

QUARTERLY STATEMENT

OF THE

AMERICAN HALLMARK INSURANCE COMPANY OF TEXAS

of DALLAS

in the state of TEXAS

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

September 30, 2020

PROPERTY AND CASUALTY

2020



43494202020100103

QUARTERLY STATEMENT

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

American Hallmark Insurance Company of Texas

NAIC Group Code	3478	3478	NAIC Company Code	43494	Employer's ID Number	75-1817901
	(Current Period)	(Prior Period)				
Organized under the Laws of	Texas			State of Domicile or Port of Entry TX		
Country of Domicile	US					
Incorporated/Organized	February 17, 1982			Commenced Business March 9, 1982		
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.	Christopher James Kenney #	Chief Financial Officer, Treasurer & Secretary
3.	David Michael Webb #	Vice President

VICE-PRESIDENTS

Name	Title	Name	Title

DIRECTORS OR TRUSTEES

Naveen Anand	Christopher James Kenney	Kenneth Russell Krissinger	Mark Edward Schwarz
Charles Edward Stauber	Tarek Nghi Timol	David Michael Webb #	

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	Christopher J. Kenney	David M. Webb
(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 November, 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	100,068,353		100,068,353	163,079,991
2. Stocks:				
2.1 Preferred stocks	1,375,148		1,375,148	1,675,559
2.2 Common stocks	64,476,961	1,123,975	63,352,986	101,793,065
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 (\$ (3,904,308)), cash equivalents (\$ 20,417,215), and short-term investments (\$ 844,738)	17,357,645		17,357,645	(1,657,487)
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	5,200,000	5,200,000		
9. Receivables for securities	414,966		414,966	4,157,708
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	188,893,073	6,323,975	182,569,098	269,048,836
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	666,781		666,781	1,359,302
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	90,089,041		90,089,041	100,198,293
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	25,323,730		25,323,730	22,066,326
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	52,368,205		52,368,205	78,566,576
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	6,092,578	2,162,174	3,930,404	3,916,960
19. Guaranty funds receivable or on deposit	27,402		27,402	35,451
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	236,325		236,325	
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	170,212	170,212		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	363,867,347	8,656,361	355,210,986	475,191,744
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	363,867,347	8,656,361	355,210,986	475,191,744

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. Prepaid Expense	170,212	170,212		
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)	170,212	170,212		

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 49,340,150)	99,320,622	93,504,661
2. Reinsurance payable on paid losses and loss adjustment expenses	22,080,238	42,967,970
3. Loss adjustment expenses	20,280,840	17,433,746
4. Commissions payable, contingent commissions and other similar charges	2,901,410	2,867,307
5. Other expenses (excluding taxes, licenses and fees)	(348,057)	(433,722)
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,606,800	2,357,329
7.1. Current federal and foreign income taxes (including \$ (188,114) on realized capital gains (losses))	(403,160)	2,220,616
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 \$ 166,527,205 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)	66,309,889	71,905,593
10. Advance premium	687,599	850,459
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	73,686,653	82,332,852
13. Funds held by company under reinsurance treaties	102,203	103,070
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		243,799
20. Derivatives		
21. Payable for securities		998,750
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	(52,538,030)	
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	233,687,007	317,352,430
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	233,687,007	317,352,430
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	4,000,000	4,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	101,597,158	101,597,158
35. Unassigned funds (surplus)	15,926,821	52,242,156
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)	121,523,979	157,839,314
38. Totals (Page 2, Line 28, Col. 3)	355,210,986	475,191,744

DETAILS OF WRITE-IN LINES		
2501. Retroactive reinsurance	(52,538,030)	
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)	(52,538,030)	
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 \$ 170,418,049)	165,441,441	159,549,379	213,559,820
1.2 Assumed (written \$ 228,204,781)	260,031,819	221,831,753	309,988,622
1.3 Ceded (written \$ 286,117,629)	307,372,356	279,612,273	383,747,959
1.4 Net (written \$ 112,505,201)	118,100,904	101,768,859	139,800,483
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 67,237,211):			
2.1 Direct	92,086,725	96,515,908	134,894,608
2.2 Assumed	172,018,900	128,046,203	212,737,972
2.3 Ceded	189,998,859	167,204,898	256,196,526
2.4 Net	74,106,766	57,357,213	91,436,054
3. Loss adjustment expenses incurred	15,687,619	12,325,159	22,441,932
4. Other underwriting expenses incurred	28,138,965	30,827,883	41,122,322
5. Aggregate write-ins for underwriting deductions	18,460,528		
6. Total underwriting deductions (Lines 2 through 5)	136,393,878	100,510,255	155,000,308
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(18,292,974)	1,258,604	(15,199,825)
INVESTMENT INCOME			
9. Net investment income earned	3,300,048	7,819,063	10,138,550
10. Net realized capital gains (losses) less capital gains tax of \$ (188,114)	(430,480)	710,390	704,104
11. Net investment gain (loss) (Lines 9 + 10)	2,869,568	8,529,453	10,842,654
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ (325,149))	(325,149)	(217,682)	(313,659)
13. Finance and service charges not included in premiums	4,497,352	5,221,478	6,906,334
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)	4,172,203	5,003,796	6,592,675
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(11,251,203)	14,791,853	2,235,504
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)	(11,251,203)	14,791,853	2,235,504
19. Federal and foreign income taxes incurred	(2,420,627)	3,362,523	210,061
20. Net income (Line 18 minus Line 19) (to Line 22)	(8,830,576)	11,429,330	2,025,443
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	157,839,316	138,859,119	138,859,119
22. Net income (from Line 20)	(8,830,576)	11,429,330	2,025,443
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 2,304,652	(19,498,204)	12,434,941	3,072,929
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	2,175,618	(1,050,939)	(697,667)
27. Change in nonadmitted assets	(2,162,174)	1,579,492	1,579,492
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		20,000,000	20,000,000
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders	(8,000,000)	(5,750,000)	(7,000,000)
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	(36,315,336)	38,642,824	18,980,197
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	121,523,980	177,501,943	157,839,316

DETAILS OF WRITE-IN LINES			
0501. Loss on retroactive reinsurance	18,460,528		
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)	18,460,528		
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

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	110,996,959	110,322,779	140,754,196
2. Net investment income	4,462,062	8,167,218	10,425,173
3. Miscellaneous income	4,172,202	5,003,796	6,592,675
4. Total (Lines 1 to 3)	119,631,223	123,493,793	157,772,044
5. Benefit and loss related payments	63,232,457	55,966,318	92,859,467
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	41,349,911	46,844,578	57,818,746
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	15,035	716,429	716,429
10. Total (Lines 5 through 9)	104,597,403	103,527,325	151,394,642
11. Net cash from operations (Line 4 minus Line 10)	15,033,820	19,966,468	6,377,402
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	69,503,615	39,251,939	55,070,715
12.2 Stocks	18,699,290	100	1,146,444
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	2,743,993	(1,794,164)	(2,801,828)
12.8 Total investment proceeds (Lines 12.1 to 12.7)	90,946,898	37,457,875	53,415,331
13. Cost of investments acquired (long-term only):			
13.1 Bonds	7,405,288	69,108,372	81,557,175
13.2 Stocks	(368,221)		1,069,815
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)	7,037,067	69,108,372	82,626,990
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)	83,909,831	(31,650,497)	(29,211,659)
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	(867)	1,472	1,472
16.5 Dividends to stockholders	8,000,000	5,750,000	7,000,000
16.6 Other cash provided (applied)	(71,927,652)	19,823,834	19,829,517
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(79,928,519)	14,075,306	12,830,989
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)	19,015,132	2,391,277	(10,003,268)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	(1,657,487)	8,345,781	8,345,781
19.2 End of period (Line 18 plus Line 19.1)	17,357,645	10,737,058	(1,657,487)

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) American Hallmark Insurance Co state basis	XXX	XXX	XXX	\$ (8,830,576)	\$ 2,025,443
(2) State Prescribed Practices: NONE					
(3) State Permitted Practices: NONE					
(4) NAIC SAP	XXX	XXX	XXX	<u>\$ (8,830,576)</u>	<u>\$ 2,025,443</u>
<u>SURPLUS</u>					
(5) American Hallmark Insurance Co state basis	XXX	XXX	XXX	\$ 121,523,980	\$ 157,839,316
(6) State Prescribed Practices: NONE					
(7) State Permitted Practices: NONE					
(8) NAIC SAP	XXX	XXX	XXX	<u>\$ 121,523,980</u>	<u>\$ 157,839,316</u>

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	191,779
12 Month or Longer	70,310
b. The aggregate related Fair Value of Securities with Unrealized Losses:	
Less than 12 Months	1,307,903
12 Month or Longer	1,477,548

Q. Prepayment Penalty and Acceleration Fees

	<u>General Account</u>
(1) Number of CUSIPs	7
(2) Aggregate Amount of Investment Income	\$208,313

6. Joint Venture, Partnerships, and Limited Liability Companies

Not applicable.

NOTES TO FINANCIAL STATEMENTS

7. Investment Income

No changes.

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 September 30, 2020 and the change from the prior year are comprised of the following components:

1.	9/30/2020			12/31/2019		
	Ordinary	Capital	Total	Ordinary	Capital	Total
a. Gross Deferred Tax Assets.....	\$ 5,163,833	935,030	6,098,863	5,236,911	175,641	5,412,552
b. Statutory Valuation Allowance Adjustment.....	\$ -	-	-	-	-	-
c. Adjusted Gross Deferred Tax Assets (1a - 1b).....	\$ 5,163,833	935,030	6,098,863	5,236,911	175,641	5,412,552
d. Deferred Tax Assets Nonadmitted.....	\$ 1,227,144	935,030	2,162,174	-	-	-
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)...	\$ 3,936,689		3,936,689	5,236,911	175,641	5,412,552
f. Deferred Tax Liabilities.....	\$ 6,285	-	6,285	8,538	1,487,054	1,495,592
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f).....	\$ 3,930,404	-	3,930,404	5,228,373	(1,311,413)	3,916,960

	Change		
	Ordinary	Capital	Total
a. Gross Deferred Tax Assets.....	\$ (73,078)	759,389	686,311
b. Statutory Valuation Allowance Adjustment.....	\$ -	-	-
c. Adjusted Gross Deferred Tax Assets (1a - 1b).....	\$ (73,078)	759,389	686,311
d. Deferred Tax Assets Nonadmitted.....	\$ 1,227,144	935,030	2,162,174
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)...	\$ (1,300,222)	(175,641)	(1,475,863)
f. Deferred Tax Liabilities.....	\$ (2,253)	(1,487,054)	(1,489,307)
g. Net Admitted Deferred Tax Asset / (Net Admitted Deferred Tax Liability) (1e - 1f).....	\$ (1,297,969)	1,311,413	13,444

The Company does not have a valuation allowance against its deferred assets as the Company does not believe it is more likely than not that some portion or all the gross deferred tax assets will not be realized.

The amount of admitted adjusted gross deferred tax assets admitted pursuant to the deferred tax admission calculation is as follows:

NOTES TO FINANCIAL STATEMENTS

2.	9/30/2020			12/31/2019		
Admission Calculation Components SSAP No. 101	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 157,576	-	157,576	3,064,075	-	3,064,075
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.	\$ 3,772,828	-	3,772,828	967,800	-	967,800
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	17,550,887	X X X	X X X	23,522,232
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.	\$ 6,285		6,285	1,205,036	175,641	1,380,677
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 3,936,689		3,936,689	5,236,911	175,641	5,412,552
Admission Calculation Components SSAP No. 101	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>	Change		
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ (2,906,499)	-	(2,906,499)			
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.	\$ 2,805,028	-	2,805,028			
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	(5,971,345)			
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.	\$ (1,198,751)	(175,641)	(1,374,392)			
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ (1,300,222)	(175,641)	(1,475,863)			

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

a. Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.	<u>2020</u>	<u>2019</u>
	348.0%	455.5%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 117,593,574	153,922,354

4. There was no impact of tax planning strategies on the admissibility of deferred tax assets.

4.	9/30/2020		12/31/2019	
Impact of Tax Planning Strategies	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>
a. Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.				
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 5,163,833	935,030	5,236,911	175,641
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)	\$ 3,936,689		5,236,911	175,641
4. Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Attributable To The Impact of Tax Planning Strategies	\$			

NOTES TO FINANCIAL STATEMENTS

		Change		
Impact of Tax Planning Strategies		Ordinary	Capital	
b.	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)	\$ (73,078)	759,389	
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)	\$ (1,300,222)	(175,641)	
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:			
		9/30/2020	12/31/2019	Change
1.	Current Income Tax			
a.	Federal.....	\$ (2,217,422)	183,219	(2,400,641)
b.	Foreign.....	\$ -	-	-
c.	Subtotal.....	\$ (2,217,422)	183,219	(2,400,641)
d.	Federal Income Tax on net capital gains.....	\$ (188,114)	(3,517)	(184,597)
e.	Utilization of capital loss carry-forwards.....	\$ -	-	-
f.	Other.....	\$ (15,091)	30,359	(45,450)
g.	Federal and foreign income taxes incurred.....	\$ (2,420,627)	210,061	(2,630,688)
2.	Deferred Tax Assets:			
a.	Ordinary			
	(1) Discounting of unpaid losses.....	\$ 1,222,194	1,053,412	168,782
	(2) Unearned premium reserve.....	\$ 2,813,895	3,055,754	(241,859)
	(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).....	\$ 1,127,745	1,127,745	-
	Subtotal.....	\$ 5,163,834	5,236,911	(73,077)
b.	Statutory valuation allowance adjustment.....	\$ -	-	-
c.	Nonadmitted.....	\$ 1,227,144	-	1,227,144
d.	Admitted ordinary deferred tax assets (2a - 2b - 2c).....	\$ 3,936,690	5,236,911	(1,300,221)
e.	Capital:			
	(1) Investments.....	\$ 935,030	175,641	759,389
	(2) Net capital loss carry-forward.....	\$ -	-	-
	(3) Real estate.....	\$ -	-	-
	(4) Other (including items <5% of total capital tax assets).....	\$ -	-	-
	Subtotal.....	\$ 935,030	175,641	759,389
f.	Statutory valuation allowance adjustment.....	\$ -	-	-
g.	Nonadmitted.....	\$ 935,030	-	935,030
h.	Admitted capital deferred tax assets (2e - 2f - 2g).....	\$	175,641	(175,641)
i.	Admitted deferred tax assets (2d + 2h).....	\$ 3,936,690	5,412,552	(1,475,862)

NOTES TO FINANCIAL STATEMENTS

3.	Deferred Tax Liabilities:			
a.	Ordinary	9/30/2020	12/31/2019	Change
	(1) Investments.....	\$ -	-	-
	(2) Fixed assets.....	\$ -	-	-
	(3) Deferred and uncollected premium.....	\$ -	-	-
	(4) Policyholder reserves.....	\$ -	-	-
	(5) Other (including items <5% of total ordinary tax liabilities).....	\$ 6,285	8,537	(2,252)
	Subtotal.....	\$ 6,285	8,537	(2,252)
b.	Capital:			
	(1) Investments.....	\$ 1,487,054	(1,487,054)	
	(2) Real Estate.....	\$ -	-	-
	(3) Other (including items <5% of total capital tax liabilities).....	\$ -	-	-
	Subtotal.....	\$ 1,487,054	(1,487,054)	
c.	Deferred tax liabilities (3a + 3b).....	\$ 6,285	1,495,591	(1,489,306)
4.	Net deferred tax assets/liabilities (2i - 3c).....	\$ 3,930,405	3,916,961	13,444

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. No changes.
- B. No changes.
- C. No changes.
- D. No changes.

11. Debt

Not applicable.

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

Not applicable.

13. Capital Surplus, Dividend Restrictions and Quasi Reorganizations

- A. Capital Stock Authorized, Issued and Outstanding as of the Balance Sheet Date:
- B. Dividend Rate of Preferred Stock: Not applicable
- C. Dividend Restrictions: No changes.
- D. Dates and Amounts of Dividends Paid:

During 2019, the Company declared and paid ordinary cash dividends of \$7,000,000 to its parent HFS.

During 2019, the Company received ordinary cash dividends of \$4,000,000 from its subsidiary Hallmark Specialty Insurance Company.

On March 2, 2020, the Company declared and on March 13, 2020 paid ordinary cash dividend of \$4,000,000, and on June 2, 2020 the Company declared and on June 15, 2020 paid ordinary cash dividend of \$4,000,000 to its parent HFS.
- 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:

NOTES TO FINANCIAL STATEMENTS

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

Net unrealized gains or (losses)	\$ (19,498,204)
Nonadmitted asset values	\$ (2,162,174)
Net deferred income tax	\$ 2,175,618
Dividends to Stockholders	\$ (8,000,000)

- K. Surplus Notes: Not applicable.
- L. Impact of Restatement Due to Quasi Reorganizations: Not applicable.
- M. Effective Date of Quasi Reorganizations: Not applicable.

14. Contingencies

- A. Contingent Commitments: No changes.
- B. Guaranty Fund and Other Assessments: No changes.
- C. Gain Contingencies: Not applicable.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits: Not applicable.
- E. All Other Contingencies: No changes.

15. Leases

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Direct Premiums Written/Produced by
Strategic Insurance Underwriters 5560 Broadcast Court Sarasota, FL 34240	65-0897824	No	Commercial property/casualty	C,CA,B.P.U	\$ 38,366,997

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurement

1. Fair Value Measurements at Reporting Date

a. Assets at fair Value	(Level 1)	(Level 2)	(Level 3)	Total
Cash Equivalent: MMFund	\$ 11,759,144	\$ -	\$ -	\$ 11,759,144
Cash Equivalent: Exempt MMFund	4,072			4,072
Bonds: Special Revenue	-	-		-
Bonds: Industrial & Miscellaneous		1,920,147		1,920,147
Bonds: Bank Loans		6,073,352		6,073,352
Preferred Stock: Industrial & Miscellaneous	219,703			219,703
Common Stock: Industrial & Miscellaneous	3,798,376	-	-	3,798,376
Total assets at fair value	\$ 15,781,295	\$ 7,993,499	\$ -	\$ 23,774,794

b. Liabilities at fair value

Not applicable

c. The table below reflects the fair value and admitted values of all admitted assets that are financial instruments of the Company and are categorized into the three-level fair value hierarchy.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	101,657,627	100,068,351		101,498,227	159,400	
Preferred Stocks	1,396,926	1,375,148	1,396,926			
Common Stocks	3,798,376	3,798,376	3,798,376			
Other Investments	-	-	-			
Cash, Cash Equivalents, and Short term Investments	17,357,645	17,357,645	16,512,060	845,585		
Total	\$ 124,210,574	122,599,520	21,707,362	102,343,812	159,400	-

21. Other Items

Not applicable.

22. Events Subsequent

Not applicable.

23. Reinsurance

- A. No changes.
- B. No changes.
- C. No changes.
- D. No changes.
- E. No changes.
- F. On July 16, 2020, AHIC, HIC, HSIC, HCM and HNIC (collectively, the “Hallmark Insurers”), entered into a Loss Portfolio Reinsurance Contract to be effective as of January 1, 2020 (the “LPT Contract”) with DARAG Bermuda Ltd. (“DARAG Bermuda”). The Hallmark LPT Contract was consummated on July 31, 2020. The Company recorded an \$18.5 million pre-tax loss during the third quarter of 2020 attributable to the closing of the LPT Contract. 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

NOTES TO FINANCIAL STATEMENTS

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.

1. Retroactive Reinsurance	Reported Company	
	Assumed	Ceded
a. Reserves Transferred:		
1. Initial Reserves	\$ -	\$ (129,117,718)
2. Adjustments - Prior Year(s)	-	-
3. Adjustments - Current Year	-	-
4. Current Total	-	(129,117,718)
b. Consideration Paid or Received:		
1. Initial Consideration	\$ -	\$ 147,578,246
2. Adjustments - Prior Year(s)	-	-
3. Adjustments - Current Year	-	-
4. Current Total	-	147,578,246
c. Paid Losses Reimbursed or Recovered:		
1. Prior Year(s)	\$ -	\$ 70,365,015
2. Current Year	-	-
3. Current Total	-	70,365,015
d. Special Surplus from Retroactive Reinsurance:		
1. Initial Surplus Gain or Loss	\$ -	\$ -
2. Adjustments - Prior Year(s)	-	-
3. Adjustments - Current Year	-	-
4. Current Year Restricted Surplus	-	-
5. Cumulative Total Transferred to Unassigned Funds	-	(18,460,528)
e. All cedents and reinsurers involved in all transactions included in summary totals above:		
DARAG Bermuda AA-3191423	\$ 129,117,718	\$ -

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 September 30, 2020, \$59.0 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$61.9 million as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been \$10.0 million unfavorable prior-year development since December 31, 2019 to September 30, 2020. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

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

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

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.

NOTES TO FINANCIAL STATEMENTS

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.

0000819913

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

Yes [] No [X]

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

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

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

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

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

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

12/31/2018

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

12/31/2018

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

06/30/2020

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

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

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

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

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

GENERAL INTERROGATORIES

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

7.2 If yes, give full information

.....

.....

.....

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

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

.....

.....

.....

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

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

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

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

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

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

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

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

(e) Accountability for adherence to the code.

Yes [X] No []

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

.....

.....

.....

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

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

.....

.....

.....

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

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

.....

.....

.....

FINANCIAL

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

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

GENERAL INTERROGATORIES

INVESTMENT

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

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

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

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

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

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	\$ 69,202,256	\$ 60,678,586
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)	\$ 69,202,256	\$ 60,678,586
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 [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?
If yes, attach an explanation.

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

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

Yes [] No [X]

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

Yes [] No [X]

3.2 If yes, give full and complete information thereto:

.....

.....

.....

.....

.....

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

Yes [] No [X]

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1. A&H loss percent _____ %

5.2. A&H cost containment percent _____ %

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

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

Yes [] No [X]

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

\$ _____

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

Yes [] No [X]

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

\$ _____

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

Yes [X] No []

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

Yes [] No []

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

[illegible]

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

			Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
			2	3	4	5	6	7
States, Etc.			Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date
1. Alabama	AL	L	7,425	42,085	41,497		(19,595)	14,414
2. Alaska	AK	L						
3. Arizona	AZ	L	22,634,012	25,519,541	10,383,141	13,102,278	9,292,477	11,409,721
4. Arkansas	AR	L	5,527,830	4,646,106	2,936,164	2,299,867	3,107,286	3,736,767
5. California	CA	N			31,262		33,841	
6. Colorado	CO	L	565,287	629,969	91,713	355,732	248,508	277,389
7. Connecticut	CT	L	184,701	165,478	61,499	56,882	50,910	49,728
8. Delaware	DE	L						
9. District of Columbia	DC	Q						
10. Florida	FL	L	1,293,104	415,987	204,099	266,848	(42,790)	(24,511)
11. Georgia	GA	L	7,147,507	8,000,415	3,316,794	2,735,359	3,279,658	3,207,299
12. Hawaii	HI	L	3,708,132	3,466,953	812,481	336,794	2,233,477	913,134
13. Idaho	ID	L	6,866,642	5,854,200	634,418	1,351,881	3,997,732	2,186,541
14. Illinois	IL	L	3,218,917	2,020,532	333,991	365,166	2,001,955	1,215,436
15. Indiana	IN	L	3,458,704	6,897,529	3,930,097	2,138,918	5,608,511	7,102,243
16. Iowa	IA	L	66,818		(200)	(280)	(3,448)	(6,365)
17. Kansas	KS	L			2,980	(60)	17,138	30,910
18. Kentucky	KY	L	6,528	7,753	67,640		306,811	124,800
19. Louisiana	LA	L	13,557	64,947	7,740	28,150	44,975	64,723
20. Maine	ME	L	151,805	169,364		104,174	43,507	33,504
21. Maryland	MD	L						
22. Massachusetts	MA	L	323,215	270,045	55,049	1,015,964	359,657	210,323
23. Michigan	MI	L					(573)	(155)
24. Minnesota	MN	L	538,925	309,183			219,743	1,472,699
25. Mississippi	MS	L						7,662
26. Missouri	MO	L	275,757	320,361	87,352	424,747	317,694	834,090
27. Montana	MT	L	6,314,742	6,702,016	1,168,155	6,581,800	5,441,802	4,012,512
28. Nebraska	NE	L						
29. Nevada	NV	L	6,647,726	6,930,303	3,041,975	3,840,296	1,688,154	2,457,077
30. New Hampshire	NH	N			5,098		1,701	
31. New Jersey	NJ	L	1,174,396	190,864	16,547	26,077	545,520	119,175
32. New Mexico	NM	L	12,308,473	13,530,420	4,185,656	8,022,083	7,911,986	7,601,258
33. New York	NY	L				(9,676)		
34. North Carolina	NC	L	327,215	685,372	224,312	519,033	1,380,478	1,162,222
35. North Dakota	ND	L						
36. Ohio	OH	L	4,710,643	7,755,515	2,326,819	3,839,227	4,403,539	3,842,748
37. Oklahoma	OK	L	7,478,262	7,306,798	2,747,363	3,526,394	1,831,650	2,299,924
38. Oregon	OR	L	15,068,695	15,620,134	4,204,960	9,490,072	12,401,883	8,756,440
39. Pennsylvania	PA	L	1,801,388	1,937,953	674,746	3,193,966	3,971,744	4,139,345
40. Rhode Island	RI	L						
41. South Carolina	SC	L	2,085,892	2,974,653	325,902	996,922	5,862,812	5,307,911
42. South Dakota	SD	N						
43. Tennessee	TN	L	4,518,609	5,792,167	1,034,134	1,532,939	2,090,811	1,498,302
44. Texas	TX	L	20,492,424	19,734,555	3,715,557	10,535,610	20,637,108	16,581,599
45. Utah	UT	L	4,618,596	4,802,082	3,372,734	4,115,205	2,455,970	7,809,488
46. Vermont	VT	Q						
47. Virginia	VA	L	13,180,022	6,838,937	1,707,927	2,145,738	3,295,352	2,989,254
48. Washington	WA	L	8,598,077	7,763,647	1,679,063	2,492,043	6,159,256	7,703,368
49. West Virginia	WV	L					111,811	111,930
50. Wisconsin	WI	L	430,386	42,793	2,432	6,101	66,146	23,001
51. Wyoming	WY	L	1,183,313	1,203,469	299,121	486,153	1,114,608	2,150,698
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	3,490,324	3,871,131	3,360,438	75,829	5,853,440	5,746,269
59. Totals		X X X	170,418,049	172,483,257	57,090,656	85,998,232	118,323,245	117,172,873

DETAILS OF WRITE-INS								
58001. International		X X X	3,490,324	3,871,131	3,360,438	75,829	5,853,440	5,746,269
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	3,490,324	3,871,131	3,360,438	75,829	5,853,440	5,746,269

(a) Active Status Counts	
L – Licensed or Chartered - Licensed insurance carrier or domiciled RRG	46
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	2
N – None of the above - Not allowed to write business in the state (other than their state of domicile - See DSLII)	9

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

PART 1 - ORGANIZATIONAL CHART

Schwarz 2012 Family Trust (Mark E. Schwarz, Sole Trustee)	Texas	
. NCM Services, Inc.	Texas	
...Newcastle Capital Group, LLC	Texas	
.... Newcastle Capital Management, L.P.	Texas	
..... 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
... ..Hallmark Finance Corporation	Texas	75-2339280
... ..Aerospace Holdings, LLC	Texas	20-0785668
... ..Aerospace Claims Management Group	Texas	75-2853986
... ..Aerospace Insurance Managers, Inc.	Texas	52-2099239
... ..Aerospace Special Risk, Inc.	Texas	20-0786154
... ..Mannequin PCC Ltd. Cell A-22*	Guernsey	N/A
... ..Heath XS, LLC	New Jersey	02-0557327
... ..CITON Agency, Inc. 49%	Florida	26-2010050
... ..American Hallmark Ins. Co. of TX. (43494)*	Texas	75-1817901
... ..Hallmark Specialty Ins. Co. (26808)*	Oklahoma	74-2378996
... ..CYR Insurance Management Company	Texas	75-1661749
... ..Hallmark County Mutual Insurance Company (29408)*	Texas	74-0814987
... ..TBIC Holding Corporation.	Texas	41-2130851
... ..Texas Builders Insurance Company (27170)*	Texas	74-2439728
... ..TBIC Risk Management, Inc.	Texas	37-1417618
... ..Effective Claims Management, Inc.	Texas	75-2825542
... ..American Hallmark Insurance Services, Inc	Texas	75-2652618
... ..Hallmark Specialty Underwriters, Inc	Texas	74-2228153
... ..TGA Special Risk	Texas	74-2774138
... ..Pan American Acceptance Corporation	Texas	74-1683629
... ..Hallmark Insurance Company (34037)*	Arizona	47-0718164
... ..Hallmark National Insurance Company (19530)*	Arizona	31-1334827

Notes:

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

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
12		00000						TX		Schwarz 2012 Family Trust (Mark E. Schwarz, Sol			Newcastle Partners, L.P.	N	
		00000						TX		NCM Services, Inc.			Newcastle Partners, L.P.	N	
		00000						TX		Newcastle Central Group, LLC			Newcastle Partners, L.P.	N	
		00000						TX		Newcastle Capital Management, L.P.			Newcastle Partners, L.P.	N	
		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	75-2339280				Hallmark Finance Corporation	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		Hallmark Financial Services Group	43494			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			Hallmark Specialty Ins. Co	OK	UDP	American Hallmark Ins. Co. of TX	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000					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			Hallmark County Mutual Insurance Company	TX	OTH	Mutual Ownership	Other	100.000	Newcastle Partners, L.P.	N	
		00000					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			Texas Builders Insurance Company	TX	UDP	TBIC Holding Corporation	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000					TBIC Risk Management, Inc.	TX	UDP	Texas Builders Insurance Company	Ownership	100.000	Newcastle Partners, L.P.	Y	
		00000					Effective Claims Management, Inc.	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000					American Hallmark Insurance Services, Inc	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000					Hallmark Specialty Underwriters, Inc.	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000					TGA Special Risk	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
		00000					Pan American Acceptance Corporation	TX	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
	3478		Hallmark Financial Services Group	34037			Hallmark Insurance Company	AZ	UDP	Hallmark Financial Services, Inc.	Ownership	100.000	Newcastle Partners, L.P.	N	
	3478		Hallmark Financial Services Group	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	232,097	139,307	60.0	61.0
2. Allied lines	463,598	280,936	60.6	22.3
3. Farmowners multiple peril				
4. Homeowners multiple peril	2,340,921	397,042	17.0	16.8
5. Commercial multiple peril	47,335,178	23,706,391	50.1	58.0
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	972,839	285,178	29.3	70.4
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake	20,897	12,724	60.9	-4.3
13. Group accident and health		(727,515)		
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation		(169,935)		
17.1 Other liability-occurrence	6,083,782	4,381,399	72.0	10.4
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence	484,960	31,649	6.5	23.4
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability	35,057,702	21,607,506	61.6	70.8
19.3, 19.4 Commercial auto liability	37,452,395	22,520,789	60.1	62.8
21. Auto physical damage	29,327,630	14,290,745	48.7	55.8
22. Aircraft (all perils)	1,775,615	539,694	30.4	51.9
23. Fidelity	1,406	853	60.7	1235.4
24. Surety				
26. Burglary and theft	1,465	890	60.8	-2.8
27. Boiler and machinery				
28. Credit				
29. International	3,890,956	4,789,072	123.1	152.9
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	165,441,441	92,086,725	55.7	60.5

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	64,644	229,250	277,483
2. Allied lines	126,931	463,033	440,451
3. Farmowners multiple peril			
4. Homeowners multiple peril	793,454	2,398,959	2,376,939
5. Commercial multiple peril	15,851,144	48,729,068	46,175,751
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	179,335	1,138,435	1,052,884
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake	19,369	28,598	21,604
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence	2,270,915	6,110,477	8,596,272
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence	135,150	503,322	592,318
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability	10,865,599	34,053,086	37,943,629
19.3, 19.4 Commercial auto liability	16,282,424	41,461,413	36,638,505
21. Auto physical damage	10,975,810	30,028,504	33,228,211
22. Aircraft (all perils)	640,287	1,782,955	1,267,454
23. Fidelity		625	625
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International	1,151,555	3,490,324	3,871,131
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	59,356,617	170,418,049	172,483,257

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	17,444	7,436	24,880	17,071	671	17,742	11,812	1,138	2,291	15,241	11,439	(3,336)	8,103
2. 2018	12,641	14,391	27,032	17,850	203	18,053	8,600	494	3,014	12,108	13,809	(10,680)	3,129
3. Subtotals 2018 + prior	30,085	21,827	51,912	34,921	874	35,795	20,412	1,632	5,305	27,349	25,248	(14,016)	11,232
4. 2019	28,113	30,916	59,029	21,849	1,449	23,298	16,643	1,080	16,813	34,536	10,379	(11,574)	(1,195)
5. Subtotals 2019 + prior	58,198	52,743	110,941	56,770	2,323	59,093	37,055	2,712	22,118	61,885	35,627	(25,590)	10,037
6. 2020	X X X	X X X	X X X	X X X	22,048	22,048	X X X	13,786	43,930	57,716	X X X	X X X	X X X
7. Totals	58,198	52,743	110,941	56,770	24,371	81,141	37,055	16,498	66,048	119,601	35,627	(25,590)	10,037

8. Prior Year-End Surplus As
Regards Policyholders

157,839

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. 61.217 2. -48.518 3. 9.047

Col. 13, Line 7
Line 8

4. 6.359

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?	YES

Explanation:

- Question 1:

Not applicable
- Question 2:

Not applicable
- Question 3:

Not applicable

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION
Real Estate

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

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	5,200,000	5,200,000
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)	5,200,000	5,200,000
12. Deduct total nonadmitted amounts	5,200,000	5,200,000
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION
Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	267,672,591	238,009,293
2. Cost of bonds and stocks acquired	8,017,147	82,626,990
3. Accrual of discount	136,668	258,655
4. Unrealized valuation increase (decrease)	(19,498,206)	3,072,929
5. Total gain (loss) on disposals	(118,739)	700,587
6. Deduct consideration for bonds and stocks disposed of	89,391,299	56,320,527
7. Deduct amortization of premium	609,158	778,704
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized	496,858	
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	208,313	103,368
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	165,920,459	267,672,591
12. Deduct total nonadmitted amounts	1,123,975	1,123,975
13. Statement value at end of current period (Line 11 minus Line 12)	164,796,484	266,548,616

SCHEDULE D - PART 1B

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

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	83,211,697	420,878	38,477,134	63,617	83,037,144	83,211,697	45,219,058	56,230,896
2. NAIC 2 (a)	64,882,695	41,266	16,679,605	(543,823)	74,693,789	64,882,695	47,700,533	84,292,174
3. NAIC 3 (a)	7,191,385		506,459	11,205	10,558,464	7,191,385	6,696,131	21,349,419
4. NAIC 4 (a)	872,200		2,496	427,663	1,028,194	872,200	1,297,367	2,029,077
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	156,157,977	462,144	55,665,694	(41,338)	169,317,591	156,157,977	100,913,089	163,901,566
PREFERRED STOCK								
8. NAIC 1	1,368,208			2,891	1,277,466	1,368,208	1,371,099	1,601,309
9. NAIC 2								
10. NAIC 3		7,582	46	(3,485)	74,250		4,051	74,250
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	1,368,208	7,582	46	(594)	1,351,716	1,368,208	1,375,150	1,675,559
15. Total Bonds & Preferred Stock	157,526,185	469,726	55,665,740	(41,932)	170,669,307	157,526,185	102,288,239	165,577,125

(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 \$ 844,738; 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	844,738	X X X	848,103	5,725	1,696

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	821,577	490,000
2. Cost of short-term investments acquired	34,726,335	1,494,602
3. Accrual of discount	8,980	(723)
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	(2,997)	
6. Deduct consideration received on disposals	34,706,689	1,145,000
7. Deduct amortization of premium	2,468	17,302
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)	844,738	821,577
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	844,738	821,577

- 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	5,268,365	9,562,256
2. Cost of cash equivalents acquired	147,187,065	86,606,168
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	132,037,426	90,900,059
7. Deduct amortization of premium	789	
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)	20,417,215	5,268,365
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	20,417,215	5,268,365

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
382096-CU-7 914148-JC-6	GOOD HOPE ALA UNIVERSITY CITY MO SCH DIST		07/28/2020 07/14/2020	NATIONAL FINL SVCS CORP NATIONAL FINL SVCS CORP		70,732 252,885	70,000.00 250,000.00	519 3,146	1FE 1FE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	323,617	320,000.00	3,665	X X X
818200-UH-8 82863Q-CG-9	SEVIER CNTY TENN PUB BLDG AUTH SIMI VY CALIF CMNTY DEV AGY TAX ALLOC		07/08/2020 08/28/2020	NATIONAL FINL SVCS CORP NATIONAL FINL SVCS CORP		97,262 41,266	95,000.00 40,000.00	1,532 1,000	1FE 2FE
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	138,528	135,000.00	2,532	X X X
8399997	Subtotal - Bonds - Part 3				X X X	462,145	455,000	6,197	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	462,145	455,000.00	6,197	X X X
74915M-30-8	QURATE RETAIL 8 0 PRF		09/15/2020	Unknown	41,250	7,582			3FE
8499999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated) Perpetual Preferred				X X X	7,582	X X X		X X X
8999997	Subtotal - Preferred Stock - Part 3				X X X	7,582	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	7,582	X X X		X X X
74915M-10-0	QURATE RETAIL SRS A ORD		09/15/2020	Unknown	1,375,000	18,750			XX
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated) Publicly Traded				X X X	18,750	X X X		X X X
9799997	Subtotal - Common Stock - Part 3				X X X	18,750	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
9799999	Total - Common Stock				X X X	18,750	X X X		X X X
9899999	Total - Preferred and Common Stock				X X X	26,332	X X X		X X X
9999999	Totals				X X X	488,477	X X X	6,197	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	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident- ification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractua Maturity Date	NAIC Designation and Administrative Symbol
217309-LL-5 233843-BG-5 303531-YM-3 366658-NQ-1 413958-HD-4 542264-CB-0 818563-BG-2 923345-HZ-8	COPIAH CNTY MISS DAINGERFIELD LONE STAR TEX INDPT S FAIRBANKS NORTH STAR BORO ALASKA GARVEY CALIF SCH DIST HARRIS CNTY TEX MUN UTIL DIST NO 391 LONE STAR COLLEGE SYS TEX SEYMOUR IND VENUS TEX INDPT SCH DIST		07/01/2020 08/15/2020 08/04/2020 08/01/2020 09/01/2020 08/15/2020 07/15/2020 07/14/2020	Maturity @ 100.00 Maturity @ 100.00 Call @ 100.00 Maturity @ 100.00 Maturity @ 100.00 Maturity @ 100.00 Maturity @ 100.00 Call @ 100.00		210,000 385,000 75,000 100,000 90,000 140,000 45,000 110,000	210,000.00 385,000.00 75,000.00 100,000.00 90,000.00 140,000.00 45,000.00 110,000.00	213,133 388,357 75,815 102,035 92,059 142,024 45,642 111,164	210,000 385,000 75,000 100,000 90,000 140,000 45,223 110,000				(815) (223)	(815) (223)	210,000 385,000 75,000 100,000 90,000 140,000 45,000 110,000				9,975 11,550 2,300 4,000 3,600 7,000 1,800 2,642	07/01/2020 08/15/2020 11/01/2021 08/01/2020 09/01/2020 08/15/2020 07/15/2020 08/15/2021	Z 1FE 1FE 1FE 1FE 1FE 1FE 1FE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	1,155,000	1,155,000.00	1,170,229	1,080,223		(1,038)		(1,038)		1,155,000				42,867	X X X	X X X
053559-AS-9 084132-AT-6 342814-DS-6 3136AA-6W-0 3136AB-XE-8 3136AB-S2-0 60416S-JB-7 60416Q-GG-3 64605K-8N-3 684907-SZ-2 76912K-AR-3 797843-BD-0 88271H-FL-8 882750-NE-8 892397-GQ-7 924402-AY-6 92812U-K5-6	AVENAL CALIF PUB FING AUTH REV BERKELEY CALIF CMNTY FACS DIST SPL FLORIDA ST MID-BAY BRIDGE AUTH REV FNR 2012-154 CP - CMO/RMBS FNR 2013-3 BG - CMO/RMBS FNR 2013-6 QP - CMO/RMBS MINNESOTA ST HSG FIN AGY MINNESOTA ST HSG FIN AGY HOMEOWN NEW JERSEY ST EDL FACS AUTH REV ORANGE CNTY FLA HSG FIN AUTH HOME RIVERSIDE CNTY CALIF PUB FING AUTH L SAN JACINTO CALIF REDEV AGY TAX ALL TEXAS ST AFFORDABLE HSG CORP SING TEXAS ST DEPT HSG & CMNTY AFFAIRS TRACY CALIF OPER PARTNERSHIP JT PW VERNON CALIF REDEV AGY TAX ALLOC VIRGINIA ST HSG DEV AUTH COMWLTH M		09/01/2020 09/01/2020 08/10/2020 09/25/2020 07/27/2020 09/01/2020 09/02/2020 09/15/2020 07/30/2020 07/30/2020 09/02/2020 07/06/2020 09/30/2020 09/02/2020 08/01/2020 08/05/2020 09/01/2020	Maturity @ 100.00 Maturity @ 100.00 Call @ 100.00 Paydown Paydown Paydown Call @ 100.00 Call @ 100.00 Call @ 100.00 Call @ 100.00 Call @ 100.00 Call @ 100.00 Call @ 100.00 Call @ 100.00 Maturity @ 100.00 Call @ 100.00 Paydown		25,000 100,000 55,000 54,755 22,975 39,626 30,000 110,043 35,000 45,000 45,000 40,000 40,000 40,000 225,000 170,000 33,526	25,000.00 100,000.00 55,000.00 54,755.21 22,975.14 39,626.30 30,000.00 110,043.42 35,000.00 45,000.00 45,000.00 40,000.00 40,000.00 40,000.00 225,000.00 170,000.00 33,525.95	25,535 102,094 56,014 54,618 22,946 39,527 29,985 110,043 36,016 49,166 46,445 40,816 39,305 39,880 229,621 185,982 33,495	25,000 100,000 55,451 54,658 22,975 39,539 29,986 110,043 35,000 46,854 45,000 40,000 39,395 39,899 225,000 174,844 33,526								1,100 4,750 1,041 982 335 692 1,085 2,179 1,181 1,172 1,209 167 740 1,183 9,563 9,883 634	09/01/2020 09/01/2020 10/01/2021 01/25/2043 02/25/2043 02/25/2043 01/01/2032 02/01/2046 09/01/2022 09/01/2040 10/01/2022 08/01/2024 09/01/2041 07/01/2041 08/01/2020 09/01/2021 04/25/2042	2FE 1FE 2FE 1 1 1 1FE 1FE 2FE 1FE 1FE 1FE 1FE 1FE Z 1FE 1FE		
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment Non-Guaranteed Obligati				X X X	1,110,925	1,110,926.02	1,141,488	1,080,498		(4,150)		(4,150)		1,117,165		(6,240)	(6,240)	37,896	X X X	X X X
00287Y-AU-3 009090-AB-7 00912X-BE-3 023608-AF-9 02376Y-AA-5	ABBVIE INC AIR CANADA 2015-1 PASS THROUGH TRU AIR LEASE CORP AMEREN CORP AMERICAN AIRLINES INC - ABS	C	07/31/2020 09/15/2020 07/31/2020 07/31/2020 07/15/2020	BONY/TORONTO DOMINI Paydown BONY/TORONTO DOMINI BONY/TORONTO DOMINI Paydown		1,013,180 38,434 1,299,048 1,004,890 44,137	1,000,000.00 38,433.94 1,284,000.00 1,000,000.00 44,136.50	988,040 37,521 1,314,726 987,181 44,247	992,129 37,984 1,311,209 995,019 44,282		3,349 450 (7,737) 3,354 (145)		3,349 450 (7,737) 3,354 (145)		995,478 38,434 1,303,472 998,372 44,137		17,702 (4,424) 6,518	17,702 (4,424) 6,518	16,547 1,489 47,187 19,350 2,317	05/14/2021 09/15/2024 01/15/2022 11/15/2020 07/15/2025	2FE 2FE 2FE 2FE 3FE

Bonds and Stock Sold, Redeemed or
During the Current Quarter

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

E05.1

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident- ification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractua Maturity Date	NAIC Designation and Administrative Symbol
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	21,754,388	21,381,599.92	21,420,607	21,326,880	56	(25,056)		(25,000)		21,421,007		333,380	333,380	597,569	X X X	X X X
74915M-30-8	QURATE RETAIL 8 0 PRF		09/21/2020	CORPORATE REORGANI	0.25	25		46							46		(21)	(21)			3FE
8499999	Subtotal - Preferred Stock - Industrial and Miscellaneous (Unaffiliated) Perpetual Preferred				X X X	25	X X X	46							46		(21)	(21)		X X X	X X X
8999997	Subtotal - Preferred Stock - Part 4				X X X	25	X X X	46							46		(21)	(21)		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	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
8999999	Total - Preferred Stocks				X X X	25	X X X	46							46		(21)	(21)		X X X	X X X
74915M-10-0	QURATE RETAIL SRS A ORD		09/15/2020	Adjustment	1,375.00	26,332		26,332	11,591	14,741			14,741		26,332				2,063		XX
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated) Publicly Traded				X X X	26,332		26,332	11,591	14,741			14,741		26,332				2,063	X X X	X X X
9799997	Subtotal - Common Stock - Part 4				X X X	26,332	X X X	26,332	11,591	14,741			14,741		26,332				2,063	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	26,332	X X X	26,332	11,591	14,741			14,741		26,332				2,063	X X X	X X X
9899999	Total - Preferred and Common Stocks				X X X	26,357	X X X	26,378	11,591	14,741			14,741		26,378		(21)	(21)	2,063	X X X	X X X
9999999	Totals					21,780,745	X X X	21,446,985	21,338,471	14,797	(25,056)		(10,259)		21,447,385		333,359	333,359	599,632	X X X	X X X

E05.2

- 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

[illegible]

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

[illegible]

E14



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

NAIC Group Code 3478 NAIC Company Code 43494
Company Name American Hallmark Insurance Company of Texas

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

1. Monoline Policies

1 Direct Written Premium	2 Direct Earned Premium	3 Direct Losses Incurred
\$	\$	\$

2. Commercial Multiple Peril (CMP) Packaged Policies

- 2.1 Does the reporting entity provide D&O liability coverage as part of a CMP packaged policy?

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

Yes [] No [X]
- 2.3 If the answer to question 2.2 is yes, provide the quantified or estimated direct premium earned amount for D&O liability coverage in CMP packaged policies

2.31 Amount quantified:

\$

2.32 Amount estimated using reasonable assumptions:

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

\$