1,988,240		2,323,288
9. NAIC 2								
10. NAIC 3	41,000			(41,000)	41,000			41,000
11. NAIC 4		3,658,879		(2,577,580)		1,081,299		
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	1,895,912	3,679,246	5	(2,505,614)	1,895,912	3,069,539		2,364,288
15. Total Bonds & Preferred Stock	222,542,962	786,299	17,627,272	350,462	222,542,962	206,052,451		208,204,806

(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 \$ 44,190,180; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	44,190,180	X X X	44,185,920	2,000	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	410,000	250,522
2. Cost of short-term investments acquired	44,327,181	8,242,903
3. Accrual of discount	5,637	5,441
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		1,591
6. Deduct consideration received on disposals	550,000	8,025,000
7. Deduct amortization of premium	2,638	65,457
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)	44,190,180	410,000
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	44,190,180	410,000

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 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	2,998,799	18,431
2. Cost of cash equivalents acquired	40,465,006	10,180,233
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	30,376,693	7,195,612
7. Deduct amortization of premium		4,253
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)	13,087,112	2,998,799
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	13,087,112	2,998,799

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
095617-FP-6	BLUE ISLAND ILL		06/25/2020	NATIONAL FINL SVCS CORP,		77,021	75,000.00	247	1FE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	77,021	75,000.00	247	X X X
13034J-CT-6	CALIFORNIA INFRASTRUCTURE & ECONOMIC DEV		06/26/2020	NATIONAL FINL SVCS CORP,		118,510	115,000.00	2,092	1FE
25476W-BB-6	DISTRICT COLUMBIA BALLPARK REV		04/06/2020	NATIONAL FINL SVCS CORP,		91,731	90,000.00	825	1FE
283307-BP-0	EL MONTE CALIF CTFS PARTN		05/04/2020	NATIONAL FINL SVCS CORP,		46,302	45,000.00	920	1FE
49151E-5M-1	KENTUCKY ST PPTY & BLDGS COMMN REVS		06/25/2020	NATIONAL FINL SVCS CORP,		101,368	100,000.00	1,510	1FE
542430-GJ-6	LONG BEACH CALIF REDEV AGY		06/05/2020	NATIONAL FINL SVCS CORP,		203,506	200,000.00	5,229	1FE
764424-BV-8	RICHMOND CALIF CMNTY REDEV AGY TAX ALLOC		06/25/2020	NATIONAL FINL SVCS CORP,		127,494	125,000.00	2,356	1FE
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	688,911	675,000.00	12,932	X X X
226344-30-7	CRESTWOOD EQUITY PARTNERS LP		04/01/2020	RAYMOND JAMES & ASSOCIATES		(3,658,879)	(197,678.00)		4FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	(3,658,879)	(197,678.00)		X X X
8399997	Subtotal - Bonds - Part 3				X X X	(2,892,947)	552,322	13,179	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	(2,892,947)	552,322.00	13,179	X X X
226344-30-7	CRESTWOOD EQUITY PARTNERS LP		04/01/2020	RAYMOND JAMES & ASSOCIATES	197,678.000	3,658,879			4FE
8499999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated) Perpetual Preferred				X X X	3,658,879	X X X		X X X
85814R-20-6	STEEL PARTNERS HOLDINGS LP		06/15/2020	Unknown	1,188.990	20,367			Z
8599999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated) Redeemable Preferred				X X X	20,367	X X X		X X X
8999997	Subtotal - Preferred Stock - Part 3				X X X	3,679,246	X X X		X X X
8999998	Summary Item from Part 5 for Preferred Stocks				X X X	X X X	X X X	X X X	X X X
8999999	Total - Preferred Stock				X X X	3,679,246	X X X		X X X
9899999	Total - Preferred and Common Stock				X X X	3,679,246	X X X		X X X
9999999	Totals				X X X	786,299	X X X	13,179	X X X

SCHEDULE D - PART 4

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

1 CUSIP Ident-ification	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid-eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value: 11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort-ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.	16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractua Maturity Date	22 NAIC Designation and Administrative Symbol
13062T-M8-4	CALIFORNIA ST		05/04/2020	Call @ 100.00		90,000	90,000.00	92,829	91,549		(1,549)		(1,549)		90,000				1,641	06/01/2021	1FE
1799999	Subtotal - Bonds - U.S. States, Territories and Possessions				X X X	90,000	90,000.00	92,829	91,549		(1,549)		(1,549)		90,000				1,641	X X X	X X X
165789-DE-5	CHESTER ILL		05/01/2020	Maturity @ 100.00		175,000	175,000.00	179,113	175,776		(776)		(776)		175,000				3,369	05/01/2020	1FE
664214-JF-1	NORTHEAST IOWA CMNTY COLLEGE IND		06/01/2020	Maturity @ 100.00		325,000	325,000.00	328,039	325,000						325,000				5,931	06/01/2020	Z
924427-SQ-1	VERNON CONN		04/01/2020	Maturity @ 100.00		255,000	255,000.00	258,249	255,000						255,000				3,825	04/01/2020	Z
96811N-AD-8	WILDFLOWER RANCH ARIZ CMNTY FACS		05/19/2020	Call @ 100.00		40,000	40,000.00	41,084	40,000						40,000				1,300	07/15/2022	Z
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	795,000	795,000.00	806,485	795,776		(776)		(776)		795,000				14,425	X X X	X X X
221553-BE-9	COSTA MESA CALIF PUB FING AUTH REV		06/22/2020	Call @ 100.00		30,000	30,000.00	30,982	30,000						30,000				765	08/01/2021	Z
283307-BP-0	EL MONTE CALIF CTFS PARTN		05/05/2020	Call @ 100.00		30,000	30,000.00	31,181	30,000						30,000				46	06/01/2030	1FE
311450-EX-4	FARMINGTON N MEX POLLUTN CTL REV		06/01/2020	CORPORATE REORGANI		1,000,000	1,000,000.00	1,099,310	1,012,865		(12,865)		(12,865)		1,000,000				26,000	06/01/2040	2FE
315599-BE-9	FESTIVAL RANCH CMNTY FACS DIST ARI		06/02/2020	Call @ 100.00		1,000	1,000.00	1,026	1,000						1,000				26	07/01/2026	Z
349291-BN-3	FORT WAYNE IND REDEV DIST REV		05/05/2020	Call @ 100.00		10,000	10,000.00	10,253	10,000						10,000				88	06/01/2021	1FE
359757-AM-3	FULLER RD MGMT CORP N Y LEASE REV		05/06/2020	Call @ 100.00		115,000	115,000.00	116,474	115,000						115,000				4,432	09/01/2024	1FE
394350-BA-9	GREENE CNTY ARK SALES & USE TAX RE		06/26/2020	Call @ 100.00		475,000	475,000.00	478,035	475,000						475,000				7,031	03/01/2021	1FE
442540-CJ-7	HOWARD CNTY ARK SALES & USE TAX		04/24/2020	Call @ 100.00		200,000	200,000.00	197,326	197,567		35		35		197,602		2,398	2,398	2,625	06/01/2041	1FE
517785-AS-0	LAS VEGAS NEV SPL IMPT DIST NO 1481		06/01/2020	Maturity @ 100.00		55,000	55,000.00	56,235	55,000						55,000				1,265	06/01/2020	1FE
574216-QD-2	MARYLAND ST HEALTH & HIGHER EDL FA		06/02/2020	Call @ 100.00		5,000	5,000.00	5,134	5,000						5,000				138	07/01/2026	Z
60416S-JB-7	MINNESOTA ST HSG FIN AGY		06/02/2020	Call @ 100.00		30,000	30,000.00	30,000	30,000						30,000				545	01/01/2032	1FE
60416Q-GG-3	MINNESOTA ST HSG FIN AGY HOMEOWN		06/15/2020	Call @ 100.00		51,598	51,598.04	51,598	51,598						51,598				672	02/01/2046	1FE
60637B-CP-3	MISSOURI ST HSG DEV COMMN SINGLE F		04/02/2020	Call @ 100.00		10,000	10,000.00	9,925	9,935		1		1		9,936		64	64	91	11/01/2041	1FE
63916P-AR-6	NAVAJO CNTY ARIZ UNI SCH DIST NO 1 W		06/03/2020	Call @ 100.00		15,000	15,000.00	15,373	15,000						15,000				403	07/01/2024	1FE
808283-AJ-4	SCHUYLER CNTY N Y HUMAN SVCS DEV		04/02/2020	Call @ 100.00		20,000	20,000.00	20,564			(73)		(73)		20,491		(491)	(491)	182	05/01/2022	1FE
882750-NE-8	TEXAS ST DEPT HSG & CMNTY AFFAIRS		06/03/2020	Call @ 100.00		60,000	60,000.00	59,820	59,846		2		2		59,848		152	152	900	07/01/2041	1FE
924190-LY-5	VERMONT HSG FIN AGY		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	VIRGINIA ST HSG DEV AUTH COMWLTH M		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	2,159,419	2,159,418.64	2,265,117	2,149,673		(12,875)		(12,875)		2,157,362		2,057	2,057	45,539	X X X	X X X
02376X-AA-7	AMERICAN AIRLINES INC - ABS		04/01/2020	Paydown		97,996	97,995.84	98,486	98,341		(345)		(345)		97,996				2,144	04/01/2024	3FE
0258M0-DT-3	AMERICAN EXPRESS CREDIT CORP		04/22/2020	Call @ 100.00		2,000,000	2,000,000.00	1,993,856	1,998,227		1,421		1,421		1,999,648		352	352	19,792	05/26/2020	1FE
042735-BA-7	ARROW ELECTRONICS INC		04/01/2020	Maturity @ 100.00		970,000	970,000.00	1,041,712	978,016		(8,016)		(8,016)		970,000				29,100	04/01/2020	2FE
20030N-BV-2	COMCAST CORP		06/19/2020	Call @ 100.00		915,694	898,000.00	843,285	865,416		7,264		7,264		872,680		25,320	25,320	31,233	01/15/2022	1FE

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	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation and Administrative Symbol
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
55907R-AA-6	MAGELLAN MIDSTREAM PARTNERS LP		06/19/2020	Call @ 100.00		806,472	788,000.00	808,590	801,957		(5,957)		(5,957)		796,000		(8,000)	(8,000)	48,055	02/01/2021	2FE
571903-AR-4	MARRIOTT INTERNATIONAL INC		06/22/2020	CORPORATE REORGANI		1,509,375	1,500,000.00	1,503,885	1,503,777		(896)		(896)		1,502,881		6,494	6,494	32,296	01/15/2022	2FE
714264-AA-6	PERNOD RICARD SA	C	06/24/2020	Call @ 100.00		324,603	312,000.00	328,127			(5,339)		(5,339)		320,908		(8,908)	(8,908)	10,894	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		125,000	125,000.00	126,125	125,417		(418)		(418)		125,000				2,086	03/20/2023	2FE
210795-QA-1	UNITED AIRLINES INC - ABS		04/11/2020	Maturity @ 100.00		394,436	394,435.61	416,556	399,959		(5,524)		(5,524)		394,436				12,326	10/11/2021	2FE
210795-QC-7	UNITED AIRLINES INC - ABS		04/29/2020	Paydown		15,998	15,998.17	16,718	16,324		(326)		(326)		15,998				440	04/29/2022	2FE
90932P-AB-4	UNITED AIRLINES INC - ABS		04/11/2020	Paydown		178,959	178,959.16	183,787	183,268		(4,309)		(4,309)		178,959				4,250	10/11/2023	2FE
92343V-DW-1	VERIZON COMMUNICATIONS INC		06/29/2020	Call @ 100.00		1,046,710	1,000,000.00	1,025,260	1,022,522		(4,928)		(4,928)		1,017,594		(17,594)	(17,594)	71,276	03/16/2022	2FE
928563-AA-3	VMWARE INC		05/06/2020	Call @ 100.00		1,508,610	1,500,000.00	1,463,715	1,489,912		5,645		5,645		1,495,557		4,443	4,443	33,527	08/21/2020	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	12,976,922	12,813,457.84	12,875,684	12,558,078		(33,889)		(33,889)		12,850,438		22,395	22,395	392,322	X X X	X X X
8099999	Subtotal - Bonds - SVO Identified Funds				X X X															X X X	X X X
88233F-AK-6	2018 INCREMENTAL TERM LOAN:VISTRA		06/30/2020	Call @ 150.23		5,874	3,909.89	3,910	3,910						3,910		1,964	1,964	51	12/31/2025	2FE
57163K-AH-1	2019 REFINANCING TERM LOAN:MARRIO		06/30/2020	Call @ 168.22		4,174	2,481.25	2,469	2,471		1		1		2,472		1,702	1,702	24	08/29/2025	3FE
88078F-BJ-6	2019 U.S. TERM LOAN COMMITMENTS:TE		06/30/2020	Call @ 100.31		1,881	1,875.00	1,875	1,875						1,875		6	6	33	01/31/2024	3FE
40409V-AR-5	COMMITMENT:H.B. FULLER COMPANY		02/28/2020	Call @ 100.00															655	10/20/2024	3FE
44969C-BH-2	INCREMENTAL TERM B2 DOLLAR LOAN:Q		06/30/2020	Various		4,167	2,500.00	2,500	2,500						2,500		1,667	1,667	10	01/13/2025	3FE
88078F-BH-0	INCREMENTAL U.S. TERM LOAN 2018:TER		06/30/2020	Call @ 438.38		7,932	1,809.30	1,805	1,808						1,808		6,124	6,124	17	01/31/2024	3FE
85208E-AB-6	INITIAL TERM LOAN:SPRINT COMMUNICA		04/01/2020	Call @ 100.00		970,000	970,000.00	970,000	961,210	8,790			8,790		970,000				10,655	01/31/2024	Z
05377J-AR-3	NEW TRANCHE B TERM LOAN:AVIS BUDG		06/30/2020	Call @ 186.18		4,347	2,334.54	2,335	2,335						2,335		2,012	2,012	33	08/06/2027	3FE
24702N-BE-9	REFINANCING TERM B-1 LOAN:DELL INTE		06/09/2020	Call @ 100.08		8,662	8,656.04	8,645	8,650						8,650		11	11	116	09/19/2025	2FE
37252K-AP-7	REFINANCING TERM LOAN:GEO GROUP, I		06/30/2020	Call @ 194.84		2,241	1,150.22	1,152	1,030	121			121		1,151		1,090	1,090	12	03/22/2024	3FE
C0102M-AK-1	REPLACEMENT TERM LOAN (2019):AIR C	C	06/30/2020	Call @ 100.00		2,500	2,500.00	2,488	2,493		1		1		2,494		6	6	36	10/06/2023	3FE
81727P-AB-2	TENTH AMENDMENT TERM LOAN:SENSA		06/30/2020	Call @ 100.00		1,278	1,278.05	1,275	1,276						1,276		2	2	23	09/20/2026	2FE
17302U-AJ-1	TERM B LOAN:CITGO PETROLEUM CORP		06/09/2020	Call @ 717.41		473,294	472,500.00	467,775	471,445		297		297		471,742		1,553	1,553	4,258	07/29/2021	4FE
98310C-AC-6	TERM B LOAN:WYNDHAM HOTELS & RES		06/30/2020	Call @ 167.37		4,184	2,500.00	2,498	2,499						2,499		1,686	1,686	24	03/28/2025	3FE
92940J-AB-4	TERM B-1 LOAN:W.R. GRACE & CO.-CONN		06/30/2020	Call @ 418.71		3,857	921.05	920	920						920		2,936	2,936		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 @ 418.71		6,611	1,578.95	1,577	1,577						1,578		5,034	5,034		02/21/2025	2FE
605024-AQ-1	TERM B3 LOAN:MISSION BROADCASTING		04/01/2020	Call @ 100.00		(952)	172.38	172	172						172		(1,124)	(1,124)	555	01/17/2024	3FE
389376-AY-0	TERM C LOAN:GRAY TELEVISION, INC.		02/24/2020	Unknown															190	11/02/2025	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
65336R-AU-2	TERM LOAN B3:NEXSTAR BROADCASTIN		03/09/2020	Call @ 100.00		(4,748)					8		8		8		(4,756)	(4,756)	1,521	01/17/2024	3FE

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	Foreign	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
03852J-AR-2	TERM LOAN:ARAMARK SERVICES, INC.		06/30/2020	Call @ 168.40		2,106	1,250.00	1,248							1,249		856	856	12	01/27/2027	3FE
11823L-AH-8	TERM LOAN:BUCKEYE PARTNERS, L.P.		06/30/2020	Call @ 100.00		2,500	2,500.00	2,488	2,488		1		1		2,489		11	11	52	10/16/2026	3FE
76171J-AB-7	TERM LOAN:REYNOLDS CONSUMER PRO		03/03/2020	Unknown															1,410	01/29/2027	3FE
02406M-AP-2	TRANCHE B TERM LOAN:AMERICAN AXLE		02/25/2020	Unknown															66	03/08/2024	3FE
404122-BA-0	TRANCHE B-12 TERM LOAN:HCA INC.		06/30/2020	Call @ 168.05		2,069	1,231.25	1,231	1,231						1,231		838	838	12	03/13/2025	2FE
81760H-AG-7	TRANCHE D TERM LOAN:SERVICEMASTE		06/30/2020	Call @ 168.22		2,104	1,250.00	1,248	1,248						1,249		854	854	12	11/05/2026	3FE
58446H-AR-3	TRANCHE N TERM LOAN:MEDIACOM ILLI		06/30/2020	Call @ 109.24		3,239	2,963.72	2,956	2,959		1		1		2,960		278	278	36	02/15/2024	3FE
8299999	Subtotal - Bonds - Unaffiliated Bank Loans				X X X	1,520,594	1,495,274	1,490,461	1,483,883	9,023	310		9,333		1,494,467		26,124	26,124	19,949	X X X	X X X
8399997	Subtotal - Bonds - Part 4				X X X	17,541,935	17,353,151	17,530,576	17,078,959	9,023	(48,779)		(39,756)		17,387,267		50,576	50,576	473,876	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	17,541,935	17,353,150.62	17,530,576	17,078,959	9,023	(48,779)		(39,756)		17,387,267		50,576	50,576	473,876	X X X	X X X
85814R-20-6	STEEL PARTNERS HOLDINGS LP		06/15/2020	CORPORATE REORGANI	0.99	17		5	5						5		12	12			Z
8599999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated) Redeemable Preferre				X X X	17	X X X	5	5						5		12	12		X X X	X X X
02209S-10-3	ALTRIA GROUP ORD		03/31/2020	RAYMOND JAMES & ASS															22,680		Z
02376R-10-2	AMERICAN AIRLINES GROUP ORD		05/12/2020	RAYMOND JAMES & ASS	11,300.00	109,131		323,520	324,084	(564)			(564)		323,520		(214,389)	(214,389)	1,130		Z
084670-70-2	BERKSHIRE HATHWAY CL B ORD		06/23/2020	RAYMOND JAMES & ASS	1,900.00	344,424		133,069	430,350	(297,281)			(297,281)		133,069		211,355	211,355			Z
92556H-20-6	VIACOMCBS CL B ORD		03/26/2020	RAYMOND JAMES & ASS															5,152		Z
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated) Publicly Traded				X X X	453,555		456,589	754,434	(297,845)			(297,845)		456,589		(3,034)	(3,034)	28,962	X X X	X X X
9799997	Subtotal - Common Stock - Part 4				X X X	453,555	X X X	456,589	754,434	(297,845)			(297,845)		456,589		(3,034)	(3,034)	28,962	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	453,555	X X X	456,589	754,434	(297,845)			(297,845)		456,589		(3,034)	(3,034)	28,962	X X X	X X X
9899999	Total - Preferred and Common Stocks				X X X	453,572	X X X	456,594	754,439	(297,845)			(297,845)		456,594		(3,022)	(3,022)	28,962	X X X	X X X
9999999	Totals					17,995,507	X X X	17,987,170	17,833,398	(288,822)	(48,779)		(337,601)		17,843,861		47,554	47,554	502,838	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 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
			Amount of	Amount of	6	7	8	
		Rate	Interest Received	Interest Accrued at				
Depository	Code	of Interest	During Current Quarter	Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
Frost Bank Dallas TX					2,616,517	2,658,095	3,177,128	
JP Morgan New York NY					7,382,949	12,858,084	13,002,178	
0199998 Deposits in (0) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX			5,472	5,472	6,566	XXX
0199999 Total - Open Depositories	XXX	XXX			10,004,938	15,521,651	16,185,872	XXX
Suspended Depositories								
0299998 Deposits in (0) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	XXX	XXX						XXX
0299999 Total Suspended Depositories	XXX	XXX						XXX
0399999 Total Cash on Deposit	XXX	XXX			10,004,938	15,521,651	16,185,872	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999 Total	XXX	XXX			10,004,938	15,521,651	16,185,872	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
31846V-41-9	FIRST AMER:TRS OBG V		06/30/2020	0.010		8,501		1
94975H-29-6	WELLSFARGO:TRS+ MM I		06/30/2020	0.060		372		
8599999 Exempt Money Market Mutual Funds – as Identified by SVO						8,873		1
000000-00-0	BNY CASH RESERVE FUND		06/02/2020	2.400		11,106		47
4812C0-66-2	JPMORGAN:US GVT MM AGCY		06/30/2020	0.010		7,596,296	77	
990220-47-7	RBS CITIZENS NA CASH SWEEP		05/01/2020			1		1
999990-80-7	RTCS I - INST		06/30/2020			12,837		38
8699999 All Other Money Market Mutual Funds						7,620,240	77	86
	Frost Bank		06/01/2020		06/30/2020	5,458,000		
8799999 Other Cash Equivalents						5,458,000		
8899999 Total Cash Equivalents						13,087,113	77	87