

QUARTERLY STATEMENT

OF THE

HALLMARK COUNTY MUTUAL INSURANCE COMPANY

of DALLAS

in the state of TEXAS

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

June 30, 2020

PROPERTY AND CASUALTY

2020



29408202020100102

QUARTERLY STATEMENT

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

Hallmark County Mutual Insurance Company

NAIC Group Code	3478	3478	NAIC Company Code	29408	Employer's ID Number	74-0814987
	(Current Period)	(Prior Period)				
Organized under the Laws of	Texas			State of Domicile or Port of Entry TX		
Country of Domicile	US					
Incorporated/Organized	November 25, 1941			Commenced Business January 15, 1942		
Statutory Home Office	5420 Lyndon B. Johnson Freeway Suite 1100			Dallas, TX US 75240-2345		
	(Street and Number)			(City or Town, State, Country and Zip Code)		
Main Administrative Office	5420 Lyndon B. Johnson Freeway Suite 1100					
	(Street and Number)					
	Dallas, TX US 75240-2345			817-348-1600		
	(City or Town, State, Country and Zip Code)			(Area Code) (Telephone Number)		
Mail Address	5420 Lyndon B. Johnson Freeway Suite 1100			Dallas, TX US 75240-2345		
	(Street and Number or P.O. Box)			(City or Town, State, Country and Zip Code)		
Primary Location of Books and Records	5420 Lyndon B. Johnson Freeway Suite 1100			Dallas, TX US 75240-2345 817-348-1600		
	(Street and Number)			(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)		
Internet Website Address	www.hallmarkgrp.com					
Statutory Statement Contact	Felica M. Smith			817-348-1887		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	fsmith@hallmarkgrp.com			817-348-1820		
	(E-Mail Address)			(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	Kenneth Russell Krissingner	Jeffrey Ray Passmore	Mark Edward Schwarz
Charles Edward Stauber			

State of Texas

County of Dallas ss

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

(Signature)		(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			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	2,472,505		2,472,505	3,073,965
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
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 (\$ 243,522), cash equivalents (\$ 374,997), and short-term investments (\$ 1,699,903)	2,318,422		2,318,422	2,467,816
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities	7		7	51,614
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	4,790,934		4,790,934	5,593,395
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	26,506		26,506	34,028
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	103,480		103,480	(7,243)
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	116,440	116,440		
19. Guaranty funds receivable or on deposit	47,918		47,918	55,905
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	91,746		91,746	128,503
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	524,905		524,905	
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	5,701,929	116,440	5,585,489	5,804,588
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	5,701,929	116,440	5,585,489	5,804,588

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Premium tax receivable	524,905		524,905	
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	524,905		524,905	

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 0)		
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses		
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	13,411	15,012
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		238,130
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 30,316,454 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)		
10. Advance premium		
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	39,050	39,050
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	33,028	12,396
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ 0 and interest thereon \$ 0		
25. Aggregate write-ins for liabilities		
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	85,489	304,588
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	85,489	304,588
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes	5,200,000	5,200,000
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	300,000	300,000
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)	5,500,000	5,500,000
38. Totals (Page 2, Line 28, Col. 3)	5,585,489	5,804,588

DETAILS OF WRITE-IN LINES		
2501.	NONE	
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.	NONE	
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.	NONE	
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 35,613,766)	61,213,846	73,670,550	147,716,947
1.2 Assumed (written \$ 0)			
1.3 Ceded (written \$ 35,613,766)	61,213,846	73,670,550	147,716,947
1.4 Net (written \$ 0)			
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 0):			
2.1 Direct	49,326,964	51,548,800	130,285,611
2.2 Assumed			
2.3 Ceded	49,326,964	51,548,800	130,285,611
2.4 Net			
3. Loss adjustment expenses incurred			
4. Other underwriting expenses incurred	(8,309)	(19,252)	(41,743)
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	(8,309)	(19,252)	(41,743)
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	8,309	19,252	41,743
INVESTMENT INCOME			
9. Net investment income earned	(8,086)	(18,816)	(40,542)
10. Net realized capital gains (losses) less capital gains tax of \$ 0	(223)	(436)	(1,201)
11. Net investment gain (loss) (Lines 9 + 10)	(8,309)	(19,252)	(41,743)
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)			
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)			
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)			
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)			
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	5,500,000	5,500,000	5,500,000
22. Net income (from Line 20)			
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	6,967	7,031	14,444
27. Change in nonadmitted assets	(6,967)	(7,031)	(14,444)
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)			
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	5,500,000	5,500,000	5,500,000

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

CASH FLOW

	1	2	3
Cash from Operations	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance			
2. Net investment income	2,643	(4,832)	(5,682)
3. Miscellaneous income			
4. Total (Lines 1 to 3)	2,643	(4,832)	(5,682)
5. Benefit and loss related payments			
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	801,674	(441,018)	(597,857)
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	801,674	(441,018)	(597,857)
11. Net cash from operations (Line 4 minus Line 10)	(799,031)	436,186	592,175
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	649,275	748,701	1,580,919
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds		107,559	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	649,275	856,260	1,580,919
13. Cost of investments acquired (long-term only):			
13.1 Bonds	51,245	448,891	702,869
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	(51,607)	272	51,182
13.7 Total investments acquired (Lines 13.1 to 13.6)	(362)	449,163	754,051
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)	649,637	407,097	826,868
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)			
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)			
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)	(149,394)	843,283	1,419,043
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	2,467,816	1,048,773	1,048,773
19.2 End of period (Line 18 plus Line 19.1)	2,318,422	1,892,056	2,467,816

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

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

PROPERTY

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NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies

A. Accounting Practices

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

<u>NET INCOME</u>	<u>SSAP#</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>2020</u>	<u>2019</u>
(1) Hallmark County Mutual Insurance Company state b	XXX	XXX	XXX	\$ -	\$ -
(2) State Prescribed Practices: NONE					
(3) State Permitted Practices: NONE					
(4) NAIC SAP	XXX	XXX	XXX	\$ -	\$ -
<u>SURPLUS</u>					
(5) Hallmark County Mutual Insurance Company state b	XXX	XXX	XXX	\$ 5,500,000	\$ 5,500,000
(6) State Prescribed Practices: NONE					
(7) State Permitted Practices: NONE					
(8) NAIC SAP	XXX	XXX	XXX	\$ 5,500,000	\$ 5,500,000

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

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

D. Loan-Backed Securities

a. The aggregate amount of unrealized losses:	
Less than 12 Months	\$ -
12 Months or Longer	\$ 4,139
b. The aggregate related fair value of securities with unrealized losses:	
Less than 12 Months	\$ -
12 Months or Longer	\$ 74,988

6. Joint Venture, Partnerships, and Limited Liability Companies

Not applicable.

7. Investment Income

No Changes.

8. Derivative Instruments

Not applicable.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

The Company files its federal income taxes on a stand alone 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 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.....	\$ 112,048	4,688	116,736	105,128	4,641	109,769
b. Statutory Valuation Allowance Adjustment.....	\$ -	-	-	-	-	-
c. Adjusted Gross Deferred Tax Assets (1a - 1b).....	\$ 112,048	4,688	116,736	105,128	4,641	109,769
d. Deferred Tax Assets Nonadmitted.....	\$ 111,752	4,688	116,440	104,832	4,641	109,473
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d).	\$ 296	-	296	296	-	296
f. Deferred Tax Liabilities.....	\$ 296	-	296	296	-	296
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f).....	\$ -	-	-	-	-	-

	Change		
	Ordinary	Capital	Total
a. Gross Deferred Tax Assets.....	\$ 6,920	47	6,967
b. Statutory Valuation Allowance Adjustment.....	\$ -	-	-
c. Adjusted Gross Deferred Tax Assets (1a - 1b).....	\$ 6,920	47	6,967
d. Deferred Tax Assets Nonadmitted.....	\$ 6,920	47	6,967
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d).	\$ -	-	-
f. Deferred Tax Liabilities.....	\$ -	-	-
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f).....	\$ -	-	-

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

		6/30/2020			12/31/2019			
Admission Calculation Components SSAP No. 101		Ordinary	Capital	Total	Ordinary	Capital	Total	
a.	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$	-	-	-	-	-	
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.	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	825,000	X X X	X X X	825,000
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.	\$	296	-	296	-	296	
d.	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$	296	-	296	-	296	

	2020 Change		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ -	-	-
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. 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	-
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.	\$ -	-	-
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ -	-	-

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

3.		2020	2019
a.	Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.	10132.500%	10132.500%
b.	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 5,500,000	5,500,000

4.		6/30/2020		12/31/2019		Change	
	Impact of Tax Planning Strategies	Ordinary	Capital	Ordinary	Capital	Ordinary	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)	\$ 112,048	4,688	105,128	4,641	6,920	47
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)	\$ 296		296			
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					

NOTES TO FINANCIAL STATEMENTS

C.	Current income taxes incurred consist of the following major components:	6/30/2020	12/31/2019	Change
1.	Current Income Tax			
a.	Federal.....	\$ -	-	-
b.	Foreign.....	\$ -	-	-
c.	Subtotal.....	\$ -	-	-
d.	Federal Income Tax on net capital gains.....	\$ -	-	-
e.	Utilization of capital loss carry-forwards.....	\$ -	-	-
f.	Other.....	\$ -	-	-
g.	Federal and foreign income taxes incurred.....	\$ -	-	-
2.	Deferred Tax Assets:			
a.	Ordinary			
	(1) Discounting of unpaid losses.....	\$ -	-	-
	(2) Unearned premium reserve.....	\$ -	-	-
	(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.....	\$ 112,048	105,128	6,920
	(12) Tax credit carry-forward.....	\$ -	-	-
	(13) Other (including items <5% of total ordinary tax assets).....	\$ -	-	-
	Subtotal.....	\$ 112,048	105,128	6,920
b.	Statutory valuation allowance adjustment.....	\$ -	-	-
c.	Nonadmitted.....	\$ 111,752	104,832	6,920
d.	Admitted ordinary deferred tax assets.....	\$ 296	296	-
e.	Capital:			
	(1) Investments.....	\$ -	-	-
	(2) Net capital loss carry-forward.....	\$ 4,688	4,641	47
	(3) Real estate.....	\$ -	-	-
	(4) Other (including items <5% of total capital tax assets).....	\$ -	-	-
	Subtotal.....	\$ 4,688	4,641	47
f.	Statutory valuation allowance adjustment.....	\$ -	-	-
g.	Nonadmitted.....	\$ 4,641	4,641	
h.	Admitted capital deferred tax assets.....	\$ -	-	-
i.	Admitted deferred tax assets.....	\$ 296	296	-
3.	Deferred Tax Liabilities:			
a.	Ordinary			
	(1) Investments.....	\$ 296	296	-
	(2) Fixed assets.....	\$ -	-	-
	(3) Deferred and uncollected premium.....	\$ -	-	-
	(4) Policyholder reserves.....	\$ -	-	-
	(5) Other (including items <5% of total ordinary tax liabilities).....	\$ -	-	-
	Subtotal.....	\$ 296	296	-
b.	Capital:			
	(1) Investments.....	\$ -	-	-
	(2) Real Estate.....	\$ -	-	-
	(3) Other (including items <5% of total capital tax liabilities).....	\$ -	-	-
	Subtotal.....	\$ -	-	-
c.	Deferred tax liabilities (3a99 + 3b99).....	\$ 296	296	-
4.	Net deferred tax assets/liabilities (2i - 3c).....	\$ -	-	-

NOTES TO FINANCIAL STATEMENTS

D. Operating loss carryforward

- (1) As of June 30, 2020, there is \$516,365 of operating loss carryforwards available for tax purposes.
- (2) The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are \$0 for 2020, \$-0- for 2019.

The aggregate amount 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.

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

Not applicable.

13. Capital Surplus, Dividend Restrictions and Quasi Reorganizations

- A. The number of shares of each class of capital stock authorized, issued and outstanding: Not applicable.
- B. Dividend Rate of Preferred Stock: Not applicable.
- C. Dividend Restrictions: No changes.
- D. Dates and Amounts of Dividends Paid: No changes.
- E. Portion of the Company’s Profits that may be paid as Ordinary Dividends to Stockholders: No changes.
- F. Restrictions Placed on the Unassigned Funds, Including for Whom the Surplus is Being Held: Not applicable.
- G. Mutual Surplus Advances: Not applicable.
- H. Company Stock Held for Special Purposes: Not applicable.
- I. Changes in Special Surplus Funds: Not applicable.
- J. Changes in Unassigned Funds: No changes.
- K. Surplus Notes: No changes.
- L. Impact of Restatement Due to Quasi Reorganizations: Not applicable.
- M. Effective Date of Quasi Reorganizations: Not applicable.

14. Contingencies

- A. Contingent Commitments: No changes.
- B. Guaranty Fund and Other Assessments: No changes.
- C. Gain Contingencies: Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

E. All Other Contingencies: No changes.

15. Leases

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Total Direct Premiums Written/ Produced by
American Bankers General Agency 11222 Quail Roost Dr. Miami, FL 33157	59-0676017	No	Personal property/casualty	C,CA,B,P,U	\$ 1,288,163
Total					<u>\$ 1,288,163</u>

20. Fair Value Measurement

A.

1. Fair Value Measurements at Reporting Date

a. Assets at fair Value	(Level 1)	(Level 2)	(Level 3)	Total
Cash Equivalent	\$ 374,997	-	-	374,997
Bonds: Industrial & Miscellaneous	\$ -	-	-	-
Total assets at fair value	<u>\$ 374,997</u>	<u>-</u>	<u>-</u>	<u>374,997</u>

b. Liabilities at fair value

Not applicable.

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

3. The table below reflects the fair value and admitted values of all admitted assets that are financial instruments of the Company and are categorized into the three-level fair value hierarchy at June 30, 2020.

NOTES TO FINANCIAL STATEMENTS

C.

Type of Financial Instrument	Aggregate Fair					Net Asset	Net Practicable
	Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Value (NAV)	(Carrying Value)
Bonds	\$ 2,484,455	2,472,505	-	2,472,505	-	2,472,505	-
Cash, Cash Equivalents and Short term Investments	\$ 2,318,422	2,318,422	618,519	1,699,903	-	2,318,422	-
Total	\$ 4,802,877	4,790,927	618,519	4,172,408	-	4,790,927	-

21. Other Items

Not applicable.

22. Events Subsequent

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

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

23. Reinsurance

A. No changes.

B. No changes.

C. No changes.

D. No changes.

E. No changes.

F. No changes.

G. No changes.

24. Retrospective Rated Contracts and Contracts Subject to Redetermination

No changes.

25. Changes in Incurred Loss and Adjustment Expenses

No changes.

26. Intercompany Pooling Arrangements

Not applicable.

NOTES TO FINANCIAL STATEMENTS

27. Structured Settlements

Not applicable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

Not applicable.

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.

0000819913

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

Yes [] No [X]

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

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

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

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

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

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).

06/30/2020

6.4 By what department or departments?
Texas 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	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC
.....
.....

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

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

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

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

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

(e) Accountability for adherence to the code.

Yes [X] No []

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

.....

.....

.....

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

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

.....

.....

.....

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

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

.....

.....

.....

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 12,679

GENERAL INTERROGATORIES

INVESTMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

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

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

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

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

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

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

18.2 If no, list exceptions:
.
.
.
.

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [☐] No [☒]

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.

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

Yes [] No [] N/A [X]
2.

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

Yes [] No [X]

- 3.1

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

Yes [] No [X]

- 3.2

If yes, give full and complete information thereto:

- 4.1

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

Yes [] No [X]

- 4.2

If yes, complete the following schedule:

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

5.

Operating Percentages:

5.1.

A&H loss percent

%

5.2.

A&H cost containment percent

%

5.3.

A&H expense percent excluding cost containment expenses

%
- 6.1

Do you act as a custodian for health savings accounts?

Yes [] No [X]
- 6.2

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

\$
- 6.3

Do you act as an administrator for health savings accounts?

Yes [] No [X]
- 6.4

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

\$
7.

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

Yes [] No [X]
- 7.1

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

Yes [] No [X]

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

			Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2	3	4	5	6	7
States, Etc.			Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date
1. Alabama	AL	N						
2. Alaska	AK	N						
3. Arizona	AZ	N						
4. Arkansas	AR	N						
5. California	CA	N						
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	N						
9. District of Columbia	DC	N						
10. Florida	FL	N						
11. Georgia	GA	N						
12. Hawaii	HI	N						
13. Idaho	ID	N						
14. Illinois	IL	N						
15. Indiana	IN	N						
16. Iowa	IA	N						
17. Kansas	KS	N						
18. Kentucky	KY	N						
19. Louisiana	LA	N						
20. Maine	ME	N						
21. Maryland	MD	N						
22. Massachusetts	MA	N						
23. Michigan	MI	N						
24. Minnesota	MN	N						
25. Mississippi	MS	N						
26. Missouri	MO	N						
27. Montana	MT	N						
28. Nebraska	NE	N						
29. Nevada	NV	N						
30. New Hampshire	NH	N						
31. New Jersey	NJ	N						
32. New Mexico	NM	N						
33. New York	NY	N						
34. North Carolina	NC	N						
35. North Dakota	ND	N						
36. Ohio	OH	N						
37. Oklahoma	OK	N						
38. Oregon	OR	N						
39. Pennsylvania	PA	N						
40. Rhode Island	RI	N						
41. South Carolina	SC	N						
42. South Dakota	SD	N						
43. Tennessee	TN	N						
44. Texas	TX	L	35,613,766	81,592,202	74,538,584	56,635,427	93,899,975	
45. Utah	UT	N						
46. Vermont	VT	N						
47. Virginia	VA	N						
48. Washington	WA	N						
49. West Virginia	WV	N						
50. Wisconsin	WI	N						
51. Wyoming	WY	N						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CAN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals		X X X	35,613,766	81,592,202	74,538,584	56,635,427	93,899,975	

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

(a)	Active Status Counts	
	L – Licensed or Chartered - Licensed insurance carrier or domiciled RRG	1
	E – Eligible - Reporting entities eligible or approved to write surplus lines in the state	
	D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile	
	R - Registered - Non-domiciled RRGs	
	Q - Qualified - Qualified or accredited reinsurer	
	N – None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLII)	56

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 (f/k/a TGA Insurance Managers Inc.)	Texas	74-2228153
... .. TGA Special Risk	Texas	74-2774138
... .. Pan American Acceptance Corporation	Texas	74-1683629
... .. Hallmark Insurance Company (34037)*	Arizona	47-0718164
... .. Hallmark National Insurance Company (19530)*	Arizona	31-1334827

Notes:

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

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

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

Asterik	Explanation
	NONE

PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence				
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability	9,048,266	8,898,564	98.3	92.0
19.3, 19.4 Commercial auto liability	40,573,620	34,549,158	85.2	70.9
21. Auto physical damage	11,591,960	5,879,242	50.7	51.0
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	61,213,846	49,326,964	80.6	70.0

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

PART 2 – DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence			
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability	3,586,413	8,735,277	8,974,125
19.3, 19.4 Commercial auto liability	3,973,915	18,389,345	59,599,909
21. Auto physical damage	3,114,409	8,489,144	13,018,168
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	10,674,737	35,613,766	81,592,202

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2020 Loss and LAE Payments on Claims Reported as of Prior Year-End	2020 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2020 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2017 + prior													
2. 2018													
3. Subtotals 2018 + prior													
4. 2019													
5. Subtotals 2019 + prior													
6. 2020	X X X	X X X	X X X	X X X			X X X				X X X	X X X	X X X
7. Totals													

NONE

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8. Prior Year-End Surplus As
Regards Policyholders _____

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. _____

3. _____

Col. 13, Line 7
Line 8

4. _____

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:



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	3,073,965	3,980,371
2. Cost of bonds and stocks acquired	51,245	702,869
3. Accrual of discount	1,338	2,640
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	(223)	(1,202)
6. Deduct consideration for bonds and stocks disposed of	649,275	1,580,919
7. Deduct amortization of premium	4,545	29,794
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	2,472,505	3,073,965
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	2,472,505	3,073,965

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

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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)	4,184,710		290,493	26	4,184,710	3,894,243		2,683,420
2. NAIC 2 (a)	287,573		8,607	(802)	287,573	278,164		475,545
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	4,472,283		299,100	(776)	4,472,283	4,172,407		3,158,965
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	4,472,283		299,100	(776)	4,472,283	4,172,407		3,158,965

(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 \$ 1,699,903; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	1,699,903	X X X	1,702,501	4,250	3,825

SCHEDULE DA - VERIFICATION
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	85,000	
2. Cost of short-term investments acquired	1,702,501	338,628
3. Accrual of discount	124	
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	85,000	250,000
7. Deduct amortization of premium	2,722	3,628
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)	1,699,903	85,000
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	1,699,903	85,000

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

SCHEDULE E PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,381,969	399,805
2. Cost of cash equivalents acquired	873,947	2,049,160
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	1,880,920	1,066,996
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	374,996	1,381,969
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	374,996	1,381,969

NONE Schedule A - Part 2 and 3

NONE Schedule B - Part 2 and 3

NONE Schedule BA - Part 2 and 3

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

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

[illegible]

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