VIRGINIA

ANNUAL STATEMENT

OF THE

HOW INSURANCE COMPANY, A RISK RETENTION GROUP IN RECEIVERSHIP

RICHMOND, VIRGINIA

TO THE

STATE CORPORATION COMMISSION

OF THE

COMMONWEALTH OF VIRGINIA

THROUGH THE

COMMISSIONER OF INSURANCE

FOR THE YEAR ENDED DECEMBER 31, 1998

PROPERTY AND CASUALTY

1998

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| | |



ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 1998

OF THE CONDITION AND AFFAIRS OF THE

HOW Insurance Company, A Risk Retention Group, In Receivership

| NAIC Group Code | 0000 | NAIC Company Code _ | 41246 | Employer's ID Number | 52-1208234 |
|---|---|---|---|--|--|
| Organized under the Laws of the State of | | | Virgin | ia | , using |
| | | | | as the Port of Entry, made t | o the |
| NSURANCE DEPARTME | NT OF THE STATE OF V | T A | | | |
| ncorporated | 02/23/1981 | PURSUANT TO THE | LAWS THEREOF Iced Business | 07/07/4004 | • |
| • | | 1 10 | iced business | 07/27/1981 | · · · · · · · · · · · · · · · · · · · |
| tatutory Home Office | | D E. Main Street treet and Number) | , | Richmond, VA 2321 (City or Town, State and Zip C | |
| lain Administrative Office | | 11 | 1 Congress Avenue, | | • |
| | A TV 70704 | | (Street and Number | er) | |
| | Austin, TX 78701 or Town, State and Zip Code) | | | 512-404-6555 (Area Code) (Telephone Number) | |
| lail Address | 111 Congress Avenue | e, Suite 1850 | • | Austin, TX 78701 | |
| | (Street and Number or | P.O. Box) | | (City or Town, State and Zip Code) | |
| rimary Location of Books | and Records | | | Avenue, Suite 1850 | |
| | Austin, TX 78701 | | (Street | t and Number) 512-404-6555 | |
| , , | r Town, State and Zip Code) | | | (Area Code) (Telephone Number) | |
| nnual Statement Contact | | Mike R. Parker | | 512-404-6555 | - |
| | | (Name) | | (Area Code) (Telephone Number) (E | xtension) |
| | | ITHORIZED REP | RESENTATIV | ES | |
| Mike R. Pa | arker | Christian Lu | ındeen | | |
| | | _ | | | |
| State of | Texas | | | | |
| County of | - . | > SS: | | | |
| the HOW Insurance Comuthorized representatives reperty of the said insure chibits, schedules and expendition and affairs of the ave been completed in according to the completed of the completed of the completed in according to the completed of the complete | pany, A Risk Retention G of the said insurer, and r, free and clear from an planations therein contain said insurer as of the rep cordance with the NAIC a er; or, (2) that state rules | that on the thirty-first day by liens or claims thereon, ned, annexed or referred orting period stated above nnual statement instruction or regulations require diff | ing duly sworn, each of December last, a cexcept as herein state to is a full and true so and of its income arms and accounting pra | deposes and says that they are Il of the herein described asset ated, and that this Statement, t statement of all the assets and nd deductions therefrom for the actices and procedures manuals not related to accounting praction | s were the absolute ogether with related liabilities and of the period reported, and except to the exten |
| Mike R | Parker | (Mishin) | Lundeen | | |
| Authorized Repr | esentative | Authorized Repr | resentative | 4 | |
| | | | a. Is | this an original filing? | Vac full Mar 1 |
| Subscribed and sworn to b | efore me this | | b. If i | • • | Yes [x]No [] |
| 2 PAP | Tampaul | | ·· · | 12 | |
| day of | HY/10/1999 | • | | State the amendment number | |
| Muffell | (asan | | | Date filed Number of pages attached | |
| \sim) \sim | Ŭ | | | | |

JENNIFER RAGAN Notary Public, State of Texas My Commission Expires NOV. 9, 2002

ASSETS

| | | | OLIO | | | |
|----------------|--|------------------------|----------------------|------------------------|---|------------------------|
| | - | 1 | Current 2 | t Year 3 | 4 | Prior Year 5 |
| | | Ledger Assets | Non-Ledger Assets | Assets Not Admitted | Net Admitted Assets (Cols 1 + 2 - 3) | Net Admitted Assets |
| 1 | Bonds (less \$ 0) liability | | | | | |
| | for asset transfers with put options, Schedule D, Part 1) | 119.000.014 | | 111 . 129 | 118 , 888 , 885 | 121.687.132 |
| 2. | Stocks: 2.1 Preferred stocks (Schedule D, Part 2, | | | , . | | , , . |
| | Section 1) | | | | | |
| | Section 2) | | | | | |
| 3. | Mortgage loans on real estate (Schedule B): 3.1 First liens | | | | | |
| | 3.2 Other than first liens | | | | | |
| 4. | Real estate: (Schedule A): | | | | | |
| | 4.1 Properties occupied by the company (less \$encumbrances) | | | | | |
| | 4.2 Other properties | | | | | |
| | (less \$ encumbrances) | | | | | |
| 5. | Cash (\$(208,708) Schedule E, | | | | | |
| | Part 1) and short-term investments | | | | | |
| | (\$11,145,246 Schedule DA, Part 1) | | | | | |
| | Other invested assets (Schedule BA) | | | | | |
| | Receivable for securities | | | | | |
| 8. a | Aggregate write-ins for invested assets | 120 036 552 | | 111 120 | 129,825,423 | 127 558 250 |
| | Agents' balances or uncollected premiums (net as | 129,950,552 | | 111,129 | 129,020,425 | 121 , 550 , 259 |
| 10. | to commissions and dividends): 10.1 Premiums and agents' balances in course of | | | | | |
| | collection (after deducting ceded reinsurance | | | | | |
| | balances payable of (\$) | | | | | |
| | 10.2 Premiums, agents' balances and installments booked but deferred and not yet due (after deducting ceded reinsurance balances payable of | | | | | |
| | \$) (Including | | | | | |
| | \$earned but unbilled | | | | | |
| | premiums) | | | | | |
| 11. | \$ | | | | | |
| 12. | Bills receivable, taken for premiums | | | | | |
| | Reinsurance recoverables on loss and loss adjustment expense payments (Schedule F, Part | | | | | |
| 14. | Federal income tax recoverable and interest | 4,594,715 | | | | 4,581,879 |
| 14A. | | 1 ,017 ,397 | | | 1 ,017 ,397 | |
| 15. | Electronic data processing equipment | | | | | |
| 16. | Interest, dividends and real estate income due and accrued | | 1 627 109 | | 1 627 109 | 1 662 560 |
| 17. | | | 1,027,190 | 4.287.122 | 027 , 190 | , , 002 , 300 |
| | Equities and deposits in pools and associations | , , , | | | | |
| 19. | Amounts receivable relating to uninsured accident and health plans | | | | | |
| | (======== | | | | | |
| 21. 22. | Aggregate write-ins for other than invested assets TOTALS (Lines 9 through 21) | 638,517 140,474,303 | 1,627,198 | 3,550 4,401,801 | 634,967 137,699,700 | 634,120 135,454,215 |
| | | , , | .,021,100 | ., 101,001 | .5.,500,100 | .00, .01,210 |
| | DETAILS OF WRITE-INS Due from Broker | | | | 0 | 0 |
| 0802. | | | | | | |
| 0803. 0898. | Summary of remaining write-ins for Line 8 from | | | | | |
| 0899. | overflow page | | | | | |
| 2101 | above) Loss Reserve Prepayments | 634 967 | | | 634,967 | 634 . 120 |
| | | 3,550 | | 3,550 | 0 | 0 |
| 2103. | Summary of remaining write-ins for Line 21 from | , | | | 0 | 0 |
| | overflow page | | | | | |
| 2199. | Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above) | 638,517 | | 3,550 | 634,967 | 634 , 120 |
| | | | | | | |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | LIABILITIES, SORI LOS AND OTTIER I | 1 Current Year | 2 Prior Year |
|-------|--|-------------------|-----------------|
| 1. | Losses (Part 3A, Line 32, Column 5) | 61,744,425 | 69,439,408 |
| | Reinsurance payable on paid loss and loss adjustment expenses (Schedule F, Part 1, Column 2) | | |
| | Loss adjustment expenses (Part 3A, Line 32, Column 6) | | |
| | Contingent commissions and other similar charges | | |
| | Other expenses (excluding taxes, licenses and fees) | | |
| | Taxes, licenses and fees (excluding federal and foreign income taxes) | | |
| | Federal and foreign income taxes (excluding deferred taxes) | | |
| | Borrowed money | | |
| | Interest, including \$ on borrowed money | | |
| | Unearned premiums (Part 2A, Line 34, Column 5) | | |
| 0. | (after deducting ceded reinsurance unearned premiums of \$ | 17 982 000 | 28 974 000 |
| 10 | Dividends declared and unpaid: | 17,302,000 | 20,074,000 |
| 10. | a. Stockholders | | |
| | b. Policyholders | | |
| 11 | • | | |
| | Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 14) | | |
| | Amounts withheld or retained by company for account of others | | |
| | Remittances and items not allocated. | | |
| | Provision for reinsurance (Schedule F, Part 7) | | |
| | Excess of statutory reserves over statement reserves (Schedule P Interrogatories) | | |
| | Net adjustments in assets and liabilities due to foreign exchange rates | | |
| 17. | Drafts outstanding | | |
| 18. | Payable to parent, subsidiaries and affiliates | | |
| 19. | Payable for securities | | |
| 20. | Liability for amounts held under uninsured accident and health plans | | |
| 21. | Capital Notes \$and interest thereon \$ | | |
| 22. | Aggregate write-ins for liabilities | 22,578,382 | 18,971,976 |
| 23. | Total liabilities (Lines 1 through 22) | 170,393,905 | 192,629,451 |
| 24. | Aggregate write-ins for special surplus funds | | |
| 25A. | Common capital stock | 1,000,000 | 1,000,000 |
| | Preferred capital stock | | |
| | Aggregate write-ins for other than special surplus funds | | |
| | Surplus Notes | | |
| | Gross paid in and contributed surplus | | 5 115 405 |
| | Unassigned funds (surplus) | | |
| | Less treasury stock, at cost: | (00,000,000) | (00,200,040) |
| 200. | | | |
| | (1) shares common (value included in Line 25A \$) | | |
| 07 | (2) shares preferred (value included in Line 25B \$) | | (57, 475, 005) |
| | Surplus as regards policyholders (Lines 24 to 26C, less 26D) (Page 4, Line 32) | | |
| 28. | TOTALS (Page 2, Line 22, Col. 4) | 137,699,701 | 135,454,216 |
| | DETAILS OF WRITE-INS | | |
| | Loss payments - deferred, see footnote no. 6 | | |
| | Indirect losses - 100%, see footnote no. 6. | | |
| | Loss reserve prepayments, See footnote no. 7 | | |
| 2298. | Summary of remaining write-ins for Line 22 from overflow page | 5,040,162 | 5,074,995 |
| 2299. | Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above) | 22,578,382 | 18,971,976 |
| 2401. | | | |
| 2402. | | | |
| 2403. | | | |
| 2498. | Summary of remaining write-ins for Line 24 from overflow page | | |
| 2499. | Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above) | | |
| 25C01 | | | |
| | | | |
| |). | | |
| | 8. Summary of remaining write-ins for Line 25C from overflow page | | |
| | D. Totals (Lines 25C01 thru 25C03 plus 25C98) (Line 25C above) | | |
| 2000 | 10000 (Lines 2000) tind 20000 pids 20000) (Line 200 above) | 1 | |

UNDERWRITING AND INVESTMENT EXHIBITSTATEMENT OF INCOME

| | UNDERWRITING AND INVESTMENT EXHIBITSTATEME | INT OF INCU | |
|-------|---|-------------------|-----------------|
| | | 1 Current Year | 2 Prior Year |
| | UNDERWRITING INCOME | Guiroin roui | 1 1101 1 001 |
| 1. | Premiums earned (Part 2, Line 32, Column 4) | 10,992,000 | 13,866,000 |
| | | | |
| | DEDUCTIONS | | |
| 2 | Losses incurred (Part 3, Line 32, Column 7) | (1 195 446) | 11 842 727 |
| | Loss expenses incurred (Part 4, Line 22, Column 1) | | |
| | Other underwriting expenses incurred (Part 4, Line 22, Column 2) | | |
| 5. | Aggregate write-ins for underwriting deductions | | 39,989 |
| 6. | Total underwriting deductions (Lines 2 through 5) | | 26,077,085 |
| 7. | Net underwriting gain or (loss) (Line 1 minus Line 6) | 8,776,680 | (12,211,085) |
| | INVESTMENT INCOME | | |
| | INVESTMENT INCOME | | |
| 8. | Net investment income earned (Part 1, Line 14) | 5,978,684 | 6,636,076 |
| 9. | Net realized capital gains or (losses) (Part 1A, Line 10) | 348, 198 | (15,865) |
| 9A. | Net investment gain or (loss) (Lines 8 + 9) | 6,326,882 | 6,620,211 |
| | | | |
| | OTHER INCOME | | |
| 10 | Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount | | |
| 10. | charged off \$ | | |
| 11. | Finance and service charges not included in premiums. | | |
| | Aggregate write-ins for miscellaneous income | | 3,042 |
| 13. | Total other income (Lines 10 through 12) | | 3,042 |
| 14. | Net income before dividends to policyholders and before federal and foreign income taxes (Lines 7 + 9A + 13) | | (5,587,832) |
| | Dividends to policyholders (Exhibit 2, Line 16, Column 1 plus Page 3, Line 10b, Column 1 minus Column 2) | | , |
| 14B. | Net income, after dividends to policyholders but before federal and foreign income taxes (Line 14 minus Line 14A) | 24,503,839 | (5,587,832) |
| 15. | Federal and foreign income taxes incurred | | |
| 16. | Net income (Line 14B minus Line 15) (to Line 18) | 24,503,839 | (5,587,832) |
| | | | |
| | CAPITAL AND SURPLUS ACCOUNT | | |
| 17 | Surplus as regards policyholders, December 31 prior year (Page 4, Line 32, Column 2) | (57, 175, 236) | (53,005,157) |
| 17. | Surplus as regards policyrioliders, December 31 prior year (Fage 4, Line 32, Column 2) | (01,110,200) | (55,005,157) |
| | GAINS AND (LOSSES) IN SURPLUS | | |
| | | | |
| 18. | Net income (from Line 16) | 24,503,839 | (5,587,832) |
| | Net unrealized capital gains or (losses) (Part 1A, Line 11) | | |
| 20. | Change in nonadmitted assets (Exhibit 1, Line 6, Col. 3) | 2,743 | (61,334) |
| | Change in provision for reinsurance (Page 3, Line 14, Column 2 minus Column 1) | | |
| | Change in foreign exchange adjustment | | |
| | Change in excess of statutory reserves over statement reserves (Page 3, Line 15, Column 2 minus Column 1) | | |
| | Change in surplus notes | | |
| 24. | a. Paid in (Exhibit 2, Line 6, Column 1) | | |
| | b. Transferred from surplus (Stock Dividend) | | |
| | c. Transferred to surplus | | |
| 25. | Surplus adjustments: | | |
| | a. Paid in (Exhibit 2, Line 7, Column 1) | | |
| | b. Transferred to capital (Stock Dividend) | | |
| | c. Transferred from capital | ļ | |
| | Net remittances from or (to) Home Office (Exhibit 2, Line 4b minus Line 12b, Column 1) | | |
| | Dividends to stockholders (cash) | | |
| | Extraordinary amounts of taxes for prior years | | |
| | Aggregate write-ins for gains and losses in surplus | | , 551, 561 |
| | Change in surplus as regards policyholders for the year (Lines 18 through 30) | | (4,170,079) |
| | Surplus as regards policyholders, December 31 current year (Lines 17 plus Line 31) (Page 3, Line 27) | (32,694,207) | (57,175,236) |
| | DETAILS OF WRITE-INS | | |
| | Increase in Approved Proofs of Claim | | 39,989 |
| | | | |
| | Company of remaining write in a fact line E from everifications | | |
| | Summary of remaining write-ins for Line 5 from overflow page | | აი იიი |
| | Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) Miscel laneous income | 277 | 39,989 |
| | Litigation Settlements | | |
| | Litigation Payments | | 0 |
| | Summary of remaining write-ins for Line 12 from overflow page | | |
| | Totals (Lines 1201 thru 1203 plus 1298) (Line 12 above) | 9,400,277 | 3,042 |
| 3001. | | | |
| 3002. | | | |
| | | | |
| | Summary of remaining write-ins for Line 30 from overflow page | | |
| 3099. | Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above) | | |

CASH FLOW

| | CASH FLOW | 1 1 | 2 |
|--------|---|--------------|---------------------------------------|
| | | Current Year | Prior Year |
| 1 | Cash from Operations | | |
| | Premiums collected net of reinsurance | | 13 841 553 |
| | Underwriting expenses paid | | |
| | Other underwriting income (expenses) | | (39,989) |
| | Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) | | 1 ' ' |
| | Net investment income | | · · · · · · · · · · · · · · · · · · · |
| 7. | Other income (expenses): | | |
| | 7.1 Agents' balances charged off | | |
| | 7.2 Net funds held under reinsurance treaties | 1,671,347 | 1,665,351 |
| | 7.3 Net amount withheld or retained for account of others | - | |
| | 7.4 Aggregate write-ins for miscellaneous items | | 3,042 |
| | 7.5 Total other income (Lines 7.1 to 7.4) | 11,071,624 | 1,668,393 |
| 8. | Dividends to policyholders on direct business , less \$ dividends on reinsurance assumed or ceded (net) | | |
| 9. | Federal and foreign income taxes (paid) recovered | 0 | (420,497) |
| 10. | Net cash from operations (Line 5 plus Line 6 plus Line 7.5 minus Line 8 plus Line 9) | (894,712) | (11,065,306) |
| | Cash from Investments | | |
| 11. | Proceeds from investments sold, matured or repaid: | | |
| | 11.1 Bonds | 53,952,382 | 64,231,675 |
| | 11.2 Stocks | | |
| | 11.3 Mortgage loans | | |
| | 11.4 Real estate | | |
| | 11.5 Other invested assets | | |
| | 11.6 Net gains or (losses) on cash and short-term investments | | 418 |
| | 11.7 Miscellaneous proceeds | | 04 000 000 |
| 40 | 11.8 Total investment proceeds (Lines 11.1 to 11.7) | 53,952,382 | |
| 12. | Cost of investments acquired (long-term only): 12.1 Bonds | 51 GOO 5G2 | 60 020 060 |
| | | | 00,920,009 |
| | 12.2 Stocks | | |
| | 12.4 Real estate | | |
| | 12.5 Other invested assets | | |
| | 12.6 Miscellaneous applications | | |
| | 12.7 Total investments acquired (Lines 12.1 to 12.6) | | 60,920,069 |
| 13. | Net Cash from investments (Line 11.8 minus Line 12.7) | | 3,312,024 |
| | Cash from Financing and Miscellaneous Sources | 2,001,010 | 0,0.2,02. |
| 14. | Cash provided: | | |
| | 14.1 Surplus notes, capital and surplus paid in | | |
| | 14.2 Capital notes \$less amounts repaid \$ | | |
| | 14.3 Net transfers from affiliates | | |
| | 14.4 Borrowed funds received | | |
| | 14.5 Other cash provided | 3,664,565 | 5,002,013 |
| | 14.6 Total (Lines 14.1 to 14.5) | 3,664,565 | 5,002,013 |
| 15. | Cash applied: | | |
| | 15.1 Dividends to stockholders paid | | |
| | 15.2 Net transfers to affiliates | | |
| | 15.3 Borrowed funds repaid | | |
| | 15.4 Other applications | | 553,913 |
| | 15.5 Total (Lines 15.1 to 15.4) | | 553,913 |
| 16. | Net cash from financing and miscellaneous sources (Line 14.6 minus Line 15.5) | 3,608,304 | 4,448,100 |
| | RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS | | |
| | | | |
| | Net change in cash and short-term investments (Line 10, plus Line 13, plus Line 16) | 5,065,411 | (3,305,181) |
| 18. | Cash and short-term investments: | | |
| | 18.1 Beginning of year | | 9,176,308 |
| | 18.2 End of year (Line 17 plus Line 18.1) | 10,936,538 | 5,871,127 |
| | DETAILS OF WRITE-INS | | |
| | Miscellaneous Income | | 3,042 |
| | Litigation Settlements | | 0 |
| | Litigation Payments | | 0 |
| | Summary of remaining write-ins for Line 7.4 from overflow page | | |
| 07.499 | Totals (Lines 07.401 thru 07.403 plus 07.498) (Line 7.4 above) | 9,400,277 | 3,042 |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - INTEREST, DIVIDENDS AND REAL ESTATE INCOME

| | 1 | | | Due and Acc | rued (h) | 8 | | |
|-------------------------|--|------------------|---|--------------------|------------------|---|------------|---|
| | | | Collected During | 4 | 5 | 6 | 7 | Earned During Year Cols. 3 + 5 + 6 - |
| | | Schedule | Year | Current Year | Prior Year | Current Year | Prior Year | 4 - 7 |
| 1. | U.S. government bonds | | 2,044,345 | | | 238,668 | 399,588 | 1,883,425 |
| 1.1 | Bonds exempt from U.S. tax | . , | 90,234 | | | 20,509 | 22,928 | 87,815 |
| 1.2 | Other bonds (unaffiliated) | D (a) | 6.278.354 | | | | 1,230,877 | 6.391.501 |
| 1.3 | Bonds of affiliates | D (a) | , | | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | ,200,011 | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |
| 2.1 | Preferred stocks (unaffiliated) | D (b) | | | | | | |
| 2.11 | Preferred stocks of affiliates | D (b) | | | | | | |
| 2.2 | Common stocks (unaffiliated) | D | | | | | | |
| 2.21 | Common stocks of affiliates | . D | | | | | | |
| 3. | Mortgage loans | . B (c) | | | | | | |
| 4. | Real estate | . A (d) | | | | | | |
| 5.1 | Cash on hand and on deposit | . F | 68,429 | | | | | |
| 5.2 | Short-term investments | DA (e) | 177 . 015 | | | 23.997 | 9.167 | 191,845 |
| 6. | Other invested assets | BA BA | | | | 20,007 | , 101 | |
| 7. | Derivative instruments | DB/DC (f) | | | | | | |
| 8. | | . 00/00 (1) | 58,478 | | | | | 58,478 |
| 9. | Aggregate write-ins for investment income | • | | | | 1,627,198 | 1,662,560 | |
| 9. | TOTALS | | (g) 8,716,855 | | J. | 1,027,190 | | (g) 8,681,493 |
| | | | | | | F | DEDUCTIONS | |
| 10. | Total investment expenses incurred (Part 4, | | • | | | | 2,702,809 | |
| 10A. | Interest expense | | | | | (i) | | |
| 11. | Depreciation on real estate (for companies v | vhich deprecia | ate annually on a formula | a basis) | | | | |
| 12. | Aggregate write-ins for deductions from inve | stment incom | e | | | | | |
| 13. | Total deductions (Lines 10 to 12) | | | | | | | 2,702,809 |
| 14. | Net Investment Income Earned (Line 9 minu | s Line 13 - to | Page 4, Line 8) | | | - | | 5,978,684 |
| | DETAILS OF WRITE-INS | | | | | | | |
| 0801. | Miscellaneous investment income | | 58,478 | | 0 | | 0 | 58,478 |
| 0802. | | | | | | | | |
| 0803. | | | | | | | | |
| 0898. | Summary of remaining write-ins for Line 8 from overflow page | | | | | | | |
| 0899. | Totals (Lines 0801 thru 0803 plus 0898) (Part 1, Line 8) | | 58,478 | | | | | 58,478 |
| 1201. | | | | | | | | |
| 1202. | | | | | | | | |
| 1203. | | | | | | | | |
| 1298. | Summary of remaining write-ins for Line 12 | rom overflow | page | | | | | |
| 1299. | Totals (Lines 1201 thru 1203 plus 1298) (Pa | | | | | | | |
| (a) Inclu | , | ual of discoun | t less \$ | 1,108,936 amortiza | tion of premium | • | | • |
| (b) Inclu | , | ual of discoun | | amortiza | • | | | |
| (c) Inclu | | ual of discoun | | amortiza | | | | |
| (d) Inclu | | | cupancy of its own buildi | | | | | |
| (e) Inclu | | ual of discoun | | amortiza | tion of premium. | | | |
| . , | | ual of discoun | | amortiza | | | | |
| t) Includ | + acci | aa. or alooouri | | | · | | | |
| (f) Includ (a) Inclu | des asset transfers with put options accounted | d for as finance | ing arrangements: \$ | | Column 3 \$ | | Column 8 | |
| (g) Inclu | des asset transfers with put options accounter itted items only. State basis of exclusions. | d for as financ | ing arrangements: \$ | | Column 3, \$ | | Column 8. | |

PART 1A - CAPITAL GAINS AND (LOSSES) ON INVESTMENTS

| | PART 1A - CAPI | I AL GAINS | 4ND (F022E | :3) ON INVE | SIMENIS | | |
|-------|--|--------------------------------|---------------------------------------|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 Net Gain or (Loss) from change in | 7 Total (Net of Cols. |
| | | Profit on Sales or Maturity | Loss on Sales or Maturity | Increases by Adjustment in Book Value | Decreases by Adjustment in Book Value | Difference Between | 2 to 6 incl.) (Cols. 2 - 3 + 4 - 5 + 6) |
| 1. | U.S. government bonds | | 25,594 | | | values | 04 007 |
| 1.1 | Bonds exempt from U.S. tax | | | | | | , |
| 1.2 | Other bonds (unaffiliated) | | | | | (107, 153) | |
| 1.3 | Bonds of affiliates | , | · · · · · · · · · · · · · · · · · · · | | | , , , | · · · · · · · · · · · · · · · · · · · |
| 2.1 | Preferred stocks (unaffiliated) | | | | | | |
| 2.11 | Preferred stocks of affiliates | | | | | | |
| 2.2 | Common stocks (unaffiliated) | | | | | | |
| 2.21 | Common stocks of affiliates | | | | | | |
| 3. | Mortgage loans | | | | | | |
| 4. | Real estate | | | | (a) | | |
| 5.1 | Cash on hand and on deposit | | | | | | |
| 5.2 | Short-term investments | | | | | | |
| 6. | Other invested assets | | | | | | |
| 7. | Derivative instruments | | | | | | |
| 8. | Aggregate write-ins for capital gains and (losses) | | | | | | |
| 9. | TOTALS | 418,471 | 70,273 | | | (107,153) | 241,045 |
| | (Distribution of Line 9, Col. 7) | | | | | | |
| 10. | Net realized capital gains or (losses) (Page 4, Line 9) (Col. 2-3, Lin | ie 9) | | | | | 348, 198 |
| 11. | Net unrealized capital gains or (losses) (Page 4, Line 19) (Col. 4 - | 5 + 6, Line 9) | | | | - | (107, 153) |
| | DETAILS OF WRITE-INS | | | | | | |
| 0801. | | | | | | | |
| 0802. | | | | | | | |
| 0803. | | | | | | | |
| 0898. | Summary of remaining write-ins for Line 8 from overflow page | | | | | | |
| 0899. | Totals (Lines 0801 thru 0803 plus 0898) (Part 1A, Line 8) | | | | | | |

0899. Totals (Lines 0801 thru 0803 plus 0898) (Part 1A, Line 8)

(a) Excluding \$depreciation on real estate included in Part 1, Line 11.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

| | PARI 2 - PR | EMIUMS EARN | | 2 | 4 |
|----------|---|--|---|---|---|
| | Lines of Business | Net Premiums Written per Column 4, Part 2B | Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 2 | 3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 2A | Premiums Earned During Year (Cols. 1 + 2 - 3) |
| 1. | Fire | , | | | |
| 2. | Allied lines | | | | |
| 3. | Farmowners multiple peril | | | | |
| 4. | Homeowners multiple peril | | | | |
| 5. | Commercial multiple peril | | | | |
| 6. | Mortgage guaranty | | | | |
| 8. | Ocean marine | | | | |
| 9. | Inland marine | | | | |
| 10. | Financial guaranty | | | | |
| 11.1 | Medical malpractice - occurrence | | | | |
| 11.2 | Medical malpractice - claims-made | | | | |
| 12. | Earthquake | | | | |
| 13. | Group accident and health | | | | |
| 14. | Credit accident and health (group and individual) | | | | |
| 15. | Other accident and health | | | | |
| 16. | Workers' compensation | | | | |
| 17.1 | Other liability - occurrence | | | | |
| 17.2 | Other liability - claims-made | | | | |
| 18.1 | Products liability - occurrence | | 28,974,000 | 17 ,982 ,000 | 10,992,000 |
| 18.2 | Products liability - claims-made | | | | |
| 19.1,19. | 2 Private passenger auto liability | | | | |
| 19.3,19. | 4 Commercial auto liability | | | | |
| 21. | Auto physical damage | | | | |
| 22. | Aircraft (all perils) | | | | |
| 23. | Fidelity | | | | |
| 24. | Surety | | | | |
| 26. | Burglary and theft | | | | |
| 27. | Boiler and machinery | | | | |
| 28. | Credit | | | | |
| 29. | International | | | | |
| 30A. | Reinsurance - Nonproportional Assumed Property | | | | |
| 30B. | Reinsurance - Nonproportional Assumed Liability | | | | |
| 30C. | Reinsurance - Nonproportional Assumed Financial Lines | | | | |
| 31. | Aggregate write-ins for other lines of business | | | | |
| 32. | TOTALS | | 28,974,000 | 17,982,000 | 10,992,000 |
| | DETAILS OF WRITE-INS | | | | |
| 3101. | | | | | |
| 3102. | | | | | |
| 3103. | | | | | |
| 3198. | Summary of remaining write-ins for Line 31 from overflow page | | | | |
| 3199. | Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above) | | | | |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - RECAPITULATION OF ALL PREMIUMS

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience, viz:

| | return premiums und | der rate credit or retrosp | | | | |
|-----------|---|---|-------------------------|--------------------|--|---------------------------------------|
| | | 1 Amount Unearned (Running One Year or Less from Date of | One Year from Date | 3 Advance Premiums | 4 Reserve for Rate Credits and Retrospective Adjustments Based | 5 Total Reserve for Unearned Premiums |
| | Line of Business | Policy) (b) | of Policy) (b) | 100% | on Experience | Cols. 1 + 2 + 3 + 4 |
| 1. | Fire | | | | | |
| 2. | Allied lines | | | | | |
| 3. | Farmowners multiple peril | | | | | |
| 4. | Homeowners multiple peril | | | | | |
| 5. | Commercial multiple peril | | | | | |
| 6. | Mortgage guaranty | | | | | |
| 8. | Ocean marine | | | | | |
| 9. | Inland marine | | | | | |
| 10. | Financial guaranty | | | | | |
| 11.1 | Medical malpractice - occurrence | | | | | |
| 11.2 | Medical malpractice - claims-made | | | | | |
| 12. | Earthquake | | | | | |
| 13. | Group accident and health | | | | (c) | |
| 14. | Credit accident and health (group and individual) | | | | | |
| 15. | Other accident and health | | | | (c) | |
| 16. | Workers' compensation | | | | | |
| 17.1 | Other liability - occurrence | | | | | |
| 17.2 | Other liability - claims-made | | | | | |
| 18.1 | Products liability - occurrence | | 17 ,982 ,000 | | | 17,982,000 |
| 18.2 | Products liability - claims-made | | | | | |
| 19.1,19. | 2 Private passenger auto liability | | | | | |
| 19.3,19. | 4 Commercial auto liability | | | | | |
| 21. | Auto physical damage | | | | | |
| 22. | Aircraft (all perils) | | | | | |
| 23. | Fidelity | | | | | |
| 24. | Surety | | | | | |
| 26. | Burglary and theft | | | | | |
| 27. | Boiler and machinery | | | | | |
| 28. | Credit | | | | | |
| 29. | International | | | | | |
| 30A. | Reinsurance - Nonproportional Assumed Property . | | | | | |
| 30B. | Reinsurance - Nonproportional Assumed Liability | | | | | |
| 30C. | Reinsurance - Nonproportional Assumed Financial Lines | | | | | |
| 31. | Aggregate write-ins for other lines of business | | | | | |
| 32. | TOTALS | | 17,982,000 | | | 17,982,000 |
| 33. | Accrued retrospective premiums based on experier | nce | | | | |
| 34. | Balance (Line 32 plus Line 33) | | | | | 17,982,000 |
| 3101. | DETAILS OF WRITE-INS | | | | | |
| 3102. | | | | | | |
| 3103. | | | | | | |
| 3198. | Summary of remaining write-ins for Line 31 from overflow page | | | | | |
| 3199. | Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above) | | | | | |
| a) By gro | ss premiums is meant the aggregate of all the premiu | ime written in the nolicia | oe or ronowale in force | | | |

| 3198. | Summary of remaining write-ins for Line 31 from overflow page | | | | | | | | |
|--|---|--|--|--|--|--|--|--|--|
| 3199. | Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above) | | | | | | | | |
| (a) By gro | a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force. | | | | | | | | |
| Are the | Are they so returned in this statement? Yes [] No [] | | | | | | | | |
| (b) State h | ere basis of computation used in each case | | | | | | | | |
| c) Including \$reserved for deferred maternity and other similar benefits. | | | | | | | | | |
| | | | | | | | | | |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - PREMIUMS WRITTEN

| Gross Premiums (Less Return Pre | | | 2 | 3 Reinsurance Ceded | | 4 | | |
|---------------------------------|---|------------------------|--------------------|------------------------|------------------|----------------------|--|--|
| | | | а | ce Assumed _ b | а | b | Net Premiums | |
| | Line of Business | Direct Business (a) | From Affiliates | From Non-Affiliates | To Affiliates | To Non-Affiliates | Written Cols. 1 + 2a + 2b - 3a - 3b | |
| 1. | Fire | | | | | | | |
| 2. | Allied lines | | | | | | | |
| 3. | Farmowners multiple peril | | | | | | | |
| 4. | Homeowners multiple peril | | | | | | | |
| 5. | Commercial multiple peril | | | | | | | |
| 6. | Mortgage guaranty | | | | | | | |
| 8. | Ocean marine | | | - | | | | |
| 9. | Inland marine | | | | | | | |
| 10. | Financial guaranty | | | | | | | |
| 11.1 | Medical malpractice - occurrence | | | | | | | |
| 11.2 | Medical malpractice - claims-made | | | | | | | |
| 12. | Earthquake | | | | | | | |
| 13. | Group accident and health | | | | | | | |
| 14. | Credit accident and health (group and individual) | | | | | | | |
| 15. | Other accident and health | | | | | | | |
| 16. | Workers' compensation | | | | | | | |
| 17.1 | Other liability - occurrence | | | | | | | |
| 17.2 | Other liability - claims-made | | | | | | | |
| 18.1 | Products liability - occurrence | | | | | | | |
| 18.2 | Products liability - claims- made | | NIC | ALE | | | | |
| 19.1,19. | 2 Private passenger auto liability | | INC |)NE | | | | |
| 19.3,19. | 4 Commercial auto liability | | | | | | | |
| 21. | Auto physical damage | | | | | | | |
| 22. | Aircraft (all perils) | | | | | | | |
| 23. | Fidelity | | | _ | | | | |
| 24. | Surety | | | | | | | |
| 26. | Burglary and theft | | | | | | | |
| 27. | Boiler and machinery | | | | | | | |
| 28. | Credit | | | | | | | |
| 29. | | | | | | | | |
| 30A. | Reinsurance - Nonproportional Assumed Property | XXX | | | | | | |
| 30B. | Reinsurance - Nonproportional Assumed Liability | | | | | | | |
| 30C. | Reinsurance - Nonproportional Assumed Financial Lines | | | | | | | |
| 31. | Aggregate write-ins for other | | | | | | | |
| 22 | lines of business | | | | | | | |
| 32. | TOTALS DETAILS OF WRITE-INS | | | | | | | |
| 3101. | | | | | | | | |
| 3102. | | | | | | | | |
| 3103. | | | | | | | | |
| 3198. | Summary of remaining write- ins for Line 31 from overflow page | | | | | | | |
| 3199. | Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above) | | | | | | | |

| (a) Does the company's direct premiums written include premiums recorded on an installment basis? | res [] NO [] |
|---|---------------------------------|
| If yes: 1. The amount of such installment premiums \$ | |
| 2 Amount at which such installment premiums would have been reported had they been rep | orted on an annualized basis \$ |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

| | | FART 3-LC | PART 3 - LOSSES PAID AND INCURRED Losses Paid Less Salvage | | | | | 7 | 8 |
|------------|---|-----------------|---|----------------|-------------------|-------------------|-------------------|-------------------|--------------------------|
| | | 1 | Losses Paid 2 | Less Salvage 3 | 4 | 5 | 6 | 1 | 8 Percentage of Losse |
| | | ' | 2 | 3 | 4 | | | | Incurred (Col. 7, Par |
| | | | | | | Net Losses Unpaid | | Losses Incurred | 3) |
| | | | Reinsurance | Reinsurance | Net Payments | Current Year | Net Losses Unpaid | Current Year | to Premiums Earned |
| | Line of Business | Direct Business | Assumed | Recovered | (Cols. 1 + 2 - 3) | (Part 3A, Col. 5) | Previous Year | (Cols. 4 + 5 - 6) | (Col. 4, Part 2) |
| 1. | Fire | | | | | | | | |
| 2. | Allied lines | | | | | | | | |
| 3. | Farmowners multiple peril | | | | | | | | |
| 4. | Homeowners multiple peril | | | | | | | | |
| 5. | Commercial multiple peril | | | | | | | | |
| 6. | Mortgage guaranty | | | | | | | | |
| 8. | Ocean marine | | | | | | | | |
| 9. | Inland marine | | | | | | | | |
| 10. | Financial guaranty | | | | | | | | |
| 11.1 | Medical malpractice - occurrence | | | | | | | | |
| 11.2 | Medical malpractice - claims-made | | | | | | | | |
| 12. | Earthquake | | | | | | | | |
| 13. | Group accident and health | | | | | | | | |
| 14. | Credit accident and health (group and individual) | | | | | | | | |
| 15. | Other accident and health | | | | | | | | |
| 16. | Workers' compensation | | | | | | | | |
| 17.1 | Other liability - occurrence | | | | • | | | | |
| 17.2 | Other liability - claims-made | | | | | | | | |
| 18.1 | Products liability - occurrence | 7.476.917 | | 977.380 | 6.499.537 | 61.744.425 | 69.439.408 | (1.195.446) | (10.9 |
| 18.2 | Products liability - decurrence | | | | , 400,001 | | , 400, 400 | (1,100,440, | /(10 |
| _ | 9.2 Private passenger auto liability | | | | | | | | |
| | 9.4 Commercial auto liability | | | | | | | | |
| 21. | Auto physical damage | | | | | | | | |
| 22. | Airoraft (all parila) | | | | | | | | |
| 23. | Aircraft (all perils) | | | | | | | | |
| 23. 24. | Fidelity | | | | | | | | |
| 24. 26. | Surety Burglary and theft | | | | | | | | |
| 20. 27. | Boiler and machinery | | | | | | | | |
| | | | | - | | | | | - |
| 28. | | | | | | | | | |
| 29. | | | | | | | | | |
| 30A. | Reinsurance - Nonproportional Assumed Property | | | | | • | | | |
| 30B. | Reinsurance - Nonproportional Assumed Liability | XXX | | | | | | | |
| 30C. | Reinsurance - Nonproportional Assumed Financial Lines | XXX | | + | | | | | |
| 31. | Aggregate write-ins for other lines of business | 7,470,047 | | 077 000 | 0 400 507 | 04 744 405 | 00 400 400 | /4 405 440 | |
| 32. | TOTALS | 7,476,917 | | 977,380 | 6,499,537 | 61,744,425 | 69,439,408 | (1, 195, 446) | (10.9 |
| l | DETAILS OF WRITE-INS | | | | | | | | |
| 3101. | | | | | | | | | |
| 3102. | | | | | | | | | |
| 3103. | | | | . | | . | | | |
| 3198. | Summary of remaining write-ins for Line 31 from overflow page | | | | | | | | |
| 3199. | Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above) | | | 1 | | | 1 | | 1 |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

| | 1 | | 2 | 3 | | 4 | | 5 | 6 |
|--|--------------------------|------------------|--|--|------------|--|------------------|---------------------------------------|---------------------------|
| | Adjusted or in Proc a | b Reinsurance | Deduct Reinsurance Recoverable from Authorized and Unauthorized | Net Losses Excl. Incurred But Not Reported | a | curred But Not Reporte b Reinsurance | c Reinsurance | Net Losses Unpaid (Cols. 3 + | Unpaid Loss Adjustment |
| Line of Business | Direct | Assumed | Companies | (Cols. 1a + 1b - 2) | Direct | Assumed | Ceded | 4a + 4b - 4c) | Expenses |
| 1. Fire | | | | | | | | | |
| 2. Allied lines | | | | | | | | | |
| 3. Farmowners multiple peril | | | | | | | | | |
| 4. Homeowners multiple peril | | | | | | | | | |
| 5. Commercial multiple peril | | | | | | | | | |
| 6. Mortgage guaranty | | | | | | | | | |
| 8. Ocean marine | | | | | | | | | |
| 9. Inland marine | | | | | | | | | |
| 10. Financial guaranty | | | | | | | | | |
| 11.1 Medical malpractice - occurrence | | | | | | | | | |
| 11.2 Medical malpractice - claims-made | | | | | | | | | |
| 12. Earthquake | | | | | | | | · · · · · · · · · · · · · · · · · · · | |
| 13. Group accident and health | | | | | | | | (a) | |
| 14. Credit accident and health (group and individual) | | | | | | | | | |
| 15. Other accident and health | | | | | | | | (a) | |
| 16. Workers' compensation | | | | | | | | | |
| 17.1 Other liability - occurrence | | | | | | | | | |
| 17.2 Other liability - claims-made | | | | | | | | | |
| 18.1 Products liability - occurrence | 7,974,031 | | 2,857,606 | 5, 116, 425 | 80,621,000 | | 23,993,000 | 61,744,425 | 32,847,9 |
| 18.2 Products liability - claims-made | | | | | | | | | |
| 19.1,19.2 Private passenger auto liability | | | | | | | | | |
| 19.3,19.4 Commercial auto liability | | | | | | | | | |
| 21. Auto physical damage | | | | | | | | | |
| 22. Aircraft (all perils) | | | | | | | | | |
| 23. Fidelity | | | | | | | | | |
| 24. Surety | | | | | | | | | |
| 26. Burglary and theft | | | | | | | | | |
| 27. Boiler and machinery | | | _ | | | | | | |
| 28. Credit | | | _ | | | | | | |
| 29. International | | | | | | | | | |
| OA. Reinsurance - Nonproportional Assumed Property | XXX | | | | XXX | | | | |
| OB. Reinsurance - Nonproportional Assumed Liability | XXX | | | | XXX | | | | |
| OC. Reinsurance - Nonproportional Assumed Financial Lines | XXX | ••••• | | | XXX | | | | |
| 31. Aggregate write-ins for other lines of business | | | | | I | | | | |
| 32. TOTALS | 7,974,031 | | 2,857,606 | 5,116,425 | 80,621,000 | | 23,993,000 | 61,744,425 | 32,847,9 |
| DETAILS OF WRITE-INS | .,, | | _,;;;,;; | 2,,.20 | ,, | | 2,222,200 | , , . 20 | 5=,5 10 |
| 101. | | | | | | | | | |
| 102. 103. | | | | | | | | | |
| 198. Summary of remaining write-ins for Line 31 from overflow page | | | | | | | | | |

(a) Including \$ ______for present value of life indemnity claims and \$ _____reserved for deferred maternity and other similar benefits.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 4 - EXPENSES

| d. Net claim adjustment service (a + b - c) (3.596,747) (3.596,747) (3.596 commission and trokerage: a. Direct excluding contingent b. Reinsurance assumed excluding contingent c. Reinsurance assumed excluding contingent d. Contingent-reinsurance assumed f. Contingent-reinsurance assumed f. Contingent-reinsurance assumed f. Contingent-reinsurance assumed g. Policy and membership fees h. Net commission and brokerage (a + b - c + d + e - f + g). 3. Allowances to managers and agents. 4. Advertising and associations 6. Surveys and underwriting reports. 7. Audit of assureds' records 8. Saliary and related items a. Saliners b. Payroll taxes b. Payroll taxes 9. Employee relations and welfare 11. Directors' fees 12. Travel and travel items 14. Equipment 15. Printing and stationery 16. Postage, telephone and telegraph, exchange and express 17. Legal and auditing 17. Totals (Lines 3 to 17). 17. Totals (Lines 3 to 17). 17. Totals (Lines 3 to 17). 18. Taxes, Iconese and fees: c. Gross guaranty association assessments d. All other (excluding federal and foreign income and real estate) o. Total taxes, Iconese and fees (c. Circus guaranty association assessments d. All other (excluding federal and foreign income and real estate) o. Total taxes, Iconese and flores (a + b + c + d) 19. Real estate expenses 20. Real estate expenses 21. Lass unquel depenses - current year. 22. Aggregate write-ins for niscellaneous expenses 23. Lass unquel depenses - current year. 24. 27. 287, 97. 98. 1, 263, 503. 27. 287, 97. 98. 1, 263, 503. 28. 287, 978. 29. 27. 27. 287, 29. 5, 27. 29. 5, | | PART 4 | - EXPENSES | 2 | 2 | 4 |
|--|-------|---|-------------|--------------------|------------|----------------|
| a. Direct b. Reinsurance assumed c. Reinsurance eded d. 4. Met claim adjustment service (a + b + c) d. Net claim adjustment service (a + b - c) d. Net claim adjustment service (a + b - c) d. Net claim adjustment service (a + b - c) d. Notice declaring adjustment service (a + b - c) d. Notice declaring contingent b. Reinsurance assumed electacing contingent c. Reinsurance added excluding contingent d. Contingent-insurance added excluding part of the contingent insurance d. Polluly and membership face d. Note of the contingent insurance added expenses d. Note of the contingent insurance added expenses d. Surveys and underwriting reports d. Surveys and underwri | | | | Other Underwriting | Investment | |
| b. Reinsurance assumed c. Reinsurance ceded d. 851,877 d. 93,99 d. Net claim adjustment service (a + b + c) (3,99,747) d. 33,99 d. Commission and brokenage: a. Direct excluding contingent b. Reinsurance assumed sexulating contingent c. Reinsurance assumed sexulating contingent d. Contingent-reinsurance assumed d. Reinsurance and depends d. Authoritistic assumed associations d. Surveys and underwriting reports d. Reinsurance department licensurance and express d. Reinsurance and department licensurance and fersis d. Reinsurance adequatement licensurance and fersis d. | 1. | Claim adjustment services: | | | | |
| c. Reinsurance ceded | | a. Direct | (2,764,870) | | | (2,764,870) |
| d. Net claim adjustment service (a + b - c) (3,596,747 | | b. Reinsurance assumed | | | | |
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| Totals (Lines 3 to 17) | | | | | | 7.040.040 |
| 18. Taxes, licenses and fees: a. State and local insurance taxes deducting guaranty association credits of \$ b. Insurance department licenses and fees c. Gross guaranty association assessments d. All other (excluding federal and foreign income and real estate) e. Total taxes, licenses and fees (a + b + c + d) 19. Real estate expenses 20. Real estate taxes 20A. Reimbursements by uninsured accident and health plans 21. Aggregate write-ins for miscellaneous expenses (204,799) 0 2,702,809 2,49 22. Total expenses incurred (3,801,546) 7,212,312 2,702,809 (a) 6,11 23. Less unpaid expenses - current year 32,847,918 1,835,903 45,603 34,72 24. Add unpaid expenses - prior year 42,041,382 1,393,059 39,700 43,47 25. Amounts receivable relating to uninsured accident and health plans, current | | | | | | 7,212,312 |
| a. State and local insurance taxes deducting guaranty association credits of \$ b. Insurance department licenses and fees c. Gross guaranty association assessments d. All other (excluding federal and foreign income and real estate) e. Total taxes, licenses and fees (a + b + c + d) 19. Real estate expenses 20. Real estate taxes 201. Aggregate write-ins for miscellaneous expenses 21. Aggregate write-ins for miscellaneous expenses 22. Total expenses incurred 32. Less unpaid expenses - current year 32. Less unpaid expenses - current year 32. Add unpaid expenses - prior year 42. Add unpaid expenses - prior year 42. Add unpaid expenses - prior year 42. Amounts receivable relating to uninsured accident and health plans, prior year 26. Amounts receivable relating to uninsured accident and health plans, current | | , | | 7 , 212 , 312 | | 7,212,312 |
| of \$ b. Insurance department licenses and fees. c. Gross guaranty association assessments d. All other (excluding federal and foreign income and real estate) e. Total taxes, licenses and fees (a + b + c + d) 19. Real estate expenses 20. Real estate taxes 201. Aggregate write-ins for miscellaneous expenses 21. Aggregate write-ins for miscellaneous expenses 22. Total expenses incurred 32. Less unpaid expenses - current year 32. Less unpaid expenses - current year 32. Add unpaid expenses - prior year 42. Add unpaid expenses - prior year 42. Amounts receivable relating to uninsured accident and health plans, prior year 26. Amounts receivable relating to uninsured accident and health plans, current | 18. | | | | | |
| b. Insurance department licenses and fees c. Gross guaranty association assessments d. All other (excluding federal and foreign income and real estate) e. Total taxes, licenses and fees (a + b + c + d) 19. Real estate expenses 20. Real estate taxes 21. Aggregate write-ins for miscellaneous expenses 22. Total expenses incurred 23. Less unpaid expenses - current year 24. Add unpaid expenses - prior year 25. Amounts receivable relating to uninsured accident and health plans, prior year 26. Amounts receivable relating to uninsured accident and health plans, current | | | | | | |
| c. Gross guaranty association assessments d. All other (excluding federal and foreign income and real estate) e. Total taxes, licenses and fees (a + b + c + d) 19. Real estate expenses 20. Real estate taxes 21. Aggregate write-ins for miscellaneous expenses (204,799) 0 2,702,809 2,49 22. Total expenses incurred (3,801,546) 7,212,312 2,702,809 (a) 6,11 23. Less unpaid expenses - current year 32,847,918 1,835,903 45,603 34,72 24. Add unpaid expenses - prior year 42,041,382 1,393,059 39,700 43,47 25. Amounts receivable relating to uninsured accident and health plans, prior year 26. Amounts receivable relating to uninsured accident and health plans, current | | · · | | | | |
| d. All other (excluding federal and foreign income and real estate) e. Total taxes, licenses and fees (a + b + c + d) 19. Real estate expenses 20. Real estate taxes 20A. Reimbursements by uninsured accident and health plans 21. Aggregate write-ins for miscellaneous expenses (204,799) 22. Total expenses incurred (3,801,546) 23. Less unpaid expenses - current year 24. Add unpaid expenses - prior year 25. Amounts receivable relating to uninsured accident and health plans, prior year 26. Amounts receivable relating to uninsured accident and health plans, current | | ' | | | | |
| e. Total taxes, licenses and fees (a + b + c + d) 19. Real estate expenses 20. Real estate taxes 20A. Reimbursements by uninsured accident and health plans 21. Aggregate write-ins for miscellaneous expenses (204,799) 0 2,702,809 2,49 22. Total expenses incurred (3,801,546) 7,212,312 2,702,809 (a) 6,11 23. Less unpaid expenses - current year 24. Add unpaid expenses - prior year 25. Amounts receivable relating to uninsured accident and health plans, prior year 26. Amounts receivable relating to uninsured accident and health plans, current | | | | | | |
| 19. Real estate expenses 20. Real estate taxes 20A. Reimbursements by uninsured accident and health plans 21. Aggregate write-ins for miscellaneous expenses 22. Total expenses incurred 23. Less unpaid expenses - current year 24. Add unpaid expenses - prior year 25. Amounts receivable relating to uninsured accident and health plans, prior year 26. Amounts receivable relating to uninsured accident and health plans, current | | · · · · · · · · · · · · · · · · · · · | | | | |
| 20. Real estate taxes 20A. Reimbursements by uninsured accident and health plans (204,799) 0 2,702,809 2,49 21. Aggregate write-ins for miscellaneous expenses (3,801,546) 7,212,312 2,702,809 (a) .6,11 23. Less unpaid expenses - current year 32,847,918 1,835,903 .45,603 .34,72 24. Add unpaid expenses - prior year .42,041,382 1,393,059 .39,700 .43,47 25. Amounts receivable relating to uninsured accident and health plans, prior year .26. Amounts receivable relating to uninsured accident and health plans, current .2702,809 .2702,809 .29 | 40 | | | | | |
| 20A. Reimbursements by uninsured accident and health plans (204,799) 0 2,702,809 2,49 21. Aggregate write-ins for miscellaneous expenses (3,801,546) 7,212,312 2,702,809 (a) 6,11 23. Less unpaid expenses - current year 32,847,918 1,835,903 45,603 34,72 24. Add unpaid expenses - prior year 42,041,382 1,393,059 39,700 43,47 25. Amounts receivable relating to uninsured accident and health plans, prior year 26. Amounts receivable relating to uninsured accident and health plans, current 26. Amounts receivable relating to uninsured accident and health plans, current | | · | | | | |
| 21. Aggregate write-ins for miscellaneous expenses (204,799) 0 2,702,809 2,49 22. Total expenses incurred (3,801,546) 7,212,312 2,702,809 (a) 6,11 23. Less unpaid expenses - current year 32,847,918 1,835,903 45,603 34,72 24. Add unpaid expenses - prior year 42,041,382 1,393,059 39,700 43,47 25. Amounts receivable relating to uninsured accident and health plans, prior year 26. Amounts receivable relating to uninsured accident and health plans, current 26. Amounts receivable relating to uninsured accident and health plans, current | | | | | | |
| 22. Total expenses incurred (3,801,546) 7,212,312 2,702,809 (a) 6,11 23. Less unpaid expenses - current year 32,847,918 1,835,903 45,603 34,72 24. Add unpaid expenses - prior year 42,041,382 1,393,059 39,700 43,47 25. Amounts receivable relating to uninsured accident and health plans, prior year 26. Amounts receivable relating to uninsured accident and health plans, current 27.02,809 27.02,809 27.02,809 29.03 34,72 | | | | | | |
| 23. Less unpaid expenses - current year | | | | | | 2,498,010 |
| 24. Add unpaid expenses - prior year | | · | | | | |
| 25. Amounts receivable relating to uninsured accident and health plans, prior year 26. Amounts receivable relating to uninsured accident and health plans, current | | | | | | |
| year | | | 42,041,382 | 1,393,059 | 39,700 | 43 , 474 , 141 |
| 26. Amounts receivable relating to uninsured accident and health plans, current | 25. | • | | | | |
| | 26. | Amounts receivable relating to uninsured accident and health plans, current | | | | |
| 27. TOTAL EXPENSES PAID (Lines 22 - 23 + 24 - 25 + 26) 5,391,918 6,769,468 2,696,906 14,85 | 27. | · | 5,391.918 | 6,769.468 | 2,696.906 | 14,858,292 |
| DETAILS OF WRITE-INS | | , | .,, | .,, | ,, | , |
| 2101. Excess of Decrease in ULAE Reserves Over ULAE Expenses | 2101. | | (204.799) | | | (204.799) |
| | | | | | | 2,504,918 |
| 2103. Investment Management Expense 197,891 19 | | · | | | | |
| | | | | | | 0 |
| | | | | | | 2,498,010 |

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

| | | 1 End of Current Year | 2 End of Prior Year | 3 Changes for Year (Increase) Decrease |
|-------|--|-----------------------------|---------------------------|--|
| 1. | Summary of Items Page 2, Lines 10 to 15 and 17 to 19, Column 3 | 4,287,122 | 4,289,865 | 2,743 |
| 2. | Other Assets: | | | |
| | 2.1 Bills receivable not taken for premiums | | | |
| | 2.2 Furniture, equipment and supplies | | | |
| | 2.3 Loans on personal security, endorsed or not | | | |
| 3. | Total (Lines 2.1 to 2.3) (Page 2, Line 20, Column 3) | | | |
| 4. | Aggregate write-ins for other than invested assets (Page 2, Line 21, Column 3) | 3,550 | 3,550 | 0 |
| 5. | Aggregate write-ins for related items | | | |
| 6. | Total (Line 1 plus Lines 3 to 5) | 4,290,672 | 4,293,415 | 2,743 |
| | DETAILS OF WRITE-INS | | | |
| 0401. | Miscellaneous Receivables | 3,550 | 3,550 | 0 |
| 0402. | | | 0 | 0 |
| 0403. | | | 0 | 0 |
| 0498. | Summary of remaining write-ins for Line 4 from overflow page | - | | |
| 0499. | Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above) | 3,550 | 3,550 | 0 |
| 0501. | Loans on company's stock | | | |
| 0502. | | | | |
| 0503. | | | | |
| 0598. | Summary of remaining write-ins for Line 5 from overflow page | | | |
| 0599. | Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) | | | |

EXHIBIT 2 - RECONCILIATION OF LEDGER ASSETS

| | EXHIBIT 2 - NECONCILIATION OF LEDGEN | ACCLIC | |
|-----------|--|---------------------------------------|-----------------|
| | | 1 Current Year | 2 Prior Year |
| | INCREASE IN LEDGER ASSETS | | |
| 1 No. | A propriestra switten (Port 2. Line 22. Col. 1) | | |
| | t premiums written (Part 2, Line 32, Col. 1) erest, dividends and real estate income received (Part 1, Line 9, Col. 3) | | |
| | om sale or maturity of ledger assets (Part 1A, Line 9, Col. 2) | | |
| | ner income items or increases, viz: | | 200,002 |
| | Agents' balances previously charged off | | |
| | Remittances from home office to U.S. branch (gross) | | |
| | Funds held under reinsurance treaties (net) | | |
| | Borrowed money (gross) | | |
| e. / | Amounts withheld or retained for account of others (net) | | |
| f. A | Aggregate write-ins for increases in ledger assets | 13 , 143 , 547 | 4,759,837 |
| 5. Adj | justment in book value of ledger assets (Part 1A, Line 9, Col. 4) | | |
| 6. Ca | pital paid in (Page 4, Line 24a) | | |
| 7. Su | rplus paid in (Page 4, Line 25a) | | |
| 7A. Su | rplus notes (Page 4, Line 23A) | | |
| 8. T | otal (Lines 1 to 7A) | 23,950,220 | 14,278,568 |
| Ì | | | |
| | DECREASE IN LEDGER ASSETS | | |
| 9. Ne | t losses paid (Part 3, Line 32, Col. 4) | 6,499,537 | 5,762,909 |
| 10. Ex | penses paid (Part 4, Line 27, Col. 4) | 14,858,292 | 16 , 601 , 173 |
| 10A. Inte | erest expense (Part 1, Line 10A) | | |
| 11. Fro | om sale or maturity of ledger assets (Part 1A, Line 9, Col. 3) | 70,273 | 254 , 497 |
| 11A. Su | rplus notes (Page 4, Line 23A) | - | |
| 12. Oth | ner disbursement items or decreases, viz: | | |
| a. / | Agents' balances charged off | | |
| b. I | Remittances to home office from U.S. branch (gross) | | |
| c. F | Funds held under reinsurance treaties (net) | - | |
| d. I | Borrowed money (gross) | | |
| e. / | Amounts withheld or retained for account of others (net) | | |
| f. A | Aggregate write-ins for decreases in ledger assets | 136,864 | 311,053 |
| 13. Adj | justment in book value of ledger assets (Part 1A, Line 9, Col. 5) and depreciation (Part 1, Line 11) | | |
| 14. Fe | deral and foreign income taxes paid | | (1,067,397 |
| 15. Div | vidends paid stockholders | | |
| | idends to policyholders on direct business, less \$ dividends on reinsurance assumed or | | |
| | otal (Lines 9 to 16) | | 21,862,235 |
| | | | |
| | RECONCILIATION BETWEEN YEARS | | |
| 18. Am | nount of ledger assets as per balance December 31 of previous year | 138,089,047 | 145 , 672 , 714 |
| 19. Inc | rease or (decrease) in ledger assets during the year (Line 8 minus Line 17) | 2,385,254 | (7,583,667 |
| 20. E | Balance = ledger assets December 31 of current year | 140,474,301 | 138,089,047 |
| | TAILS OF WRITE-INS | 0.77 | 0.040 |
| | scellaneous Incomess Payments Deferred | | 3,042 |
| | | | |
| | crease in Ledger Liabilities | | 18 , 123 |
| | mmary of remaining write-ins for Line 4f from overflow page | 13,143,547 | 4,759,837 |
| | tals (Lines 04f01 thru 04f03 plus 04f98) (Line 4f above) crease in Loss Reserve Prepayments | | 311,053 |
| | | | 0 |
| | crease in Ledger Liabilities | , , , , , , , , , , , , , , , , , , , | 0 |
| | mmary of remaining write-ins for Line 12f from overflow page | | U |
| | tals (Lines 12f01 thru 12f03 plus 12f98) (Line 12f above) | 136,864 | 311,053 |



EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14 Data)

| NAIC Group Code 0000 | IAIC Group Code 0000 BUSINESS IN THE STATE OF DURING THE YEAR 1998 NAIC Company Code 41246 | | | | | | | | 41246 | | | |
|---|--|---------------------------------------|-------------------------------------|---------------------|---------------------|---------------------------|-------------------------|------------------|-------------------------------------|----------------|---------------------------|---|
| 1 | Gross Premiums | | I | | | 1 | I | 1 | Ī | I | | |
| 1 | aı | nd | | | | | | | | | | |
| | | es, Less Return emiums on Policies | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| | n | ot | | | | | | | | | | |
| | | ken | Dividends Paid | Direct | Direct | | | | | | | |
| | 2 | 3 | or Credited to | Unearned | Losses Paid | Discottones | Discret Lancas | | Direct Allocated | | Commissions | T 1: |
| Line of Business | Written | Direct Premiums Earned | Policyholders on Direct Business | Premium Reserves | (deducting salvage) | Direct Losses Incurred | Direct Losses Unpaid | | Loss Adjustment Expense Incurred | | and Brokerage Expenses | Taxes, Licenses and Fees |
| 1. Fire | | 2404 | 2 | | ou.rugo, | | Opaia | 27,001.00 1 0.00 | | zxponeo onpaia | 2/10/1000 | 4.14.1.000 |
| 2.1 Allied lines | | | | | | | | | | | | |
| 2.2 Multiple peril crop | | | | | | | | | | | | |
| 2.3 Federal flood | | | | | | | | | | | | |
| Farmowners multiple peril | | | | | | | | | | | | |
| Homeowners multiple peril | | | | | | | | | | | | |
| 5.1 Commercial multiple peril (non-liability portion) | | | | | | | | | | | | |
| 5.2 Commercial multiple peril (liability portion) | | | | | | | | | | | | |
| Mortgage guaranty | | | | | | | | | | | | |
| 8. Ocean marine | | | | | | | | | | | | |
| 9. Inland marine | | | | | | | | | | | | |
| 10. Financial guaranty | | | | | | | | | | | | |
| 11. Medical malpractice | | | | | | | | | | | | |
| 12. Earthquake | | | | | | | | | | | | |
| 13. Group accident and health | | | | | | | | | | | | |
| 14. Credit A & H (group and individual) | | | | | | | | | | | | |
| 15.1 Collectively renewable A & H | | | | | | | | | | | | |
| 15.2 Non-cancellable A & H | | | | | | | | | | | | |
| 15.3 Guaranteed renewable A & H | | | | | | | | | | | | |
| 15.4 Non-renewable for stated reasons only | | | | | | | | | | | | |
| 15.5 Other accident only | | | | | - | | | | | | | |
| 15.6 All other A & H | | | | | | | | | | | | |
| 15.7 Federal employees health benefits program premium | | | | | | | | | | | | *************************************** |
| Workers' compensation | | | | | | | | | | | | *************************************** |
| • | | | | | | | | | | | | |
| 17. Other liability | | | | | | | | | | | | |
| 19.1 Private passenger auto no-fault (personal injury protection) | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| 19.2 Other private passenger auto liability | | | | | | | | | | | | |
| 19.3 Commercial auto no-rault (personal injury protection) | | | | | | | | | | | | |
| 19.4 Other commercial auto liability | | | | | | | | | | | | |
| 21.1 Private passenger auto physical damage | | | | | - | | | | | | | |
| 21.2 Commercial auto physical damage | | | | | - | | | | | | | |
| 22. Aircraft (all perils) | | | | | | | | | | | | |
| 23. Fidelity | | | | | | | | | | | | |
| 24. Surety | | | | | | | | | | | | |
| 26. Burglary and theft | | | | | | | | | | | | |
| 27. Boiler and machinery | | | | | | | | | | | | |
| 28. Credit | | | | | | | | | | | | |
| 31. Aggregate write-ins for other lines of business | | | | | | | | | | | | |
| DETAILS OF WRITE-INS | | | | | | | | | | | | |
| 3101 | | | | | | | | | | | | |
| 3102. | | | | | | | | | | | | |
| 3103. | | | | | | | | | | | | |
| 3198. Summary of remaining write-ins for Line 31 from overflow page | | | | | | | | | | | | |
| 3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above) | | | | | | | | | | | | |
| 7100. Totalo (Lines 3101 tillu 3103 pius 3130/(Line 31 above) | | I | 1 | | 1 | 1 | | 1 | i e | 1 | i e | 1 |

⁽a) Finance and service charges not included in Line 1 to 32 \$



EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14 Data)

| NAIC Group Code 0000 BUSINESS IN THE STATE OF Consolidated DURING THE YEAR 1998 | | | | | | | NAIC | NAIC Company Code 41246 | | | | |
|---|---------------|---------------------|-----------------|----------|-------------|---------------|---------------|-------------------------|------------------|-----------------|--------------|----------------|
| 1 | | s, Including Policy | | _ | 1 | <u> </u> | | 1 | | ITAIO | Jampany Joue | |
| ' | | nd | | | | | | | | | | |
| | Membership Fe | es, Less Return | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| | | emiums on Policies | | | | | | | | | | |
| | | ot | | | | | | | | | | |
| | | ken | Dividends Paid | Direct | Direct | | | | | | | |
| | 2 | 3 | or Credited to | Unearned | Losses Paid | | | | Direct Allocated | | Commissions | |
| Li (D. i | | Direct Premiums | | Premium | (deducting | Direct Losses | Direct Losses | Loss Adjustment | Loss Adjustment | Loss Adjustment | | Taxes, License |
| Line of Business 1. Fire | Written | Earned | Direct Business | Reserves | salvage) | Incurred | Unpaid | Expense Paid | Expense Incurred | Expense Unpaid | Expenses | and Fees |
| | | | | | | | | | | | | |
| 2.1 Allied lines | | | | | | | | | | | | |
| 2.3 Federal flood | | | | | | | | | | | | |
| Farmowners multiple peril | | - | | | | | | | | | | |
| Homeowners multiple peril Homeowners multiple peril | | - | | | | | | | | | | |
| 5.1 Commercial multiple peril (non-liability portion) | | - | | | | | | | | | | |
| 5.2 Commercial multiple peril (liability portion) | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| 6. Mortgage guaranty | | | | | | | | | | | | |
| 8. Ocean marine | | | | | | | | | | | | |
| 9. Inland marine | | | | | | | | | | | | |
| 10. Financial guaranty | | | | | | | | | | | | |
| 11. Medical malpractice | | | | | | | | | | | | |
| 12. Earthquake | | | | | | | | | | | | |
| 13. Group accident and health | | | | | | | | | | | | |
| 14. Credit A & H (group and individual) | | | | | | | | | | | | |
| 15.1 Collectively renewable A & H | | | | | | | | | | | | |
| 15.2 Non-cancellable A & H | | | | | | | | | | | | |
| 15.3 Guaranteed renewable A & H | | | | | | | | | | | | |
| 15.4 Non-renewable for stated reasons only | | | | | | | | | | | | |
| 15.5 Other accident only | | | | | | | | | | | | |
| 15.6 All other A & H | | | | | | | | | | | | |
| 15.7 Federal employees health benefits program premium | | | | | | | | | | | | |
| 16. Workers' compensation | | | | | | | | | | | | |
| 17. Other liability | | | | | | | | | | | | |
| 18. Products liability | | | | | | | | | | | | |
| 19.1 Private passenger auto no-fault (personal injury protection) | | | | | | | | | | | | |
| 19.2 Other private passenger auto liability | | | | | | | | | | | | |
| 19.3 Commercial auto no-fault (personal injury protection) | | | | | | | | | | | | |
| 19.4 Other commercial auto liability | | | | | | | | | | | | |
| 21.1 Private passenger auto physical damage | | | | | | | | | | | | |
| 21.2 Commercial auto physical damage | | | | | | | | | | | • | |
| 22. Aircraft (all perils) | | | | | | | | | | | | |
| 23. Fidelity | | | | | | | | | | | | |
| 24. Surety | | | | | | | | | | | | |
| 26. Burglary and theft | | | | | | | | | | | | |
| 27. Boiler and machinery | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Credit | | | | | | | | | | | | |
| 31. Aggregate write-ins for other lines of business | | | | | | | | | | | | |
| DETAILS OF WRITE-INS | | | | | | | | | | | | |
| 101 | | | | | | | | | | | | |
| 102. | | | | | | | | | | | | |
| 103. | | | | | | | | | | | | |
| 198. Summary of remaining write-ins for Line 31 from overflow page | | | | | | | | | | | | |
| 199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above) | | | | | | | | | | | | |

⁽a) Finance and service charges not included in Line 1 to 32 \$

GENERAL INTERROGATORIES

| | | G | PENERAL | INIERRO | GAIURIE | :5 | |
|-----|--|--|--|--|---|---|--------------------------------------|
| 1. | (a) Does the company issu (b) If yes, state the amoun (i) Participating participating (ii) Non-participating | Yes [] No [X] | | | | | |
| 2. | For Mutual Companies an (a) Does company issue a (b) Does company issue n (c) If assessable policies a (d) Total amount of assess | Yes [] No [] Yes [] No [] | | | | | |
| 3. | For Reciprocal Exchanges (a) Does the Exchange ap (b) If yes, is the commission (i) out of Attorne (ii) as a direct ex (c) What expenses of the | Yes [] No [] Yes [] No [] NA [] Yes [] No [] NA [] | | | | | |
| | (d) Has any Attorney-in-far (e) If yes, give full information | ct compensation, c | | | peen deferred? | | Yes [] No [] |
| 4 | | | CA | PITAL STOCK OF THI | S COMPANY | | |
| | 1 Nu Class | 2 umber of Shares Authorized | 3 Number of Shares Outstanding | 4 Par Value Per Share | 5 Redemption Price If Callable | 6 Is Dividend Rate Limited? | 7 Are Dividends Cumulative? |
| | eferred | 0 | 0 | 0.000 | 0 | Yes [] No [|] Yes [] No [] |
| Co | ommon | 50,000 | 50,000 | 20.000 | XXX | XXX XXX | XXX XXX |
| 5. | | estate holding com | | | ld real estate indirectly? | | Yes [] No [X] |
| 6. | (iv) Total book va (a) Is the company a memis an insurer? (b) If yes, did the company regulatory official of the disclosure substantially Company System Regurequirements substantial (c) State regulating | nber of an Insurance y register and file w State of Domicile of similar to the stand alatory Act and mod | vith its domiciliary State of the principal insurer in dards adopted by the No del regulations pertainin | Insurance Commissior n the Holding Company ational Association of Ir g thereto, or is the com | ner, Director, or Supering System, a registration Insurance Commissione | tendent, or with such statement providing rs in its Model Holding | Yes [X] No [] Yes [X] No [] NA [] VA |
| 7. | (a) Does any foreign (non- (b) If yes, (i) state the perc | Yes [] No [X] | | | | | |
| | if the compa | | eciprocal, the nationality | | type of entity(s) (e.g., in manager or attorney in | ndividual, corporation or i fact). | |
| 8. | (a) Total amount loaned d (i) to directors or (ii) to stockholder (b) Total amount of loans or (i) to directors or (ii) to stockholder | other officers rs not officers outstanding at end other officers | of year: | | | \$ | 0 |
| 9. | (a) Did any person while a statement, any commiss (b) Did any person while a any compensation in ad (c) Has this company an e the part of its officers, d | Yes [] No [X] Yes [] No [X] Yes [X] No [] | | | | | |
| | person? (d) Except for retirement p commissions, has the commissions, has the commissions of the agreement? | ompany any agree | ment with a person whe | ereby it agrees that for | any service rendered or | to be rendered, they | . , |
| 10. | What amount of installmen | nt notes is owned a | and now held by the cor | npany? | | \$ | 0 |
| 11. | (a) Have any of these note (b) If yes, what amount? | es been hypotheca | ted, sold or used in any | manner as security for | money loaned within th | | Yes [] No [X] |
| 12. | (a) Largest net aggregate (b) Does any reinsurance a reinstatement provisio (c) State the number of rei automatic facilities or fa | contract considered on? insurance contracts | d in the calculation of the second of the se | nis amount include an a acultative risk certificat | es, but including faculta | ery without also including | Yes [] No [X] |

GENERAL INTERROGATORIES (continued)

| 13. | (a) What provision has this company made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? N/A | |
|-----|---|--|
| 14. | (a) Has this company guaranteed any financed premium accounts? (b) If yes, give full information | Yes [] No [X] |
| 15. | (a) Has this company reinsured any risk with any other company under a quota share reinsurance contract which includes a provision which would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss ratio cap, an aggregate limit or any similar provision)?(b) If yes, indicate the number of reinsurance contracts containing such provisions: | Yes [X] No [] |
| 16. | (a) Has this company reinsured any risk with any other company and agreed to release such company from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?(b) If yes, give full information | Yes [] No [X] |
| 17. | If the company has assumed risks from another company, there should be charged on account of such reinsurances a reserve equal to that which the original company would have been required to charge had it retained the risks. Has this been done? | Yes [] No [] NA [X] |
| 18. | (a) Has this company guaranteed policies issued by any other company and now in force? (b) If yes, give full information | Yes [] No [X] |
| 19. | (a) Were all stocks, bonds and other securities owned December 31 of current year, over which the company has exclusive control in the actual possession of the company on said date, except as shown by the Schedule E-Part 2-Special Deposits?(b) If no, give full and complete information relating thereto: | Yes [X] No [] |
| 20. | (ii) subject to repurchase agreements (iii) subject to reverse repurchase agreements (iv) subject to dollar repurchase agreements (v) subject to reverse dollar repurchase agreements (vi) pledged as collateral \$ 5 | Yes [] No [X] |
| | | Yes [] No [] NA [X] |
| 21. | If yes, disclose in the Notes to Financial Statements the information specified in the instructions to the annual statement. Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? If yes, state the amount thereof at December 31 of the current year: (i) Rented from others (ii) Borrowed from others (iii) Leased from others | Yes [] No [X] |
| 22. | (a) State as of what date the latest financial examination of the company was made or is being made. (b) State the as of date of the latest financial examination report that is available from either the state of domicile or the company. This date should be the date of the examined balance sheet and not the date the report was completed or released. (c) State as of what date the latest financial examination report became available to other states or the public form either the state of domicile or the company. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). (d) By what departments? | 12/31/1990 12/31/1990 03/12/1992 |
| 23. | (a) 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 company? (b) If yes, date of change: If not previously filed, furnish herewith a certified copy of the instrument as amended. | Yes [] No [X] |
| 24. | (a) Has any direct new business been solicited or written in any state where the company was not licensed? (b) If yes, explain | Yes [] No [X] |
| 25. | Is the purchase or sale of all investments of the company passed upon either by the board of directors or a subordinate committee thereof? | Yes [X] No[] |
| 26. | Does the company keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? | Yes [X] No [] |
| 27. | Have the instructions for completing the blank required by this department been followed in every detail? | Yes [X] No [] |

GENERAL INTERROGATORIES (continued) (ONLY UNITED STATES BRANCHES OF FOREIGN COMPANIES NEED ANSWER INTERROGATORIES 28 AND 29)

| 28. | What changes have been made during the year in the United States manager or the United States trustees of the company? | |
|-----|--|--|
| 29. | Does this statement contain all business transacted for the company through its United States branch, on risks wherever located? | Yes [] No [] |
| 30. | (a) During the period covered by this statement, did any agent, general agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the company) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of: (i) sales of new business? (ii) renewals? (b) During the period covered by this statement, did any sales/service organization owned in whole or in part by the company or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured of direct premiums) of: (i) sales of new business? (ii) renewals? | Yes [] No [X] Yes [] No [X] On Yes [] No [X] Yes [] No [X] |
| 31. | (a) If the company recorded accrued retrospective premiums on insurance contracts on Line 10.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for: (i) unpaid losses: (ii) unpaid underwriting expenses (including loss adjustment expenses): (b) Of the amount on Line 10.3 of the assets schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds. (c) If the company underwrites commercial insurance risks, such as workers' compensation, are premium or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? (d) If yes, provide the range of interest rates charged under such notes during the period covered by this statement: From: | \$\$\$ |
| | (ii) To: (e) Are letters of credit or collateral and other funds received from insureds being utilized by the company to secure premium or promissory notes taken by the company, or to secure any of the company's reported direct unpaid loss reserves, including unpaid losses under deductible features of commercial policies? (f) If yes, state the amount thereof at December 31 of the current year: (l) Letters of credit: (li) Collateral and other funds: | Yes [X] No [] \$ |
| 32. | What interest, direct or indirect, has the company in the capital stock of any other insurance company? None | |
| 33. | (a) Does the company have any direct Medicare Supplement Insurance in force?(b) If yes, indicate premium earned on U.S. business only.(c) What portion of Item (b) is not reported on the Medicare Supplement Insurance Experience Exhibit? Reason for excluding | Yes [] No [X] \$ |
| | (d) Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (b) above. (e) Indicate total incurred claims on all Medicare Supplement insurance. | \$ \$ |
| 34. | (a) Was the company's prior year's annual statement amended? (b) If yes, furnish the following information regarding the last amendment to the prior year's annual statement filed with the company's state of domicile: (i) Amendment number (ii) Date of amendment | Yes [] No [X] |
| 35. | What is the name, address and affiliation (officer/employee of the company or actuary/consultant associated with a(n) actuarial consultin firm) of the individual providing the statement of actuarial opinion? Theodore J. Zubulake, FCAS, MAAA William M. Mercer, Inc. Two World Trade Center 54th Floor, New York, NY 10048 | |
| 36. | What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? PriceWaterhouseCoopers LLP 1100 Louisiana Street, Suite 4100, Houston, TX 77002 | |
| 37. | (a) Has the Company been a party to a merger or consolidation during the period covered by this statement?(b) If yes, provide name of company, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any company that has ceased to exist as a result of the merger or consolidation. | Yes [] No [X] |
| | Name of Company NAIC Company Code State of Domicile | 7 |
| | | |

GENERAL INTERROGATORIES (continued)

| 38. | (a) Has this company had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) (b) If yes, give full information | d | Yes | [] | No | [X] |
|-----|---|-------|-----|------|-------|-------|
| 39. | (a) Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund of guaranty association assessments?(b) If answer is yes, | ır | Yes | [] | No | [X] |
| | (I) amount paid as losses or risk adjustment: (ii) amount paid as expenses: (iii) other amounts paid: | \$ | | | | |
| 40. | (a) Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?(b) List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations or Rating Bureaus during the period covered by this statement. | \$ | | | | 0 |
| | Name of Organization Amount Paid | | | | | |
| 41. | (a) Amount of payments for legal expenses, if any?(b) List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement. | \$ | | 7 ,4 | 83,64 | 9 |
| | Name of Firm Amount Paid | | | | | |
| 42. | Cantilo, Maisel & Hubbard, L.L.P | | | | | |
| | any? (b) List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement. | \$ | | | | 0 |
| | Name of Firm Amount Paid | | | | | |
| | | | | | | |

1. Basis of Presentation

The accompanying financial statements of HOW Insurance Company, A Risk Retention Group, in Receivership (the "Company"), have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the Bureau of Insurance (the "Bureau"), State Corporation Commission (the "Commission") of the Commonwealth of Virginia, including full adoption of the reporting requirement adopted by the NAIC in September 1995 for "Unearned Premium - Single or Fixed Premium Policies with Coverage Periods in Excess of Thirteen Months".

2. Receivership

On October 14, 1994, in Cause No. HE-1059-1, styled Commonwealth of Virginia, ex rel. State Corporation Commission and Steven T. Foster, Commissioner of Insurance v. Home Warranty Corporation, Home Owners Warranty Corporation, and HOW Insurance Company, a Risk Retention Group, the Circuit Court for the City of Richmond, Virginia, entered its FINAL ORDER APPOINTING RECEIVER FOR REHABILITATION OR LIQUIDATION (the "Receivership Order") appointing the Commission permanent Receiver of the Company, as well as its parent, Home Warranty Corporation ("HWC"), and its affiliate, Home Owners Warranty Corporation ("HOW") (collectively, "the Companies"). The Receivership Order also appointed Steven T. Foster, Commissioner of Insurance of the Bureau, as Deputy Receiver and Patrick H. Cantilo as Special Deputy Receiver of the Companies. In May of 1996, Alfred W. Gross was appointed Commissioner of Insurance of the Bureau and Deputy Receiver of the Company.

The liabilities of the Company will be paid subject to the payment priority scheme authorized by Virginia law. This financial statement has been prepared in conformity with the format adopted by the Bureau, and therefore, this financial statement does not segregate the Company's liabilities by order of payment priority. In this connection, certain liabilities listed in this financial statement may never be paid if the Company has insufficient assets available to satisfy these claims.

The Receivership Order directed the Receiver, Deputy Receiver and the Special Deputy Receiver to take control and possession of all of the Companies' property and affairs. The Deputy Receiver takes the place of the Board of Directors for the purpose of answering the various "General Interrogatories". Also, the "General Interrogatories" have been answered to the best of the Deputy Receiver's and his Authorized Representatives' knowledge and may be subject to change. Information for periods prior to October 7, 1994, is presented as previously reported to the Bureau by the Company or as presented in the books and records of the Company. The Deputy Receiver is continuing to investigate the accuracy of this information. The Deputy Receiver is analyzing and investigating various aspects of, and procedures related to, the Company's affairs and operations before October 7, 1994, and this analysis and investigation may lead the Deputy Receiver to change data and other information presented in this financial statement.

On March 12, 1996, and May 2, 1996, the Company entered into administrative service arrangements (the "Service Agreements") with third-party companies for the administration of certain specified aspects of the Company's operations and affairs. The Service Agreements enabled the Company to close its administrative office in Irving, Texas, on April 30, 1996, at which time it terminated most of its employees. The remaining employees of the Company were terminated in July of 1996.

3. Investments

Bonds are stated at amortized cost using the scientific method.

The Company's investment guidelines provide as follows: (a) 65% or more of its assets may be invested in fixed-income securities rated NAIC 1, (b) up to 25% of its assets may be invested in fixed-income securities rated NAIC 2, and (c) no more than 10% of its assets may be invested in securities rated NAIC 3. The Company may not invest in equities or fixed-income securities rated NAIC 4 or lower without the approval of the Deputy Receiver.

4. Reserves

The Deputy Receiver's staff investigated the method by which the Company established incurred but not reported ("IBNR") reserves. The Company's management reported IBNR reserves based on claims reported in the 15 days subsequent to year end. The Deputy Receiver's staff determined from its reviews that the more appropriate period to measure IBNR claims was approximately 650 days. This change was reflected at December 31, 1994. Historical losses were reported by the Company on a report year rather than a manifestation year basis. The receivership staff continues to review the historical loss information of the Company. The Deputy Receiver has allocated IBNR reserves to the receivership year because the Company did not previously record data which would reasonably permit such allocation by year with sufficient reliability.

5. Debt

The Company has no outstanding debt obligations to third parties.

6. Claims Payments

On November 29, 1994, the Deputy Receiver issued his First Directive (the "Directive") which authorized initial payments of 40% on approved direct claims for the cost of repairing defects to a home which are covered by the Company's Warranty, less any applicable deductible. The unpaid portion of the approved direct claims are reflected as "Loss payments - deferred" in the liabilities. The same Directive imposed a moratorium on the payment of "indirect claims" under the Company's warranty, which include, but are not limited to, amounts owed for extra-contractual obligations, non-economic damages, consequential damages, and litigation costs and attorneys' fees.

A second directive dated January 23, 1996, increased the direct claim payment rate to 50%. The Company began paying direct claims at the 50% rate in February of 1996.

A third directive dated December 28, 1998, increased the direct claim payment rate to 60% and directed that the following indirect claims be reclassified as direct claims: (i) claims approved by the Deputy Receiver for damages determined to be extra contractual obligations of the Company, non-economic damages, consequential damages, litigation costs or attorneys' fees incurred by a home owner or member builder in asserting a claim against the Company before receivership; and (ii) claims approved by the Deputy Receiver for litigation costs and attorneys' fees incurred by a member builder in an action brought against the member builder to recover under the Major Structural Defect Insurance coverage provided by the Company. The Company began paying claims at the 60% rate in January of 1999.

The Deputy Receiver has entered into claims handling agreements with certain builders in which such builders settle the direct claims of their customers.

Under the terms of the Receivership Appeal Procedure, claimants are permitted two levels of appeal for denied claims. The first level of appeal is to the Deputy Receiver. The second level of appeal is to the Commission if such claim appeal is denied by the Deputy Receiver. As of December 31, 1998, approximately 925 appeals and 157 Petitions for Review have been filed with the Deputy Receiver and Commission, respectively, since the inception of the receivership proceeding. The majority of these appeals involve claims by home owners for the following: (a) Major Structural Defect coverages for claims arising in the third through the tenth year after the home's construction; and (b) Builder's Limited Warranty/Builder Default coverage for defect claims arising during the first two years after the home's construction.

In regard to the appeal and petition information and statistics referenced by the preceding paragraph, there have been approximately 869 home owner and 145 builder appeals and petitions submitted to the Deputy Receiver or the Commission. The remaining appeals and petitions involve 37 claims from vendors and local councils, 9 claims for attorney fees, 8 claims from former employees of HOW and 14 claims from former members of the Company's Board of Directors and others. Generally, builder appeals involve disputes with respect to determinations of responsibility for making certain home repairs under the Builder's Limited Warranty. Further, builder appeals include, but are not limited to, claims for the refund of loss reserve prepayments, capital contributions, and enrollment fees. The appeals from claimants, other than home owners, generally involve fees for goods and services provided to the Company prior to the inception of the receivership proceedings.

7. Loss Prepayments

Pursuant to certain agreements between the Company and certain Member Builders, participating Member Builders are liable for specified payments which they may be required to prepay in the form of cash, Certificates of Deposit (CD's), or Letters of Credit (LOC's). Prepayments were made by builders and held by the Company as follows: (a) cash payments were deposited in the general operating account of the Company; (b) CD's received were issued in the Company's name; and (c) LOC's named the Company as the beneficiary. The Company held LOC's in the amount of \$3,244,766 and a collateralized security interest of \$114,651 at December 31, 1998. Cash prepayments and CD's were \$1,580,142 at December 31, 1998, and this amount is included in the Company's financials as of that date.

8. Related Party Transactions

Before they were placed in receivership, the Companies and their affiliates operated under previously adopted

protocols and agreements for the allocation of revenues and expenses among themselves. The Deputy Receiver has not found adequate documentation for at least some of these protocols and agreements and is continuing to review the Companies' records in an effort to ascertain the most appropriate manner in which revenues and expenses should be allocated. Beginning January 1, 1995, the Deputy Receiver has provisionally concentrated revenues and expenses at the Company, both operationally and for purposes of its financial reports. This allocation may change once the Deputy Receiver concludes his review of the Companies' records.

9. Leases

While the Company is not a direct party to any lease obligations, rent payments may be made by the Company. The office space in Arlington, Virginia, was reduced in December 1994 to a partial floor (13,971 square feet), which was vacated on September 30, 1995. The landlord of this lease space has requested that a lump sum payment, in an amount to be determined, be made to the landlord in satisfaction of its alleged loss of approximately \$3,500,000 arising from the early termination of this lease. The Deputy Receiver has established a \$500,000 liability for this matter based on his best estimate of the Company's exposure under this lease. Based upon future events, circumstances, and undetermined factors, this liability may or may not be required and a material reduction or increase of this reserve may be appropriate.

HOW operated an office facility and a warehouse storage facility in Irving, Texas, pursuant to lease arrangements which expired in calendar year 1996. In July of 1996, the Company executed a lease for approximately 6,000 square feet of warehouse space located in Dallas, Texas. The lease provides the warehouse space over a five-year period at a monthly base rent of approximately \$2,375.00 per month.

10. Regulatory Status

The Company was engaged in the business of administering and insuring a home builder warranty protection plan for new homes known as the Home Owners Warranty Program (the "HOW Program"). Before receivership, the HOW Program was available in all jurisdictions (other than Alaska) and the District of Columbia. During the course of receivership, a number of these states have placed restrictions on the Company's authority to write new insurance business. The Deputy Receiver imposed a moratorium on the issuance of new insurance business at the inception of the receivership. The moratorium for new insurance business remains in effect.

11. Litigation

The following is a description of certain litigation or claims filed by or against the Company:

A. Fire Retardant Treated ("FRT") Plywood Roof Sheathing Litigation

In 1977, the New Jersey legislature passed the New Home Warranty and Builders Registration Act (the "Registration Act") which established a state funded and sponsored builder warranty program largely modeled upon the pre-existing HOW Program. For private warranty plans, the legislation established an approval process which required each such plan to submit an application for continued approval to operate within New Jersey every two years. Since the Company pre-existed this legislation, the HOW Program was "grandfathered" for its initial approval in 1977 and obtained re-approval from New Jersey upon reapplication until 1989.

During the 1980's, certain New Jersey home owners began to complain that the roofs of their townhomes and multi-family dwellings were deteriorating. The home owners alleged that fire retardant treated plywood roof sheathing ("FRT plywood"), which was treated with chemicals designed to make the wood char at temperatures much less than the temperature at which wood burns so as to prevent the spread of fire across roof lines, was defective because the wood was deteriorating at temperatures far lower than it was designed. The Company's warranty document specifically provides that roof sheathing is a non-structural component that is separate and distinct from the structural roof system which consists generally of tresses, braces and framing. As such, the roof sheathing was considered to be a first year warranty item and not a ten year structural item.

The State of New Jersey decided to assure prompt relief to these home owners by agreeing to cover FRT plywood claims under the "Major Construction" or "Structural" defect portions of its warranty coverage (as defined in the statute). To do so, it expanded its traditional definition of structural elements to include plywood roof sheathing in spite of prior limitations respecting coverage for that element.

Similarly, the New Jersey Department of Community Affairs (the "DCA"), which is charged with administering and enforcing the Registration Act, opined that the Registration Act required such coverage and that any private warranty company that refused to provide ten year coverage for FRT plywood would have its authorization to conduct business in New Jersey revoked. In May of 1990, the DCA formally notified the Company that its application for renewal as an approved private warranty program in New

Jersey was denied due to its position on coverage of FRT plywood roof sheathing. The DCA then established a fund for FRT plywood related claims to reimburse participating plans for the cost of repairs in exchange for an assignment of rights by the plans to the DCA of any rights to go against the manufacturers of these products and other responsible parties for contribution and/or indemnity. The Company elected not to participate voluntarily in New Jersey's suggested remedy.

New Jersey's position was that roof sheathing was "intended" to be covered for ten years as a structural component since the outset of the state plan in 1977. The Registration Act, which mandates that private warranty plans must offer warranty coverage equivalent to the state's plan, requires that coverage deviating from the state plan automatically conform to its provisions.

The Company offered to provide supplemental FRT plywood coverage going forward but would not agree to an expanded coverage on enrolled units applied retroactively. The DCA was not agreeable to this approach but allowed the Company to continue to operate in a state of suspended approval while its administrative action was pending.

On April 26, 1990, New Jersey Senator Paterniti introduced S. 2602 (the "Paterniti Amendment"), which was signed into law on July 11, 1991, as L. 1991, C.202. This bill essentially codified the remedies proposed by New Jersey for defects in residential structures built using FRT plywood. The remediation system provides for payments by the new home warranty fund to those who demonstrate either actual damage to the sheathing or that inevitable premature failure would occur within the first ten years of residence. It also provides for the subrogation of claims that residents, builders and warrantors might have against manufacturers and other responsible parties.

The Paterniti Amendment also asserts a retroactive application based upon the rationale that it was merely a clarification of the intent of the original Registration Act. The DCA's position was that this "clarification" function was a legitimate foundation and justification for the proposed retroactive application and effectively mandated the Company's participation in the program to its inception in 1977.

The above described events resulted in litigation in two forums. First, the Company and some of its corporate affiliates were sued by home owner associations to replace roofs that contained allegedly defective roof sheathing. At the time of receivership, the Company was a co-defendant in approximately fifty-seven (57) such home owners' suits involving over 50,000 roofs. While the home owner associations in many of these lawsuits have entered into settlement agreements with other co-defendants, invariably, the settling parties have assigned any rights they have against the Company and its affiliates to the DCA. This litigation has been stayed since September of 1991 in all cases except for two home owner association suits.

During 1995 the DCA intervened in the home owner lawsuits and moved to have all FRT plywood claims involving non-settling parties transferred and consolidated into the case encaptioned as, <u>The Commons at Kingswood Station</u>, <u>C. A. v. Orleans Construction Company</u>, <u>et al.</u> All cases involving non-settling parties were consolidated into <u>The Commons at Kingswood Station</u>, <u>C.A.</u> suit. In this suit, the DCA asserted its right to recover payments made by it on behalf of non-settling defendants in the original action. The Companies were severed from this case.

The Deputy Receiver believes that there are meritorious defenses to the FRT plywood claims. This financial statement does not address the extent of the Company's liability, if any, for FRT plywood litigation and related claims.

B. Peterson v. Mission Viejo Company v. Home Owners Warranty Corporation and HOW Insurance Company, Case No. 92-CV-568, in the District Court of Douglas County, Colorado; Monahan v. Mission Viejo Company v. Home Owners Warranty Corporation and HOW Insurance Company, Civil Action No. 94-K-256, in the United States District Court for the District of Colorado; Tao v. Mission Viejo Company v. Home Owners Warranty Corporation and HOW Insurance Company, Civil Action No. 94-K-257, in the United States District Court for the District of Colorado; Anthony, Guerrasio, Fenimore, Nielsen and Miller v. Mission Viejo Company v. Home Owners Warranty Corporation and HOW Insurance Company, Civil Action No. 94-K-934, in the United States District Court for the District of Colorado; Solano v. Mission Viejo Company v. Home Owners Warranty Corporation and HOW Insurance Company, Civil Action No. 94-K-900, in the United States District Court for the District of Colorado; Hutton v. Mission Viejo Company v. Home Owners Warranty Corporation and HOW Insurance Company, Civil Action No. 94-K-901, in the United States District Court for the District of Colorado; DeFranco v. Mission Viejo Company v. Home Owners Warranty Corporation and HOW Insurance Company, Civil Action No. 94-K-901, in the United States District Court for the District of Colorado; DeFranco v. Mission Viejo Company v. Home Owners Warranty Corporation and HOW Insurance Company, Civil Action No. 94-K-

1348, in the United States District Court for the District of Colorado; Moore v. Mission Viejo Company, Civil Action No. 94-K-1415, in the United States District Court for the District of Colorado; Kosse v. Mission Viejo Company, Civil Action No. 94-K-1416, in the United States District Court for the District of Colorado; Home Warranty Corporation, Home Owners Warranty Corporation and HOW Insurance Company v. Mission Viejo Company, et al., Civil Action No. CIV-94-2015, in the United States District Court for the District of Colorado. These lawsuits involve a class of approximately 1,750 purchasers of homes built by Mission Viejo Company ("MVC") in Highlands Ranch, Colorado. Of the class members, 22 have filed administrative claims with the Company in connection with alleged damages to their homes. In addition, 12 of the 22 claimants are named plaintiffs in the suits. Although the Company was not originally sued by the home owners, MVC later brought third-party actions against the Company requesting indemnity for repairs and defense in some, but not all, of the cases. As a result, the Company filed a declaratory judgment action in federal court against both the home owners and MVC seeking consolidation of all of the cases, as well as a determination of coverage issues under the Company's Warranties. MVC has filed a counterclaim against the Company in the declaratory judgment action seeking a declaration of the Company's duty to defend and indemnify MVC in these matters. Based upon a Motion for Stay filed by the Company over two years ago, the court having jurisdiction in these matters entered an order staying further action against the Company.

The lawsuits against MVC arose primarily from the home owner's contentions that their homes were built on highly-expansive soils and that MVC, with knowledge of these conditions, constructed their homes without a foundation system designed to support the homes adequately as the homes moved. The home owners also contended that MVC fraudulently concealed the degree of the expansive nature of the soils and misrepresented that the basements of the homes could be finished off as living areas. Causes of action against MVC included negligence, breach of expressed and implied warranties, violations of the Colorado Consumer Protection Act, non-disclosure or concealment, and violation of certain Colorado statutes. The home owners also sought actual and exemplary damages against MVC.

In November of 1995, a Colorado jury in the class action lawsuit found MVC liable for damages to the homes. The class Plaintiffs and MVC reached agreement on terms for settlement. As part of the settlement agreement, the class Plaintiffs assigned to MVC all of their rights held under the warranty documents issued by the Companies. Because of this assignment, all administrative claims filed by class members are now being pursued by MVC. On October 28, 1997, a Determination of Appeal was issued awarding MVC, as assignee of the class members, a direct claim in the amount of \$338,232.16. The Determination of Appeal also awarded MVC a general creditor claim in the amount of \$3,663,465.89 for defense costs arising from the class action, individual home owner cases and the declaratory judgment action. MVC filed a Petition with the State Corporation Commission for the Commonwealth of Virginia ("Commission") appealing the categorization and amount of defense costs awarded and seeking payment of the home owner's award held by way of assignment. In addition, MVC filed an Application for Hearing ("Application") with the Commission objecting to the Deputy Receiver's suspension and classification of indirect claims. See paragraph E. below for additional information regarding the Application process. MVC's Petition and Application were rendered moot by the third directive which reclassified indirect claims as direct claims. The Petition and Application were settled with MVC by the Companies in December of 1998 for a direct claim award of \$3,000,000 and mutual releases of the parties.

C. <u>Linda S. Colescott, et al. v. Richmond Homes Limited, et al.</u>, Civil Action No. 94 CV 352, in the Douglas County District Court, Division 2, Colorado; <u>Harold Rodenburg v. Richmond Homes Limited, et al.</u>, Civil Action No. 95 CV 298, in the Douglas County District Court, Division 1, Colorado; <u>Steve and Melanie Constantini v. Richmond Homes Limited, et al.</u>, Civil Action No. 95 CV 1052, in the Boulder County District Court, Division 3, Colorado; <u>Richard and Doris Moore v. Richmond Homes Limited, et al.</u>, Civil Action No. 95 CV 321, in the Douglas County District Court, Division 2, Colorado. These four class-action lawsuits (collectively, the "Colescott Litigation") were filed against MDC Holdings, Inc. and its affiliates (collectively, "MDC") beginning in 1994, on behalf of approximately 3,985 Colorado home owners whose homes were constructed between 1986 and 1994. MDC joined the HOW Program in January 1985.

The Colescott Litigation sought certification of a class consisting of all purchasers, both original and subsequent, who purchased homes containing basements with slab-on-grade floors constructed by MDC on lots having soil with a swell potential of 1% or greater. The class plaintiffs in the Colescott Litigation alleged that their homes were constructed without foundation systems designed to support the homes adequately as the homes moved, and sought actual and exemplary damages from the builder for causes of action that include negligence, breach of implied warranties, violation of the Colorado Consumer Protection Act and certain other Colorado statutes, and non-disclosure or concealment. In addition, the named plaintiffs in the Colescott Litigation claimed in their individual capacities that MDC breached its express one-, two- and ten-year warranties. The Company was not named as a defendant in the Colescott Litigation.

In November 1994, MDC tendered defense of the Colescott Litigation to the Company, because many of the homes involved were enrolled in the HOW Program. The Company informed MDC that the Company no longer provided a legal defense to builders, and that MDC could, at its option, assert a claim in the receivership proceeding for the resulting costs.

In November 1996, the Colescott Litigation was settled under an arrangement whereby each owner of a home built by MDC in various Colorado subdivisions through September 30, 1995, was entitled to receive a replacement policy from Lion Warranty Corporation ("Lion"), a newly formed subsidiary of MDC. The home owners who participated in the settlement were deemed to have assigned their rights under the Company's Warranty, and any claims for coverage thereunder, to MDC as part of the settlement. As a group, MDC's primary and excess insurers reportedly advanced \$22 million for the settlement fund, and an additional \$1,668,420 for defense.

In late 1996, MDC initiated discussions with the Company regarding its alleged duties to defend and indemnify MDC with respect to the Colescott Litigation and settlement. MDC asserted rights under the HOW Builder Agreement and rights of contribution and subrogation via assignment from its insurers who participated in the class settlement.

In May 1997, MDC submitted claims to the Company totaling \$4,982,998, contending that the Company owed this amount, as well as any amounts which would relate to future claims made against Lion on homes originally enrolled in the HOW Program. The Company continued the process of evaluating MDC's claims. During the course of this evaluation, MDC advised that it would withdraw its claims from the claims adjudication process.

In September 1997, MDC filed an Application for Hearing with the Commission to contest the Deputy Receiver's (i) moratorium on the payment of indirect claims, and (ii) classification of claims for defense costs as general creditor claims rather than direct claims. See paragraph E. below for additional information regarding the Application process. The third directive moots the Application because the Deputy Receiver reclassified indirect claims as direct claims.

In February 1998, MDC submitted a formal claim for reimbursement of the defense costs incurred by MDC in connection with the Colescott Litigation and settlement. MDC seeks to recover \$1,368,567.00 from the Company in reimbursement for attorneys' fees and other costs of litigation not reimbursed by its other insurers. MDC's claim for defense costs is currently under review by the Company to determine whether such claims are approximately submitted as direct claims.

- D. In addition to litigation concerning FRT plywood pending in New Jersey, the Company, its affiliates and its insureds were subject to claims litigation or threatened litigation brought under the Company's warranty documents that may have a material effect on the Company's financials. As of December 31, 1998, the Deputy Receiver had posted loss reserves of approximately \$4,761,552 in regard to these litigation matters. This loss reserve amount is included in these financial statements. This reserve amount reflects only a small portion of the potential claims liability, if any, which may arise from FRT litigation and other litigation or threatened litigation matters. The Deputy Receiver believes that there are meritorious defenses to many of the litigation or threatened litigation cases which would either preclude or limit any recovery. Due to the inherent uncertainty of litigation, the Company's actual liability may vary from its reserved liability for such litigation matters. The Deputy Receiver has stayed or moved to stay all pending litigation cases that were filed against the Companies. In most cases, litigation continues against the Company's insureds.
- E. During July of 1997, the Company began to mail the "REPORT TO HOME OWNERS, MEMBER BUILDERS, CREDITORS, AND OTHER INTERESTED PERSON" (the "Report") to approximately 1.7 million recipients. The Reports were sent in eight batches each within fifteen days of the prior mailing. Among other things, the Report informed these parties of the status of the receivership proceedings and of the directive issued by the Deputy Receiver on November 29, 1994 (the "Directive"). The Directive authorized the partial payment of approved direct claims (claims for the repair of covered defects as specified in the HOW Warranty Documents) and it temporarily suspended the payment of indirect claims under the HOW Warranty Documents (claims which include, but are not limited to, extra contractual obligations, non-economic damages, consequential damages, and litigation costs and attorneys' fees) until all direct claims have been paid in full. These parties were also notified that all persons affected by the temporary suspension of payments on indirect claims and who wished to object to the suspension and classification of these types of claims must file an Application with the Clerk of the Commission within ten days of the date indicated on their Report. Failure to file the Application timely constituted a waiver of any right to object to the Deputy Receiver's suspension and classification of indirect claims.

Six Applications were filed with the Commission to object to the suspension and classification of indirect claims. The third directive has rendered moot five of the six Applications because it reclassified indirect claims as direct claims.

- F. The Deputy Receiver has a lawsuit pending against certain former employees, consultants, responsible third parties, and officers and directors of the Company. The litigation, styled <u>Gross, et al. v. National Association of Home Builders, et al.</u>; Cause No. 96-00472, was filed in the 101st Judicial District Court of Dallas County, Texas, in conjunction with a class action lawsuit maintained by home owners with homes enrolled in the HOW Program. The Deputy Receiver seeks damages from the defendants on a number of different legal grounds, including, but not limited to, breach of fiduciary duty, negligence, fraud, waste of corporate assets, voidable transfers, conspiracy and violation of applicable laws. The damages sought exceed \$100,000,000. The lawsuit has been settled against all parties other than the outside accounting and actuarial firms who provided professional services to the Companies before receivership. The trial for this litigation has been scheduled for April of 1999.
- 12. The Company has entered into an agreement with Compagnie Europeene de Reassurance Paris, in Liquidation, in which it has agreed to accept a 25% settlement of its claims. The amount accepted by the Company amounted to \$26,250.

FIVE-YEAR HISTORICAL DATA

| Show amounts in who | le dollars only, no ce | nts; show percentage | s to one decimal place | e, i.e. 17.6. |
|---------------------|------------------------|----------------------|------------------------|---------------|
| | | | | |
| | | | | |

| | Show amounts in who | le dollars only, no cents | | | | |
|-------|--|---------------------------|----------------|-----------------|----------------|-----------------|
| | | 1 | 2 | 3 | 4 | 5 |
| | | 1998 | 1997 | 1996 | 1995 | 1994 |
| Gross | s Premiums Written (Page 9, Part 2B, Cols. 1 & 2) | | | | | |
| 1. | Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, | | | | | |
| | 18.2, 19.1, 19.2 & 19.3, 19.4) | | | | 86,48/ | 22,778,495 |
| | Property Lines (Lines 1, 2, 9, 12, 21 & 26) | | | | | |
| 3. | Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) | | | | | |
| 4A. | All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, | | | | | |
| 4B. | Non-proportional Reinsurance Lines (Lines 30A, 30B & 30C) | | | | | |
| 5 | Total (Line 22) | | | | 86,487 | 22,778,495 |
| | Total (Line 32)et Premiums Written (Page 9, Part 2B, Col. 4) | | | | 00,407 | 22,110,495 |
| | Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) | | | | (1,158,852) | 10,880,247 |
| | Property Lines (Lines 1, 2, 9, 12, 21 & 26) | | | | | |
| 9A. | All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 31) | | | | | |
| 9B. | Non-proportional Reinsurance Lines (Lines 30A, 30B & 30C) | | | | | |
| 10. | Total (Line 32) | | | | (1, 158, 852) | 10,880,247 |
| 11. | Net Underwriting Gain or (Loss) (Line 7) | 8,776.680 | (12,211.085) | (6,227.360) | 52,942,511 | (135,345.501) |
| 12. | Net Investment Gain or (Loss) (Line 9A) | 6.326.882 | | | | |
| 13. | Total Other Income (Line 13) | 9,400,277 | | 483,934 | 5,941 | 2,792 |
| | Dividends to Policyholders (Line 14A) | | , , | | , , | , , |
| | Federal and Foreign Income Taxes Incurred (Line 15) | | | 50,000 | | |
| 16 | Net Income (Line 16) | 24 503 839 | (5,587,832) | 1 249 329 | 59,161,714 | (127 057 471) |
| 10. | Balance Sheet Lines (Pages 2 and 3) | 24,000,009 | (0,007,002) | 1 , 243 , 323 | 101,714 | (127,007,471) |
| 17 | Total Admitted Assets (Page 2, Line 22, Col. 4) | 137 699 700 | 135,454,215 | 143 105 997 | 153,618,380 | 157 , 053 , 330 |
| 18. | Agents' Balances or Uncollected Premiums (Page 2, Col. 4) | | | | | 107 ,000 ,000 |
| | 18.1 In Course of Collection (Line 10.1) | | | | | |
| | 18.2 Deferred and Not Yet Due (Line 10.2) | | | | | |
| | 18.3 Accrued Retrospective Premiums (Line 10.3) | | | | | |
| 19. | Total Liabilities (Page 3, Line 23) | 170,393,905 | | 196 , 111 , 155 | | 273,297,430 |
| 20. | Losses (Page 3, Lines 1 and 1A) | 61,744,425 | 69,439,408 | | | 123 , 416 , 114 |
| | Loss Adjustment Expenses (Page 3, Line 2) | | | | | 38 , 127 , 000 |
| | Unearned premiums (Page 3, Line 9) | | | | | 79,522,936 |
| | Capital Paid Up (Page 3, Lines 25A & 25B) | | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| 24. | Surplus as Regards Policyholders (Page 3, Line 27) | (00,004,004) | (57, 475, 005) | (50,005,450) | (50, 470, 450) | (440, 044, 400) |
| | Curpius as regards 1 oncyriolaers (1 age o, Eine 21) | (32,694,204) | (57, 175, 235) | (53,005,158) | (53,4/2,156) | (116,244,100) |
| 05 | Risk-Based Capital Analysis | (22, 004, 204) | (57 475 005) | (F2 00F 4F0) | | |
| | Total Adjusted Capital | | | | | |
| Perc | Authorized Control Level Risk-Based Capitalentage Distribution of Cash and Invested Assets 2, Col. 4) (Line divided by Page 2, Line 9, Col. 4) x | 12,110,724 | 14,592,392 | 12,853,893 | | |
| 07 | 100.0 Bonds (Line 1) | 04.0 | 05.4 | 00.0 | 00 4 | חר ד |
| | Stocks (Lines 2.1 & 2.2) | | | | 90.1 | |
| | Mortgage Loans on Real Estate (Lines 3.1 and 3.2) | | | | | |
| | Real Estate (Lines 4.1 & 4.2) | | | | | |
| 30. | Cash and Short-Term Investments (Line 5) | 8.4 | 1.6 | 6.8 | 1 0 | |
| | Other Invested Assets (Line 6) | | | | | |
| 32A | Receivable for Securities (Line 7) | | | | | |
| 33. | Aggregate Write-Ins for Invested Assets (Line 8) | | | 0.2 | | |
| 34 | Cash and Invested Assets (Line 9) | 100.0 | 100.0 | | 100.0 | 100.0 |
| | estments in Parent, Subsidiaries and Affiliates | | | | | |
| | Affiliated Bonds (Schedule D, Summary, Line 25, Col. 6) | | | | | |
| | Affiliated Preferred Stocks (Schedule D, Summary, Line 39, Col. 3) | | | | | |
| | Affiliated Common Stocks (Schedule D, Summary, Line 53, Col. 3) | | | | | |
| | Affiliated Short-Term Investments (subtotals included in Schedule DA, Part 1, Col. 10) | | | | | |
| | Affiliated Mortgage Loans on Real Estate | | | | | |
| 39. | Total of above Lines 35, 36, 37, 38, 38A & 38B | | | | | |
| 40. | Percentage of Investments in Parent, Subsidiaries | | | | | |
| | and Affiliates to Surplus as Regards Policyholders (Line 39 above divided by Page 3, Col. 1, Line 27 x 100.0) | | | | | |
| | , | | | | 1 | |

FIVE-YEAR HISTORICAL DATA

| | | `, | ontinued) | 1 | | |
|------------|--|-------------|-----------|-------------|--------------|-----------------|
| | | 1 1998 | 2 1997 | 3 1996 | 4 1995 | 5 1994 |
| | Capital and Surplus Accounts (Page 4) | .000 | .00. | .000 | .000 | .00 . |
| | | | | | | |
| | Net Unrealized Capital Gains or (Losses) (Line 19) | | | (71,862) | (77 , 444) | (978, 165) |
| 42. 43. | Dividends to Stockholders (Cash) (Line 27) | | | | 62,771,944 | (135,641,559) |
| Gr | oss Losses Paid (Page 10, Part 3, Cols. 1 & 2) | | | | | |
| | Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) | | | | | 15 , 484 , 622 |
| 46. | Property Lines (Lines 1, 2, 9, 12, 21 & 26) | | | | | |
| | All Other Lines (Lines 10, 13, 14, 15, 23, 24, 28, 29 & 31) | | | | | |
| | 30B & 30C) | | | | | |
| 48. | Total (Line 32) | 7 ,476 ,917 | 6,336,246 | 6, 152, 181 | 8,327,984 | 15,484,622 |
| | Net Losses Paid (Page 10, Part 3, Col. 4) | | | | | |
| | Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) | | | | 9,722,598 | 7,250,190 |
| | Property Lines (Lines 1, 2, 9, 12, 21 & 26) | | | | | |
| | All Other Lines (Lines 10, 13, 14, 15, 23, 24, 28, 29 & 31) | | | | | |
| | Non-Proportional Reinsurance Lines (Lines 30A, 30B & 30C) | 0.400.507 | 5 700 000 | 7 040 700 | 0.700.500 | 7,050,400 |
| 53. | Total (Line 32) | | 5,762,909 | | 9,722,598 | 7 , 250 , 190 |
| Opera | ating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0 | | | | | |
| 54. | Premiums Earned (Line 1) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | Losses Incurred (Line 2) | | | | | |
| 56. | Loss Expenses Incurred (Line 3) Other Underwriting Expenses Incurred (Line 4) | (34.6) | | 42.2 | 81.8 28.3 | 227 .4 19 .7 |
| 57. 58. | Net Underwriting Gain or (Loss) (Line 7) | 79.8 | (88.1) | (41.3) | 259.1 | (766.6) |
| | Other Percentages | | | | | |
| 59. | Other Underwriting Expenses to Net Premiums Written (Page 4, Lines 4 + 5 - 13 divided by Page 9, [Page 8, 1994 and prior] Lines 4 + 5 - 13 divided by Page 9, Part 2B, Col. 4, Line 32 x | | | | 400.4 | 24.0 |
| 60. | Losses and Loss Expenses Incurred to Premiums Earned (Page 4, Lines 2 + 3 divided by Page 4, | | | | | 31.9 |
| 61. | Line 1 x 100.0) Net Premiums Written to Policyholders' Surplus (Page 9, Part 2B, Col. 4, Line 32 divided by Page 3, Line 27, Col. 1 x | (45.5) | 148.4 | 123.6 | (187 .4) | 846 .9 |
| | 100.0) | | | | 2.2 | (9.4) |
| | One Year Loss Development (000 omitted) | | | | | |
| 62. | Development in Estimated Losses and Loss Expenses Incurred Prior to Current Year (Schedule P - Part 2 - Summary, Line 12, Col. 12) | (7,584) | 14,275 | 7 ,725 | (70.912) | 1,813 |
| 63. | Percent of Development of Loss and Loss Expenses Incurred to Policyholders' Surplus of Previous Year End (Line 62 above divided by Page 4, Line 17, Col. 1 x 100.0) | , , | | | , | 9.3 |
| | Two Year Loss Development (000 omitted) | | | | | |
| 64. | Development in Estimated Losses and Loss Expenses Incurred Two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 13) | 6,901 | 22,274 | (61,663) | (2,324) | 4,888 |
| 65. | Percent of Development of Loss and Loss Expenses Incurred to Reported Policyholders' Surplus of Second Previous Year End (Line 64 | | | , , , | , , , | |
| | above divided by Page 4, Line 17, Col. 2 x 100.0) | (13.0) | (41.7) | 53.0 | (12.0) | 25.5 |

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule A - Verification

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule B - Verification

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule BA - Verification

NONE

SCHEDULE D - PART 1A - SECTION 1

| | | Quality and I | Maturity Distribution o | f All Bonds Owned De | cember 31, At Statem | | Types of Issues and N | AIC Designations | | | |
|---|--------------------------|-----------------------|---------------------------|----------------------|---------------------------------------|--------------------|-----------------------|------------------------------|-------|----------------------|------------------------------|
| 1 | 2 | | 4 Over 5 Years Through | | 6 | 7 | | 9 Total from Col. 7 Prior | | 11 Total Publicly | 12 Total Privately Placed |
| Quality Rating per the NAIC Designation 1. U.S. Governments, Schedules D & | | 5 Years | 10 Years | Through 20 Years | Over 20 Years | Total Current Year | 10.7 | Year | Year | Traded | (a) |
| 1.1 Class 1 | 8.181.704 | 11,590,704 | 4,164,401 | 2,319,624 | 66,419 | 26,322,852 | 20.2 | 35,058,651 | 27.8 | 26,322,852 | 0 |
| 1.2 Class 2 | 0, 101,704 | 11,390,704 | 4,104,401 | 2,519,024 | 00,419 | 20,322,032 | 20.2 | , 000,001 | Z1 .0 | | 0 |
| 1.3 Class 3 | 1 | n | O | 0 | n | | | | | | 0 |
| 1.4 Class 4 | Ω | <u> </u> | Ω | Ω | Ω | | | | | 1 | Ω |
| 1.5 Class 5 | Ω | 0 | 0 | 0 | Ω | | | | | 0 | 0 |
| 1.6 Class 6 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 1.7 TOTALS | 8.181.704 | 11,590,704 | 4,164,401 | 2,319,624 | 66,419 | 26,322,852 | 20.2 | 35,058,651 | 27.8 | 26,322,852 | Ĭ |
| 2. All Other Governments, Schedules | | 11,000,104 | 7,107,701 | 2,010,024 | 00,410 | 20,022,002 | 20.2 | 00,000,001 | 21.0 | 20,022,002 | |
| 2.1 Class 1 | Λ Δ Σ/ (Θ: σαρ 2) | 0 | n | Λ | 0 | | | | | 0 | (|
| 2.2 Class 2 | Ω | 0 | 0 | 0 | Ω | | | | | 0 | 0 |
| 2.3 Class 3 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 2.4 Class 4 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 2.5 Class 5 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 2.6 Class 6 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 2.7 TOTALS | • | · | , | | · · · · · · · · · · · · · · · · · · · | | | | | · | , |
| 3. States, Territories and Possession | s etc Guaranteed. S | chedules D & DA (Gro | up 3) | | | | | | | | |
| 3.1 Class 1 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 3.2 Class 2 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 3.3 Class 3 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 3.4 Class 4 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 3.5 Class 5 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 3.6 Class 6 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 3.7 TOTALS | | | | | | | | | | | |
| 4. Political Subdivisions of States, Te | erritories and Posses | sions, Guaranteed, Sc | hedules D & DA (Grou | p 4) | | | | | | | |
| 4.1 Class 1 | 0 | L0 | 0 | | 0 | | | | | 0 | 0 |
| 4.2 Class 2 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 4.3 Class 3 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 4.4 Class 4 | 0 | 0 | 0 | Ω | 0 | | | | | 0 | 0 |
| 4.5 Class 5 | 0 | 0 | 0 | ٥ | 0 | | | | | 0 | 0 |
| 4.6 Class 6 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 4.7 TOTALS | | | | | | | | | | | |
| 5. Special Revenue & Special Assess | ment Obligations etc | ., Non-Guaranteed, Sc | hedules D & DA (Grou | | | | | | | | |
| 5.1 Class 1 | 8,150,432 | | 1,044,367 | 2,027,878 | 146,324 | 15,618,741 | 12.0 | 8,542,930 | 6.8 | 15,618,740 | 0 |
| 5.2 Class 2 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 5.3 Class 3 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 5.4 Class 4 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 5.5 Class 5 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 5.6 Class 6 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 5.7 TOTALS | 8,150,432 | 4,249,740 | 1,044,367 | 2,027,878 | 146,324 | 15,618,741 | 12.0 | 8,542,930 | 6.8 | 15,618,740 | |

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ANNUAL STATEMENT FOR THE YEAR 1998 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 1A - SECTION 1 (continued)

| | | Quality and I | Naturity Distribution o | f All Bonds Owned De | cember 31, At Statem | ent Values By Major T | ypes of Issues and N | AIC Designations | | | • |
|--|---------------------|---|-------------------------|----------------------|----------------------|-----------------------|----------------------|-------------------------|------|----------------|-----------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| | | Over 1 Year Through | | | 0 00 1/ | | | Total from Col. 7 Prior | | Total Publicly | Total Privately Place |
| Quality Rating per the NAIC Designation | | 5 Years | 10 Years | Through 20 Years | Over 20 Years | Total Current Year | 10.7 | Year | Year | Traded | (a) |
| 6. Public Utilities (Unaffiliated), Sche | dules D & DA (Group | | 044.007 | 0 | 0 | 0.040.440 | 2.0 | 0.004.005 | 0.4 | 0.040.440 | |
| 6.1 Class 1 | U | 2,998,541 | 941,907 | D | D | 3,940,448 | 3.0 | 3,934,905 | 3.1 | 3,940,448 | |
| 6.2 Class 2 | 0 | 2,364,985 | U | U | D | 2,364,985 | 1.8 | 000 000 | 0.0 | 2,364,985 | |
| 6.3 Class 3 | 0 | | 776,187 | 150,000 | U | 926 , 187 | 0.7 | 302,993 | 0.2 | 926 , 187 | |
| 6.4 Class 4 | 0 | 0 | | 0 | 0 | | | | | 0 | |
| 6.5 Class 5 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | |
| 6.6 Class 6 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | |
| 6.7 TOTALS | | 5,363,526 | 1,718,094 | 150,000 | | 7,231,620 | 5.6 | 4,237,898 | 3.4 | 7,231,620 | |
| 7. Industrial & Miscellaneous (Unaffil | | | T | | | | | | | | |
| 7.1 Class 1 | 17 , 543 , 381 | , | 15,479,540 | 2,786,849 | 0 | 45 , 502 , 467 | 35.0 | 49 , 568 , 434 | 39.3 | 45,502,466 | |
| 7.2 Class 2 | 1 ,500 ,574 | | 10 , 496 , 024 | 0 | 0 | 22,860,548 | 17.6 | 23,252,503 | 18.4 | 22,860,548 | |
| 7.3 Class 3 | 0 | 1,550,603 | 8,422,244 | 2,002,194 | 0 | 11,975,041 | 9.2 | 4,503,600 | 3.6 | 11,975,041 | |
| 7.4 Class 4 | 0 | 0 | 522,864 | 0 | 0 | 522,864 | 0.4 | 1,002,003 | 8.0 | 522,864 | |
| 7.5 Class 5 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | |
| 7.6 Class 6 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | (|
| 7.7 TOTALS | 19,043,955 | 22,107,250 | 34,920,672 | 4,789,043 | | 80,860,920 | 62.2 | 78,326,540 | 62.1 | 80,860,919 | |
| 8. Credit Tenant Loans, Schedules D | & DA (Group 8) | | | | | | | | | | |
| 8.1 Class 1 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | |
| 8.2 Class 2 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | (|
| 8.3 Class 3 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | (|
| 8.4 Class 4 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | |
| 8.5 Class 5 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | |
| 8.6 Class 6 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | (|
| 8.7 TOTALS | | | | | | | | | | | |
| 9. Parent, Subsidiaries and Affiliates, | Schedules D & DA (| Group 9) | • | | | | | | | | |
| 9.1 Class 1 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | (|
| 9.2 Class 2 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | (|
| 9.3 Class 3 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | |
| 9.4 Class 4 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | |
| 9.5 Class 5 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | |
| 9.6 Class 6 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | (|
| 9.7 TOTALS | · · | | Ů | 0 | · | | | | | | |

SCHEDULE D - PART 1A - SECTION 1 (continued)

| | | Quality and I | Maturity Distribution of | All Bonds Owned De | cember 31, At Statem | ent Values By Major T | | AIC Designations | | | |
|---|----------------|---------------------|--------------------------|--------------------|----------------------|-----------------------|-----------------------|--------------------------|---------------------|-----------------|------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| | | Over 1 Year Through | Over 5 Years Through | Over 10 Years | | | Col. 7 as a % of Line | Total from Col. 7 Prior | % From Col. 8 Prior | Total Publicly | Total Privately Placed |
| Quality Rating per the NAIC Designation | 1 Year or Less | 5 Years | 10 Years | Through 20 Years | Over 20 Years | Total Current Year | 10.7 | Year | Year | Traded | (a) |
| 10. Total Bonds Current Year | | | | | | | | | | | |
| 10.1 Class 1 | 33,875,517 | 28,531,682 | 21,630,215 | 7 , 134 , 351 | 212,743 | 91,384,508 | 70.3 | XXX | ХХХ | 91,384,506 | |
| 10.2 Class 2 | 1,500,574 | 13,228,935 | 10,496,024 | | | 25,225,533 | 19.4 | XXX | ХХХ | 25,225,533 | |
| 10.3 Class 3 | | 1,550,603 | 9,198,431 | 2, 152, 194 | | 12,901,228 | 9.9 | XXX | XXX | 12,901,228 | |
| 10.4 Class 4 | | | 522,864 | | | 522,864 | 0.4 | XXX | ХХХ | 522,864 | |
| 10.5 Class 5 | | | | | | (c) | | XXX | XXX | | |
| 10.6 Class 6 | | | | | | (C) | | XXX | XXX | | |
| 10.7 TOTALS | 35,376,091 | 43,311,220 | 41,847,534 | 9,286,545 | 212,743 | (b) 130,034,133 | 100.0 | XXX | ХХХ | 130 , 034 , 131 | |
| 10.8 Line 10.7 as a % of Col. 7 | 27.2 | 33.3 | 32.2 | 7.1 | 0.2 | 100.0 | XXX | XXX | XXX | 100.0 | |
| 11. Total Bonds Prior Year | | | | | | | | | | | |
| 11.1 Class 1 | 18,951,941 | 43 , 487 , 275 | 23,277,184 | 11,055,992 | 332,528 | XXX | XXX | | | 97 , 104 , 920 | |
| 11.2 Class 2 | | 13,726,711 | 7,387,119 | 1,521,657 | 617,016 | XXX | XXX | 23,252,503 | | 23,252,503 | |
| 11.3 Class 3 | | 516,209 | 3, 186, 694 | 1 , 103 , 690 | | XXX | XXX | 4,806,593 | 3.8 | 4,806,593 | |
| 11.4 Class 4 | | | 1,002,003 | | | XXX | XXX | 1,002,003 | 8.0 | 1,002,003 | |
| 11.5 Class 5 | | | | | | XXX | XXX | (c) | | | |
| 11.6 Class 6 | | | | | | XXX | XXX | (C) | | | |
| 11.7 TOTALS | 18,951,941 | 57 , 730 , 195 | 34,853,000 | 13,681,339 | 949,544 | XXX | ХХХ | (b)126, 166, 019 | | 126, 166, 019 | |
| 11.8 Line 11.7 as a % of Col. 9 | 15.0 | 45.8 | 27.6 | 10.8 | 0.8 | XXX | XXX | 100.0 | XXX | 100.0 | |
| 12. Total Publicly Traded Bonds | | | | | | | | | | | |
| 12.1 Class 1 | 33,875,516 | 28,531,682 | 21,630,216 | 7 , 134 , 351 | 212,743 | 91,384,508 | 70.3 | 97 , 104 , 921 | | 91,384,508 | XXX |
| 12.2 Class 2 | 1,500,574 | 13,228,935 | 10,496,024 | 0 | 0 | 25,225,533 | 19.4 | 23,252,503 | | 25,225,533 | XXX |
| 12.3 Class 3 | 0 | 1,550,603 | 9,198,432 | 2, 152, 194 | 0 | 12,901,229 | 9.9 | 4,806,593 | 3.8 | 12,901,229 | XXX |
| 12.4 Class 4 | 0 | 0 | 522,864 | 0 | 0 | 522,864 | 0.4 | 1,002,003 | 8.0 | 522,864 | XXX |
| 12.5 Class 5 | 0 | 0 | 0 | 0 | 0 | | | | | | XXX |
| 12.6 Class 6 | 0 | 0 | 0 | 0 | 0 | | | | | | XXX |
| 12.7 TOTALS | 35,376,090 | 43,311,220 | 41,847,536 | 9,286,545 | 212,743 | 130 , 034 , 134 | 100.0 | 126, 166,020 | 100.0 | 130 , 034 , 134 | XXX |
| 12.8 Line 12.7 as a % of Col. 7 | 27 .2 | 33.3 | 32.2 | 7.1 | 0.2 | 100.0 | XXX | XXX | ХХХ | 100.0 | XXX |
| 12.9 Line 12.7 as a % of Line 10.7, | | | | | | | | | | | |
| Col. 7, Section 10 | 27.2 | 33.3 | 32.2 | 7.1 | 0.2 | 100.0 | XXX | XXX | XXX | 100.0 | XXX |
| 13. Total Privately Placed Bonds | | | | | | | | | | | |
| 13.1 Class 1 | 0 | 0 | 0 | 0 | 0 | ļ | ļ | ļ | ļ | XXX | |
| 13.2 Class 2 | <u>0</u> | ļū | 0 | 0 | <u>0</u> | ļ | ļ | ļ | | XXX | |
| 13.3 Class 3 | | ļ | 0 | | | | | | | XXX | |
| 13.4 Class 4 | 0 | 0 | 0 | | 0 | | | | | XXX | |
| 13.5 Class 5 | 0 | 0 | 0 | | 0 | | | | | XXX | |
| 13.6 Class 6 | 0 | 0 | 0 | 0 | 0 | | | | | XXX | |
| 13.7 TOTALS | | | | | | | VVV | VVV | VVV | XXX | |
| 13.8 Line 13.7 as a % of Col. 7 | | | | | | | XXX | XXX | XXX | XXX | |
| 13.9 Line 13.7 as a % of Line 10.7, | | | | | | | VVV | VVV | VVV | VVV | |
| Col. 7, Section 10 | | | | | | | XXX | XXX | XXX | XXX | |
| a) Includes \$0 fre | | | for resale under SEC R | | 0 ourron | | | ands with 7* designation | | | |

3,232,327 current year, \$2,741,645 prior year of bonds with Z designations and \$0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by

.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in

reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

SCHEDULE D - PART 1A - SECTION 2

| Maturity Distribution of All Bonds Owned December 31, At Statement Values by Major Type and Subtype of Issues | | | | | | | | | | | | |
|---|--|-----------------|------------------|------------------|---------------|--------------------|---------------|------------------|---------------|--|-----------------|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| | | Over 1 Year | Over 5 Years | Over 10 Years | | | Col. 7 as a % | Total from Col 7 | % From Col. 8 | Total Publicly | Total Privately | |
| Distribution by Type | 1 Year or Less | Through 5 Years | Through 10 Years | Through 20 Years | Over 20 Years | Total Current Year | of Line 10.7 | Prior Year | Prior Year | Traded | Placed | |
| 1. U.S. Governments, Schedules D & DA (Group 1) | | | | | 0.00.00.00 | | | | | | | |
| 1.1 Issuer Obligations | 2,066,456 | 1,057,348 | 0 | 0 | 0 | 3.123.804 | 2.4 | 17.306.550 | 13.7 | 3.123.804 | 0 | |
| 1.2 Single Class Mortgage-Backed/Asset-Backed Bonds | 6,115,247 | 10,533,357 | 4,164,401 | 2,319,624 | 66,419 | 23,199,048 | 17.8 | 17,752,101 | 14.1 | 23,199,048 | 0 | |
| 1.7 Totals | 8.181.703 | 11.590.705 | 4.164.401 | 2,319,624 | 66.419 | 26.322.852 | 20.2 | | 27.8 | 26,322,852 | 0 | |
| 2. All Other Governments. Schedules D & DA (Group 2) | 0,101,703 | 11,080,700 | 4, 104, 401 | 2,319,024 | 00,419 | 20,322,032 | 20.2 | 33,030,031 | 21.0 | 20,322,032 | | |
| | ۸ | Λ. | Λ. | 0 | 0 | | | | | 0 | 0 | |
| 2.1 Issuer Obligations | | U | 0 | U | D | | | | | U | | |
| Single Class Mortgage-Backed/Asset-Backed Bonds MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | 0 | | 0 | 0 | 0 | | | | | U | U | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | 0 | | 0 | 0 | 0 | | | | | 0 | | |
| 2.3 Defined | 0 | U | 0 | ū | 0 | | | | | 0 | 0 | |
| 2.4 Other | 0 | 0 | 0 | 0 | 0 | | | | | 0 | | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES: | | | | | | | | | | | | |
| 2.5 Defined | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 | |
| 2.6 Other | 0 | 0 | 0 | 0 | 0 | | 1 | | | 0 | 0 | |
| 2.7 Totals | | Ů | | Ť | • | | 1 | | | , and the second | Ĭ | |
| 3. States, Territories, and Possessions Guaranteed, Schedules D & DA (Group 3) | | | | | | | | | | | | |
| 3.1 Issuer Obligations | Λ | n | Λ | n | 0 | | | | | 0 | 0 | |
| 3.2 Single Class Mortgage-Backed/Asset-Backed Bonds | | | | o | N | | | | | N | o | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | 0 | 0 | 0 | 0 | | | | | | U | 0 | |
| 0 0 D () 1 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 | |
| 3.3 Defined | | U | 0 | 0 | | | | | | | 0 | |
| | U | U | 0 | U | U | | | | | U | U | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES: | | | | | | | | | | | | |
| 3.5 Defined | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 | |
| 3.6 Other | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 | |
| 3.7 Totals | | | | | | | | | | | | |
| 4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Sched | ules D & DA (Group 4) | | | | | | | | | | | |
| 4.1 Issuer Obligations | O CONTRACTOR OF THE CONTRACTOR | Λ | Λ | n | 0 | | | | | 0 | 0 | |
| 4.2 Single Class Mortgage-Backed/Asset-Backed Bonds | N | | | o | N | | | | | D | o | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | 0 | 0 | 0 | 0 | | | | | | υ | | |
| | 0 | 0 | 0 | 0 | ٥ | | | | | ٥ | ١ | |
| 4.3 Defined | | | U | U | | | 1 | | | | | |
| | | U | 0 | | | | | | | U | | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES: | | | | | | | | | | | | |
| | 0 | _ | 0 | 0 | 0 | | | | | 0 | 0 | |
| 4.5 Defined | U | | | U | U | | | | | U | | |
| 4.6 Other | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 | |
| 4.7 Totals | | | | | | | <u> </u> | | | | | |
| 5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Sched | lules D & DA (Group 5) | | | | | | | | | | | |
| 5.1 Issuer Obligations | 0 | 1,023,106 | 0 | 873,051 | 0 | 1 , 896 , 157 | 1.5 | 2,045,123 | 1.6 | 1 , 896 , 158 | 0 | |
| 5.2 Single Class Mortgage-Backed/Asset-Backed Bonds | 565,754 | 2,242,292 | 581,259 | 1,073,639 | 146,324 | 4,609,268 | 3.5 | 6,497,807 | 5.2 | 4,609,268 | 0 | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | | | | | | | | | | | |
| 5.3 Defined | 7 ,584 ,677 | 984,341 | 463,109 | 81 , 188 | 0 | 9,113,315 | 7.0 | | | 9,113,315 | 0 | |
| 5.4 Other | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES: | | | | | | | | | | | | |
| 5.5 Defined | 0 | 0 | 0 | 0 | 0 | | 1 | l | <u> </u> | 0 | | |
| 5.6 Other | n | n | n | ñ | n | | | | | n | n | |
| 5.7 Totals | 8.150.431 | 4.249.739 | 1,044,368 | 2,027,878 | 146.324 | 15.618.740 | 12.0 | 8.542.930 | 6.8 | 15,618,741 | • | |
| U.1 TUIdIS | 0,100,401 | 4,245,135 | 1,044,300 | ۷,021,010 | 140,324 | 13,010,740 | 12.0 | 0,042,930 | 0.0 | 15,010,741 | i | |

SCHEDULE D - PART 1A - SECTION 2 (continued)

| , | T . | | DULION OF All BONDS C | wiled December 31, A | | y Major Type and Sub | type of ISSUES | | 1 | | |
|---|-----------------------|---------------------|-----------------------|----------------------|---------------|----------------------|----------------|-------------------------|------------|----------------|-----------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| | | Over 1 Year Through | Over 5 Years | Over 10 Years | | | | Total from Col. 7 Prior | | Total Publicly | Total Privately |
| Distribution by Type | 1 Year or Less | 5 Years | Through 10 Years | Through 20 Years | Over 20 Years | Total Current Year | of Line 10.7 | Year | Prior Year | Traded | Placed |
| 6. Public Utilities (Unaffiliated), Schedules D & DA | (Group 6) | | | .= | | | | | | | _ |
| 6.1 Issuer Obligations | 0 | 5,363,526 | 1,718,094 | 150,000 | 0 | 7,231,620 | 5.6 | 4,237,898 | 3.4 | 7,231,620 | 0 |
| 6.2 Single Class Mortgage-Backed/Asset-Based Bonds | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES: | | | | | | | | | | | |
| 6.3 Defined | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 6.4 Other | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 6.5 Defined | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 6.6 Other | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 6.7 Totals | | 5,363,526 | 1,718,094 | 150,000 | | 7,231,620 | 5.6 | 4,237,898 | 3.4 | 7,231,620 | |
| 7. Industrial & Miscellaneous (Unaffiliated), Sched | iles D & DA (Group 7) | | | | | | | | | | |
| 7.1 Issuer Obligations | 14,645,820 | 18,582,093 | 32,685,085 | 4,594,431 | 0 | 70,507,429 | 54.2 | 58,275,448 | 46.2 | 70,507,430 | 0 |
| 7.2 Single Class Mortgage-Backed/Asset-Based Bonds | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES: | | | | | | | | | | | |
| 7.3 Defined | 4,398,134 | 1,526,454 | 2,235,587 | 194,611 | 0 | 8,354,786 | 6.4 | 18,052,720 | 14.3 | 8,354,787 | 0 |
| 7.4 Other | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 7.5 Defined | 0 | 1,998,702 | 0 | 0 | 0 | 1,998,702 | 1.5 | 1,998,372 | 1.6 | 1,998,702 | 0 |
| 7.6 Other | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 7.7 Totals | 19,043,954 | 22,107,249 | 34,920,672 | 4,789,042 | | 80,860,917 | 62.2 | 78,326,540 | 62.1 | 80,860,919 | |
| 8. Credit Tenant Loans, Schedules D & DA (Group | 8) | • | | | | | | | | | |
| 8.1 Issuer Obligations | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 8.7 Totals | | | | | | | | | | | |
| 9. Parents, Subsidiaries and Affiliates, Schedules I |) & DA (Group 9) | l . | | | | | | | | | |
| 9.1 Issuer Obligations | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 9.2 Single Class Mortgage-Backed/Asset-Based | | | | | | | | | | | |
| Bonds | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES: | | | | | | | | | | | |
| 9.3 Defined | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 9.4 Other | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 9.5 Defined | 0 | 0 | 0 | 0 | 0 | | ļ | ļ | | 0 | 0 |
| 9.6 Other | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 |
| 9.7 Totals | | | - | - | | | | | | | |

SCHEDULE D - PART 1A - SECTION 2 (continued)

| Maturity | Distribution of Al | Bonds Owned De | ecember 31, At St | tatement Values b | y Major Type and | Subtype of Issue | s | | | | |
|--|--------------------|---|-------------------|-------------------|------------------|------------------|--------------------|------------------------|--------------------------|----------------------|-----------------------|
| 1 | | | , | _ | • | 7 | | | 40 | 44 | 40 |
| Distribution by Type | 2 | 3 Over 1 Year | 4 Over 5 Years | Over 10 Years | 6 | Total Current | 8 Col. 7 oo o % | 9 Total From Col. 7 | 10 % From Col. 8 | 11 Total Publicly | 12 Total Privately |
| Distribution by Type | 1 Year or Less | | | Through 20 Years | Over 20 Years | Year | of Line 10.7 | Prior Year | % From Col. 8 Prior Year | Traded | Placed |
| 10. Total Bonds Current Year | 1 Tour or Ecss | Tillough o Teals | Tillough to reals | Through 20 Tours | OVCI 20 TCGIS | i cai | Of Line 10.7 | T HOT TOU | 1 Hor rear | Hadea | 1 lacca |
| 10.1 Issuer Obligations | 16,712,276 | 26,026,073 | 34,403,179 | 5,617,482 | | 82,759,010 | 63.6 | XXX | XXX | 82,759,012 | |
| 10.2 Single Class Mortgage-Backed/Asset-Backed Bonds | 6,681,001 | 12,775,649 | 4,745,660 | 3,393,263 | 212,743 | 27,808,316 | 21.4 | XXX | XXX | 27,808,316 | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | 2,110,010 | | | | | | | | 21,000,010 | |
| 10.3 Defined | 11.982.811 | 2.510.795 | 2.698.696 | 275.799 | | 17 . 468 . 101 | 13.4 | XXX | XXX | 17 . 468 . 102 | |
| 10.4 Other | | , | | | | , , , , , | | XXX | XXX | , , . | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 10.5 Defined | | 1,998,702 | | | | 1,998,702 | 1.5 | XXX | XXX | 1,998,702 | |
| 10.6 Other | | | | | | | | XXX | XXX | | |
| 10.7 Totals | 35,376,088 | 43,311,219 | 41,847,535 | 9,286,544 | 212,743 | 130 , 034 , 129 | 100.0 | XXX | XXX | 130,034,132 | |
| 10.8 Line 10.7 as a % of Col. 7 | 27.2 | 33.3 | 32.2 | 7.1 | 0.2 | 100.0 | XXX | XXX | XXX | 100.0 | |
| 11. Total Bonds Prior Year | | | | | | | | | | | |
| 11.1 Issuer Obligations | 11,988,323 | 33,752,474 | 28,279,065 | 7 , 228 , 141 | 617 ,016 | XXX | XXX | 81,865,019 | 64 . 9 | 81,865,018 | |
| 11.2 Single Class Mortgage-Backed/Asset-Backed Bonds | 4,458,925 | 10,878,502 | 4,691,458 | 3,888,495 | 332,528 | XXX | XXX | 24,249,908 | 19.2 | 24,249,910 | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | 0 005 407 | 44 040 500 | 4 740 004 | 0.504.700 | | VVV | VVV | 40.050.700 | | 40.050.700 | |
| 11.3 Defined | 2,095,127 | 11,646,589 | 1,746,301 | 2,564,703 | | XXX | XXX | 18,052,720 | 14.3 | 18,052,720 | |
| 11.4 Other | 0 | 0 | 0 | 0 | 0 | XXX | XXX | | | 0 | 0 |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | 409.567 | 1.452.630 | 136 . 175 | | | XXX | XXX | 1.998.372 | 1.6 | 1.998.372 | |
| 11.5 Defined | 409,307 | 1,432,030 | 130,173 | 0 | Λ | XXX | XXX | | 1.0 | ,990 , 37 2 | Λ |
| 11.6 Other | 18,951,942 | 57,730,195 | 34,852,999 | 13,681,339 | 949,544 | XXX | XXX | 126.166.019 | 100.0 | 126, 166, 020 | U |
| 11.8 Line 11.7 as a % of Col. 9 | 15.0 | 45.8 | 27.6 | 10.8 | 0.8 | XXX | XXX | 100.0 | XXX | 100.0 | |
| 12. Total Publicly Traded Bonds | 10.0 | 43.0 | 21.0 | 10.0 | 0.0 | ۸۸۸ | ۸۸۸ | 100.0 | ۸۸۸ | 100.0 | |
| 12.1 Issuer Obligations | 16.712.276 | 26,026,074 | 34.403.179 | 5.617.482 | 0 | 82,759,011 | 63.6 | 81.865.018 | 64.9 | 82.759.011 | XXX |
| 12.2 Single Class Mortgage-Backed/Asset-Backed Bonds | 6.681.002 | 12.775.649 | 4.745.660 | 3.393.263 | 212.743 | 27 . 808 . 317 | 21.4 | 24.249.910 | 19.2 | 27 , 808 , 317 | XXX |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | 12,770,040 | , 1 40,000 | | 212,740 | 27,000,017 | | 24,240,010 | 10.2 | 27,000,017 | |
| 12.3 Defined | 11,982,812 | 2,510,795 | 2,698,696 | 275,799 | 0 | 17 , 468 , 102 | 13.4 | 18,052,720 | 14.3 | 17 , 468 , 102 | XXX |
| 12.4 Other | 0 | 0 | 0 | 0 | 0 | , 100 , 102 | | | | , 100 , 102 | XXX |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 12.5 Defined | 0 | 1,998,702 | 0 | 0 | 0 | 1,998,702 | 1.5 | 1,998,372 | 1.6 | 1,998,702 | XXX |
| 12.6 Other | 0 | 0 | 0 | 0 | 0 | | | | | | XXX |
| 12.7 Totals | 35,376,090 | 43,311,220 | 41,847,535 | 9,286,544 | 212,743 | 130,034,132 | 100.0 | 126 , 166 , 020 | 100 . 0 | 130,034,132 | XXX |
| 12.8 Line 12.7 as a % of Col. 7 | 27 . 2 | 33.3 | 32.2 | 7.1 | 0.2 | 100.0 | XXX | XXX | XXX | 100.0 | XXX |
| 12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10 | 27.2 | 33.3 | 32.2 | 7.1 | 0.2 | 100.0 | XXX | XXX | XXX | 100.0 | XXX |
| 13. Total Privately Placed Bonds | | | | | | | | | | | |
| 13.1 Issuer Obligations | 0 | 0 | 0 | 0 | 0 | | | | | XXX | |
| 13.2 Single Class Mortgage-Backed/Asset-Backed Bonds | 0 | 0 | 0 | 0 | 0 | | | | | XXX | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | _ | _ | - | _ | | | | | | V/V/V | |
| 13.3 Defined | 0 | J0 | 0 | 0 | <u>0</u> | | | | | XXX | |
| 13.4 Other | L | 0 | 0 | . 0 | 0 | | | | | XXX | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: 13.5 Defined | 0 | 0 | ۸ | 0 | ۸ | | | | | XXX | |
| 40.0 | U | U | | 0 | | | | | | XXX | |
| 13.6 Other | U | U | U | U | U | | | | | XXX | |
| 13.8 Line 13.7 as a % of Col. 7 | | | | | | | XXX | XXX | XXX | XXX | |
| 13.9 Line 13.7 as a % of Col. 7 | | | | | | | XXX | XXX | XXX | XXX | |
| 10.0 Line 10.7 as a 70 of Line 10.7, Col. 7, Section 10 | | | | 1 | | | AAA | //// | 7/7/ | //// | |

| Company Comp | | | | , | | DONDC | | D | O | | | | | | | | | |
|--|--|----------------------------|--------------------|-------------|-----------|-----------|----------|----------------|--------------|----------|-------------|-------------|-------------|---------------|--------|--------------|------------|-----------|
| State Column Co | 1 | 2 | | | | Y . | | December 31 of | Current Year | Inte | erest | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| Current No. Part | ' | _ | | | , | Ŭ | | , | Ü | | | 10 | | | 10 | | .0 | |
| Company Comp | | Interest | Maturity | · | 4 | | | | | _ | 9.2 | | | | | | ŀ | 1 |
| Part | | a b | а | b c | | | D - 1 - | | | | | | D | | | | - " | 1 |
| Column | | | | | | | | | | | | | | | | | | Statement |
| Company Comp | | | | | | | | | | | Gross | | | | | | | |
| Secondary Proceedings Proceedings Procedure | | | | | | | | | | on Bonds | Amount | in Book | in Book | Default as to | | | | |
| | | | | | | | | | | | | | | | | | | |
| Sign | | of Paid | Year Month | Year Price | value | value | value | value | Cost | Derauit | During Year | During Year | During Year | interest | nation | quirea | terest | (a) |
| Company Comp | ISSUER OBLIGATIONS | | | | | | | | | | | | | | | | | |
| Control Portal 1.5 | 912827-3C-4 US TREASURY NOTE 6.000% '02 | 6.0000 JJ | 2002 07 | | 1,057,348 | 1,000,000 | 104.31 | 1,043,100 | 1,059,688 | 25,109 | 0 | 0 | 2,340 | 0 | 1 | 1998 | | |
| Control Portal 1.5 | 912827-XE-7 US TREASURY NOTE 8.875% '99 | 8.8750 FA | | | 1,053,655 | 1,050,000 | 100 . 46 | 1,054,862 | 1,208,484 | 35,199 | 93 , 188 | 0 | | 0 | 1 | 1992 | | 1,053,655 |
| | | NIM UC10. L | 1999 11 | | | | | | | | | | | | YYY | | | |
| SING CLASS WATCHES WAT | | igations | | | - / - / | | | | | | , | 0 | , - | | | | | |
| \$2000_65_6_0_0_0_0_0_0_0_0_0_0_0_0_0_0_0_0 | SINGLE CLASS MORTGAGE-BACKED/ASSET-BACKED SECURITIES | <u>J </u> | | | | | | - / / | -,, | | , | - | , . | | | | | ., ., |
| 2002-9-7-2 SWA PCV 42526 | 36202C-BS-1 GNMA POOL #1849 | 8.5000 MTLY | 202408 | | 28,753 | 27,589 | | 29,227 | | 195 | | 0 | | 0 | 1 | 1998 | | |
| \$20000-19-10 SAMP FOX \$27000 SAMP FOX \$27000 | | | | | 3,599,258 | 3,453,702 | | 3,655,536 | 3,601,564 | | | 0 | | 0 | 1 | 1998 | 6.520 | 3,599,258 |
| 20027 - 1. SWAR FOL SEALE | 36202C-SP-9 GNMA POOL #2326. | 8.5000 MTLY | | | 2.333.712 | 2,239,044 | | | 2,334.903 | | | 0 | | 0 | 1 | 1998 | | 2.333.712 |
| \$2000-11-1. 384 FOL \$2616. \$500 NTV. \$227. \$0. \$52. \$55 \$50. \$70. \$71. \$0. \$72. \$0. \$52. \$55 \$50. \$70. \$70. \$70. \$70. \$70. \$70. \$70. \$7 | 36202C-TA-1 GNMA POOL #2345 | 8.5000 MTLY | 202612 | | 937,631 | 899,654 | 105.81 | 951,942 | 938 , 170 | 6,373 | 63,725 | 0 | 539 | 0 | 1 | 1998 | 6.739 | 937 , 631 |
| \$2000-Feb. 3000 Feb. 3000 | | | | | | | | | | | | 0 | | 0 | 1 | | | |
| \$3000-FC - 0. 0MK 101, \$67.08 | 36202C-VH-5 GNMA POOL #2416 | 8 5000 MTLY | 2027 04 | | 730 317 | 700 737 | 105.61 | 741 464 | 730 737 | 4 964 | 49 636 | | | 0 | 11 | | | 730 317 |
| \$82000-1-16-1. ONLY FOR \$9000-25-2. \$ \$0.000 NTV. 2004. \$ \$7.941 \$7.977 \$17.76 \$7.76 \$9.76 \$5.5 \$37 \$0.2 \$0.1 \$9.88 \$6.565 \$7.541 \$8.000 NTV. 2004. \$0.5 \$0.5 \$1.0 \$1.0 \$1.0 \$1.0 \$1.0 \$1.0 \$1.0 \$1.0 | 36202C-ZC-0 GNMA POOL #2539 | 8.5000 MTLY. | . 2028 01 | | 840,775 | 806,717 | 105.81 | 853,603 | 841,254 | 5,714 | 57 , 142 | 0 | | 0 | 1 | 1998 | 6.717 | 840,775 |
| Signorn Sign | | | | | | | | | | | | 3 | 0 | 0 | 1 | | | |
| Signost Fig. Signost | | | | | | | | | | | | | | 0 | 1 1 | | | |
| SIGNEST | | | 2025032 | 2023 | | | | 20.908 | | | | 3 | | 0 | 1 | | | |
| 38(215) -44 - SNA POUL MOST/86. 10,500 WITY. 2013. 04 | 36205L-JF-8 GNMA POOL #393662. | | . 2024 12 | | 10,018 | 9,694 | 106.50 | 10,324 | 10,020 | | 824 | 1 | 0 | 0 | 1 | | 7 .635 | 10,018 |
| 98/2151-73- QMM POU. #1968970 | 362064-L8-8 GNMA POOL #034551 | | | | | | | | | | | 0 | | 0 | 1 | | | |
| 9252104 5-12 - QNAR POOL #102702 9 9.000 MTV, 2013 10 64.654 66.029 107.50 64.531 64.794 2.50 1 10 0 1 1998, 7.981 64.654 382746-64-74 QNAR POOL #102702 9 9.000 MTV, 2013 11 30.1634 2.80 178 10.75 50 30.1634 3.75 50 30.163 | | | | | | | | 75.145 | 74.763 | | | 0 | | 0 | 1 1 | | | |
| 382141-0-4 GNIA POUL \$106466 | 36214D-AB-3 GNMA POOL #102702 | 9.0000 MTLY | . 2013 10 | | 64,634 | 60,029 | 107.50 | 64,531 | 64,794 | 450 | 3, 152 | 0 | 160 | 0 | 1 | 1998 | 7 .981 | 64,634 |
| 382/151-W-1 - 0.000 MTV 2016. 012 | 36214G-3M-0 GNMA POOL #106204 | 9.0000 MTLY | | | | 280 , 128 | 107.50 | 301,138 | 302,363 | | | 0 | 729 | 0 | 1 | 1998 | 7.962 | |
| 362/15-12-6-6. GNAA POUL #15626B 10.000 MT.Y. 2016 10.33 244, 184 225, 271 109, 84 247, 447 245, 827 1, 877 22, 527 0 524 0 1, 1995 8, 670 224, 194 225, 271 109, 84 112, 198 111, 464 8, 851 10, 214 0 93 0 1, 1995 7, 570 110, 852 302, 195, 19-2-6. GNAA POUL #15626B 302/150-19-5. GNAA POUL #15626B 10.000 MT.Y. 2016 10 40 62, 096 62, 096 62, 089 62, 458 477 5, 724 0 29 0 1, 1995 6, 460 62, 096 | 362151-ALI-6 GNMA POOL #100490 | 9.0000 MTLY | | | | | | | | | | | | | 1 1 | | | |
| 382759-72-5. GNAM POOL #158041. 10.000 MTV. 2016. 04. 62.096 57.235 109.84 62.889 62.488 477 5.724 D 29 0 1.995. 6.460 62.096 62.096 62.585 109.84 62.889 62.488 477 5.724 D 18 0 1.995. 6.460 62.096 62.585 109.84 62.889 109.84 107.344 1.00.00 MTV. 2016. 03. 106.613 98.270 109.84 107.347 819 9.827 D 54 0 1.995. 6.562 106.613 98.270 109.84 107.347 819 9.827 D 54 0 1.995. 6.562 106.613 98.270 109.84 107.347 819 9.827 D 103 0 1.995. 6.562 106.613 98.270 109.84 107.347 819 9.827 D 103 0 1.995. 6.562 106.613 98.270 109.84 107.237 819 9.827 D 103 0 1.995. 6.562 106.613 98.270 109.84 107.237 819 9.827 D 103 0 1.995. 6.562 109.618 1 | 362153-ED-6 GNMA POOL #152332 | 10.000 MTLY | 2016 03 | | 244 , 184 | 225,271 | 109.84 | 247,447 | 245,827 | | 22,527 | 0 | | 0 | 1 | 1995 | 8.670 | 244, 184 |
| 362/150-44-0. ONAM POOL #132441 | 362157-W5-4 GNMA POOL #156468 | 10.000 MTLY | | | 110,852 | 102,143 | | | | | | 0 | | 0 | 1 | | | |
| 38215N-31-6. 6NMA POLL #140410 | 36215D-WA-0 GNMA POOL #132141 | 10.000 MTLY | | | | 57 ,235 | | | | | | U | | 0 | 1 1 | | | |
| 362150.TY-C. GMNA POOL #140164 | 36215N-3T-9. GNMA POOL #140410. | 10.000 MTLY | 201603 | | | 98,270 | | 107,944 | | | | 0 | | 0 | 1 | 1995 | | |
| 382150 V-V-Z GMAN POOL #142114 | 36215N-3U-6 GNMA POOL #140411 | 10.000 MTLY | 2016 04 | | 98,322 | 90,480 | 109.84 | 99,386 | 98,736 | | | 0 | | 0 | ļ | 1995 | 7 .644 | 98,322 |
| 36215U-T-2 (SNMA POOL #145626. | | 10.000 MTLY | | | 109,668 | | 109.84 | 110,765 | | | | 0 | | 0 | 1 | | | |
| 36215W-0-0-9 GNMA POOL #146744 | 36215U-VT-2 GNMA POOL #142114 | 10.000 MTLY | 201602 | | | 226,077 | 109.84 | 248,331 | | | | 0 | | 0 | 1 | 1995 | | 245.271 |
| 362164-W6-7, GNMA POOL #147252 | 36215U-ZH-4 GNMA POOL #145744 | 10.000 MTLY | . 2016 02 2 | 2014100.000 | 31,243 | 28,899 | 109.84 | 31,744 | 31,536 | 241 | 2,890 | 0 | 0 | 0 | 1 | 1995 | 1.087 | 31,243 |
| 382162-SW-0 GNMA POOL #181533 9,0000 MTLY 2019, 10 32,693 30,317 107.31 32,534 32,724 227 1,592 0 30 0 1,1998, 7,223 32,693 362164-64-2 GNMA POOL #183501 1,0000 MTLY 2016, 10 1,146,059 134,255 109.84 147,471 146,506 1,119 13,426 0 8.2 0 1,1995, 6,755 146,059 362164-64-2 GNMA POOL #16509 9,9000 MTLY 2016, 05 7,777 7,722 0 107.56 7,766 7,793 5.4 379 0 1,159 1,1998, 8,120 7,777 362164-14-15,199 1 | | 10.000 MTLY | | | 85,130 | 78,471 | | | 85,631 | | | ō | | | 1 | 1995 | | 85,130 |
| 36216H-G4-2 GNMA POOL #185301. 10.000 MTLY. 2016. 10. 146.059 134.255 109.84 147,471 146.506 1,119 13,426 0. 82 0 1 1995. 6,775 146.059 36216H-G4-2 GNMA POOL #165506 8.8.500 MTLY. 2016. 08 182.234 181.613 106.94 194.214 182.465 1,286 15,437 29 0 1 1998. 8,120 7,777 36216H-WW-9. GNMA POOL #173186. 8.500 MTLY. 2016. 08 182.234 181.613 106.94 194.214 182.465 1,286 1, | | | | | | | | | | | | | | 0 | 1 1 | | | |
| 36216H-G4-2. GNMA POOL #165019. 9.0000 MTLY. 2016. 05. 7,777 7,220 107.56 7,766 7,793 5.4 3.79 0.0 1.5 0.1 1998. 8.120 7,777 36216H-YB-6. GNMA POOL #165060. 8.5000 MTLY. 2016. 08. 182.234 181,613 106.94 127,060 119,374 842 10.099 1.0 0.0 1 1986. 8.580 119,220 36216W-WW-9. GNMA POOL #173186. 0.0 1 1986. 8.649 1.19,220 36216W-WW-9. GNMA POOL #177161. 0.0 0.0 MTLY. 2016. 09. 289,768 267,014 109.84 293,299 291,379 2,225 26,701 0.0 1 1995. 6.681 289,768 36217A-3H-5. GNMA POOL #1212400. 9.0000 MTLY. 2017. 07. 24,643 22,888 107.62 24,601 24,672 171 1,200 0.0 29 0.1 1998. 7,312 24,643 36217B-SD-6. GNMA POOL #187902. 9.0000 MTLY. 2017. 01. 2016. 100.000 10,476 9,721 107.62 10,463 10,493 73 510 0.0 11998. 7,312 12,031 36217C-SU-1. GNMA POOL #189631. 10.000 MTLY. 2017. 08. 291,920 268,949 109.84 295,424 293,491 2,241 26,895 0.0 315 0.1 1995. 8.084 291,920 36217F-WL-8. GNMA POOL #196051. 9.0000 MTLY. 2016. 12. 8.805 8,805 8,188 107.62 8,790 8,816 61 429 0.0 11 1998. 5.258 8,805 39,739 36217F-UE-7. GNMA POOL #20389. 9.0000 MTLY. 2017. 01. 1998. 5.258 8,805 39,739 36217F-UE-7. GNMA POOL #20389. 9.0000 MTLY. 2017. 01. 1998. 5.745 2050 39,739 36217F-UE-7. GNMA POOL #20389. 9.0000 MTLY. 2017. 01. 1998. 5.745 2050 39,739 36218F-K4-5. GNMA POOL #20389. 9.0000 MTLY. 2017. 01. 1998. 7,745 2050 39,739 36218F-K4-5. GNMA POOL #20389. 9.0000 MTLY. 2017. 01. 1998. 7,745 2050 | 362164-X6-7 GNMA POOL #183501 | 10.000 MTLY | . 2016 10 | | 146,059 | 134,255 | 109.84 | 147,471 | 146,506 | | 13,426 | | 82 | 0 | 1 | 1995 | 6.775 | 146,059 |
| 36216S-J7-8. GNMA POOL #173186. | 36216H-G4-2 GNMA POOL #165019 | | 2016 05 | | 7 ,777 | 7,220 | 107.56 | 7,766 | 7,793 | | 379 | 0 | | 0 | 1 | | | 7 ,777 |
| 36216W-WW-9. GNMA POOL #177161 | | | | | | | | | | | | | | 0 | 1 | | | |
| 362174-3H-5. GNMA POOL #212400. 9 0000 MTLY 2017 07 24,643 22,858 107.62 24,601 24,672 171 1,200 0 29 0 1 1,1998 7,312 24,643 362174-U3-2 GNMA POOL #187902 9 000 MTLY 2017 01 2016 100.000 10,476 9,721 107.62 10,463 10,493 73 510 0 1 1 1998 3,3479 10,476 362178-U3-2 GNMA POOL #189044 0 1 10.000 MTLY 2018 05 2016 100.000 12,031 12,402 1.09,78 13,615 11,956 1.03 1,240 4 0 0 1 1,989 13,247 21,031 36217C-SU-1 GNMA POOL #189631 10.000 MTLY 2017 08 291,920 268,949 109.84 295,424 293,491 2,241 26,895 0 1315 0 1 1,995 8.084 291,920 36217C-WL-8. GNMA POOL #196051 9,0000 MTLY 2016 12 8,805 8,168 107.62 8,790 8,816 61 429 0 1 11 0 0 1,1998 5,258 8,805 36217T-UE-7 GNMA POOL #20381 9,0000 MTLY 2017 01 39,739 36,857 107.62 8,790 8,816 61 429 0 1 11 0 0 1,1998 5,258 8,805 36218T-WL-5. GNMA POOL #20381 9,0000 MTLY 2018 05 20,502 19,018 107.44 20,433 20,528 143 9,98 0 26 0 1,1998 7,745 20,502 | 36216W-WW-9 GNMA POOL #177161 | | | | | 267 .014 | 100.94 | 293.299 | | 2.225 | | 0 | | 0 | 1 | | | 289.768 |
| 36217R-5D-6. GNMA POOL #189044 | 362174-3H-5 GNMA POOL #212400 | 9.0000 MTLY | . 2017 07 | | 24,643 | 22,858 | 107.62 | 24,601 | 24,672 | 171 | 1,200 | | | 0 | 1 | 1998 | 7 .312 | 24,643 |
| 36217C-SU-1. GNMA POOL #189631 | 36217A-U3-2 GNMA POOL #187902 | | | | | | | | | | | 0 | | <u>0</u> | 1 | | | |
| 36217K-WL-8. GNMA POOL #196051. 9.0000 MTLY. 2016. 12. 8,805 8,168 107.62 8,790 8,816 61 429 0 11 0 1. 1998. 5.258 8,805 36217T-UE-7. GNMA POOL #203181. 9.0000 MTLY. 2017. 01 39,739 36,857 107.62 39,668 39,783 276 1,935 0 44 0 1. 1998. 5.916 39,739 36218F-KA-5. GNMA POOL #220889. 9.0000 MTLY. 2018. 05 20,502 19,018 107.44 20,433 20,528 143 998 0 26 0 1. 1998. 7.745 20,502 | | | | 2010100.000 | | | | | | | | 4 N | | 0 N | 11 | | | |
| 36217T-UE-7. GNMA POOL #203181 9.0000 MTLY. 2017 01 39,739 36,857 1.07.62 39,668 39,783 276 1,935 0 1. 1998 5.916 39,739 36,276 39,739 36,277 1.07.62 39,739 36,857 1.07.62 39,739 39,739 36,857 1.07.62 39,739 39,739 36,857 1.07.62 39,739 39,739 36,857 1.07.62 39,739 39,739 36,857 1.07.62 39,739 39,739 36,857 1.07.62 39,739 39,739 36,857 1.07.62 39,739 39,739 36,857 1.07.62 39,739 39,739 36,857 1.07.62 39,739 39,739 36,857 1.07.62 39,739 39,739 36,857 1.07.62 39,739 39 | 36217K-WL-8 GNMA POOL #196051 | 9.0000 MTLY | . 2016 12 | | 8,805 | 8 , 168 | 107.62 | 8,790 | 8,816 | 61 | 429 | | 11 | 0 | 1 | 1998 | 5.258 | 8,805 |
| | 36217T-UE-7 GNMA POOL #203181 | | | | 39,739 | | | 39,668 | | | | 0 | | 0 | 1 | | | 39,739 |
| | 36218F-KA-5 GNMA PUOL #220889 | 9.0000 MTLY 10.000 MTLY | 2018 05 2017 09 | | 20,502 | 19,018 | | | 20,528 | 143 | 998 | | 26 | 0 n | 1 1 | 1998 1989 | 7 . 745 | 20,502 |

| | | | | | | | S | howing all Long | g-Term BONDS | Owned I | December 31 of | Current Year | | | | | | | | | |
|----------------------------|--|----------------------|--------------|---------|---------|--------------|---------|--------------------|----------------------|------------------|--------------------|--------------------|--------------------------|-------------------|-----------------------|-----------------------|------------------------------|---|--------------|---------------------|---------------------|
| | 1 | 2 | | | | 3 Date of | | 4 | 5 | 6 | 7 | 8 | Inte | rest | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| | | Intere | st | Ma | turity | Date of | Option | | | | | | 9.1 | 9.2 | 1 | | Amount of Interest Due | | | | i |
| | | а | b | | а | b | С | | | | | | Amount Due | 5.2 | | | and Accrued | | | | 1 |
| | | | | | | 1 | _ | | | Rate | | | and Accrued | | Increase | Decrease | Dec. 31 | | | Effec- | 1 |
| | | | | | | | | | | Used | | | Dec. 31 of | _ | by | by | Current Year, | | | tive | Statement |
| | | | | | | | | | | to Obtain | | | Current Year on Bonds | Gross Amount | Adjustment in Book | Adjustment in Book | on Bonds in Default as to | NAIC | Year | Rate of | Value Dec. 31 of |
| CUSIP | | Rate | How | | | | Call | Book | Par | Market | Market | Actual | not in | Received | Value | Value | Principal or | Desig- | Ac- | In- | Current Year |
| Identification | Description | of | Paid | | Month | Year | Price | Value | Value | Value | Value | Cost | Default | During Year | During Year | During Year | Interest | nation | quired | terest | (a) |
| 36218W-MD-0 | GNMA POOL #234456 | 10.000 | MTLY | . 2018 | . 11 | | | 380,535 | 350,519 | 109.78 | 384,804 | 382,504 | 2,921 | 35,052 | 0 | 60 | 0 | 1 | 1995 | 5.943 | 380,535 |
| 362193-SA-3 362199-7D-7 | GNMA POOL #266113GNMA POOL #271892 | 10 . 000 9 . 0000 | MILY MTIV | 2019 | . 03 | | | 19,416 | 19,869 18,841 | 109.66 | 21,788 20,219 | 19,348 | 166 141 | 1,987 989 | | 0 19 | 0 | 1 | 1989 1998 | 11 .489 7 .271 | 19,416 20,317 |
| 36219E-BK-5 | GNMA POOL #246742 | 9 0000 | IMTI Y | 2018 | . 04 | | | 114,615 | 106,332 | 107 .31 | 114,241 | 114,772 | 797 | 5,582 | 0 | 157 | 0 | 1 | 1998 | 7 .897 | 114,615 |
| 36219G-FG-5 | GNMA POOL #248667 | 10.000 | MTLY | . 2018 | . 04 | | | 57,494 | 52,964 | 109.78 | 58,144 | 57,797 | 441 | 5,296 | 0 | 12 | | 1 | 1995 | 6.059 | 57,494 |
| 36219M-5Q-1 36219N-HR-4 | GNMA POOL #253855GNMA POOL #254140 | 9.0000 10.000 | | 2018 | . 06 | | | 167,661 60,831 | 155,488 | 107 .44 | 167,054 68,886 | 167 , 830 | 1, 166 523 | 8,163 6,275 | 0 67 | 170 | 0 | 1 | 1998 1989 | 7 .047 10 .910 | 167,661 |
| 36219N-TB-6 | GNMA POOL #254446 | 9.0000 | MTL Y | . 2018 | 05 | | | 98,679 | 91,514 | 109.76 | 98,320 | 98,777 | 686 | 4,804 | 07 | 98 | | 11 | 1998 | 6 . 582 | 98,679 |
| 36219S-Z5-1 | GNMA P00L #258264 | 10.000 | MTLY | 2018 | . 12 | | | 236,025 | 217,464 | 109.78 | 238,735 | 237,308 | 1,812 | 21,746 | | 349 | 0 | 1 | 1995 | 8.699 | 236,025 |
| 36219T-N6-0 | GNMA POOL #258813 | 10.000 | MTLY | . 2018 | . 09 | | | 39,502 | 40,772 | 109.78 | 44,760 | 39,307 | 340 | 4,077 | 26 | 0 | 0 | 1 | 1989 | 11.237 | 39,502 |
| 36219U-4W-1 36220H-QY-9 | GNMA POOL #260137 | 9.000 | MTLY | . 2018 | . 08 | | | 46,494 299,276 | 47,990 | 109.78 | 52,684 | 46,266 299,728 | 400 2,083 | 4,799 14,570 | 27 | 0 452 | | 1 | 1989 1998 | 11 . 355 8 . 243 | 46,494 299,276 |
| 36220L - 2N - 0 | GNMA POOL #281681 | 9.0000 | MTLY | . 2019 | . 11 | | | 129,997 | 277 ,687 120 ,546 | 107.31 107.31 | 129,360 | 130 , 114 | 904 | 14,579 6,329 | 0 | 117 | | 1 | 1998 | 6.760 | 129,997 |
| 36220M-AP-4 | GNMA POOL #281814 | 9 0000 | MTI Y | . 2019 | . 12 | | | 730,060 | 677 ,084 | 107 .31 | 726,592 | 730,828 | 5,078 | 35,547 | 0 | 768 | 0 | 1 | 1998 | 5.467 | 730,060 |
| | GNMA POOL #282804GNMA POOL #905932 | 9.0000 10.250 | MILY | . 2019 | . 10 | | | 23,861 | 22,131 | 107.31 109.92 | 23,749 133,930 | 23,888 | 166 1,041 | 1, 162 12, 489 | 0 | 27 402 | 0 | 1 | 1998 1996 | 5.060 9.278 | 23,861 |
| 36221H-3B-3 | GNMA POOL #903932. | 10.250 | MTLY | 2016 | 02 | | | 70,850 | 65,354 | 109.92 | 71,839 | 71,440 | 558 | 6,699 | 0 | 402 | 0 | 1 | 1996 | 4.378 | 70,850 |
| 36221H-5W-5 | GNMA P00L #907161 | 10.250 | MTLY | . 2016 | . 02 | | | 43,067 | 39,684 | 109.92 | 43,622 | 43,380 | 339 | 4,068 | 0 | 131 | 0 | 1 | 1996 | 9.278 | 43,067 |
| | GNMA POOL #906575 | 10.250 | | . 2016 | . 02 | | | 61,440 | 56,527 | 109.92 | 62,136 | 61,791 | 483 | 5,794 | 0 | 31 | 0 | 1 | 1996 | 6 . 665 | 61,440 |
| 36221J-E6-8 36221J-JS-5 | GNMA POOL #907357GNMA POOL #907473 | 10 . 250 10 . 250 | | 2016 | . 02 | | | 35,962 | 33 , 137 | 109.92 109.92 | 36,425 66,772 | 36,223 | 283 519 | 3,397 6,226 | | 109 29 | | 1 | 1996 1996 | 9.278 6.543 | 35,962 |
| 36221J-UV-5 | GNMA POOL #907796. | 10 . 250 10 . 250 | MTLY | . 2016 | . 03 | | | 28,504 | 26,263 | 109.92 | 28,869 92,157 | 28,709 | 224 | 2,692 | 0 | 86 | 0 | 1 | 1996 | 9.282 | 28,504 |
| | GNMA POOL #910798 | 10.250 | MTLY | . 2018 | . 07 | | | 91,131 | 83,863 | 109.89 | 92,157 | 91,672 | 716 | 8,596 | 0 | 223 | 0 | 1 | 1996 | 9.375 | 91,131 |
| | GNMA POOL #910621 GNMA POOL #910650 | 10.250 10.250 | | 2018 | . 02 | | | 63,264 62,838 | 58,230 | 109.89 | 63,989 63,505 | 63,652 | 497 494 | 5,969 5,925 | | 161 144 | 0 | 1 | 1996 1996 | 9.360 9.390 | 63,264 62,838 |
| | GNMA POOL #911581. | 10.250 | | 2019 | . 04 | | | 235.050 | 216.019 | 109.86 | 237.317 | 236 , 136 | 1,845 | | 0 | | 0 | 1 | 1996 | 7 . 258 | 235.050 |
| 36221N-PB-6 | GNMA P00L #911218 | 10.250 | MTLY | . 2019 | . 04 | 2018 | 100.000 | 58,473 | 53,894 | 109.86 | 59,207 | 58,913 | 460 | 5,524 | 0 | 1 | 0 | 1 | 1996 | 4.791 | 58,473 |
| | GNMA POOL #780118 GNMA POOL #780176 | 9.5000 10.000 | | . 2021 | . 08 | | | | 775,510 5,323,986 | 108.09 109.47 | | | 6,139 | 73,679 | 0 | 151 1.767 | 0 | 1 | 1995 1995 | 7 .244 7 .724 | |
| | DUNTRY TOTAL - U.S. | 10.000 | MILT | . 2021 | . 03 | | | 23.199.048 | 21,852,361 | XXX | 23,535,516 | 23,243,928 | 168 . 136 | 1.812.154 | 239 | 14,904 | 0 | XXX | XXX | XXX | 23.199.048 |
| | otal Bonds - U.S. Government - Single Class Mort | t gage -Backed | I/Asset - | -Backed | Securit | ies | | 23,199,048 | 21,852,361 | XXX | 23,535,516 | 23,243,928 | 168,136 | 1,812,154 | 239 | 14,904 | 0 | | XXX | XXX | 23,199,048 |
| 0399999 - T | otal - U.S. Government Bonds | 19090 - 00000 | | | | | | 26,322,852 | 24,902,361 | | 26,660,367 | 26,598,037 | 238,668 | 1,984,092 | 239 | 59,322 | 0 | | XXX | XXX | 26,322,852 |
| SPECIAL REVEN | UE AND ASSESSMENTS | | | | | | | | | | | | | | | | | | | | |
| ISSUER OBLIGA NEW YORK | TIONS | | | | | | | | | | | | | | | | | | | | |
| | BTNEW YORK ST MTG AGY REC H/O SER | 10.750 | A0 | 2012 | 10 | | | 436,671 | 405,000 | 101.32 | 410,346 | 441,450 | 10,884 | 46,924 | 0 | 1.068 | 0 | 1 | 1993 | 9.944 | 436,671 |
| | TATE TOTAL | | /// | | | | | 436,671 | 405,000 | | 410,346 | 441,450 | 10,884 | 46,924 | 0 | 1,068 | 0 | XXX | XXX | XXX | 436,671 |
| TEXAS | | | | | | | | | | • | | · | | • | • | | | | | | |
| | BTLOCKHART CORRECTIONAL FAC MBIA | 8.7500 | A0 | 2012 | . 04 | | | 436,381 | 440,000 | | 468,855 | 435,600 | 9,625 | 38,500 | 140 | 0 | | *************************************** | 1991 | 9.053 | 436,381 |
| | TATE TOTAL DUNTRY TOTAL - U.S. | | | | | | | 436,381 873.051 | 440,000 845,000 | | 468,855 879,201 | 435,600 877.050 | 9,625 | 38,500 85,424 | 140 140 | 1.068 | | XXX | XXX | XXX | 436,381 |
| QUEBEC | JUNIKY TUTAL - U.S. | | | | | | | 073,001 | 040,000 | ۸۸۸ | 0/9,201 | 077,000 | 20,509 | 00,424 | 140 | 1,000 | 0 | ۸۸۸ | ۸۸۸ | ۸۸۸ | 873,051 |
| | QUEBEC PROVIDENCE CANADA MTN. | 9.0000 | MN | 2001 | 04 | II | | 1,023,106 | 1,000,000 | 107 .43 | 1,074,270 | 1,057,320 | 11,500 | 90,000 | 0 | 8,869 | 0 | 1 | 1994 | 8.033 | 1,023,106 |
| | TATE TOTAL | | | | | | | 1,023,106 | 1,000,000 | XXX | 1,074,270 | 1,057,320 | 11,500 | 90,000 | 0 | 8,869 | 0 | ************ | XXX | XXX | 1,023,106 |
| | DUNTRY TOTAL - CANADA | | | | | | | 1,023,106 | 1,000,000 | | 1,074,270 | 1,057,320 | 11,500 | 90,000 | 0 | 8,869 | 0 | 717171 | XXX | XXX | 1,023,106 |
| | otal Bonds - Special Revenues - Issuer Obligatio | ons | | | | | | 1,896,158 | 1,845,000 | XXX | 1,953,471 | 1,934,370 | 32,009 | 175,424 | 140 | 9,937 | 0 | XXX | XXX | XXX | 1,896,158 |
| SINGLE CLASS GEORGIA | MORTGAGE-BACKED/ASSET-BACKED SECURITIES | | | | | | | | | | | | | | | | | | | | |
| | BTATLANTA GA URBN RESIDENTAL FIN | 0.000 | MATR | 2016 | . 10. | <u> </u> | | 566 , 130 | 2,455,000 | 24.918 | 611,737 | 397 , 548 | n | | 44,903 | 0 | 0 | 1 | 1994 | 8.615 | 566,130 |
| S | TATE TOTAL | | | | ., | | | 566,130 | 2,455,000 | | 611,737 | 397,548 | 0 | 0 | 44,903 | 0 | | XXX | XXX | XXX | 566,130 |
| U.S. GOVERNME | NT | | | | | | | | | • | • | | | | | | | | | _ | • |
| | FHLMC PC GOLD 15Y POOL #B00538. | 9.5000 8.0000 | MTLY | . 2005 | . 11 | ļ | | 1,221,793 | 1,172,450 | | 1,211,657 | 1,233,638 | 9,282 | 111,383 | 0 | 4,132 | | 1 | 1995 | 7.713 | 1,221,793 |
| 313b1U-VU-/ | FNMA POOL #46523 | | MILY | . 2002 | . U5 | | | 43,768 | 44,960 | 102.56 | 46,112 | 41 , 419 | 300 | 3,597 | 261 | ٥ | 0 | I | 1987 | 9.712 | 43,768 |

| | | | | | : | Showing all Long | g-Term BONDS | Owned | December 31 of | Current Year | | | | | | | | | |
|----------------------------|--|----------------------------|----------------|----------------|------------------------|----------------------|------------------------|---------|---|---|----------------|------------------|-------------|-------------|---------------------------|---------|------------------|-------------------|----------------------|
| | 1 | 2 | | , | 3 ate of | 4 | 5 | 6 | 7 | 8 | Inte | rest | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| | | Interest | Matu | | Option | | | | | | 9.1 | 9.2 | 1 | | Amount of Interest Due | | 1 / | 1 ' | 1 |
| | | a b | iviati | | b c | | | | | | Amount Due | 3.2 | | | and Accrued | | 1 1 | ' | 1 |
| | | a D | Ť | Î | | | | Rate | | | and Accrued | | Increase | Decrease | Dec. 31 | | 1 1 | Effec- | 1 |
| | | | | | | | | Used | | | Dec. 31 of | | by | by | Current Year, | | 1 1 | tive | Statement |
| | | | | | | | | to | | | Current Year | Gross | Adjustment | Adjustment | on Bonds in | | 1 1 | Rate | Value |
| | | | | | | | | Obtain | | | on Bonds | Amount | in Book | in Book | Default as to | NAIC | Year | of | Dec. 31 of |
| CUSIP | | Rate How | | | Call | Book | Par | Market | Market | Actual | not in | Received | Value | Value | Principal or | Desig- | Ac- | In- | Current Year |
| Identification | Description | | | Month Y | ear Price | Value | Value | Value | Value | Cost | Default | During Year | During Year | During Year | Interest | nation | quired | terest | (a) |
| | FNMA POOL #46825 | 8.0000 MTLY | 2002 | 06 | | 6,914 | 7 , 115 | 102.56 | 7,297 | 6,554 | 47 | 569 | 35 | 0 | 0 | 1 | . 1987 | 10.051 | 6,914 |
| | FNMA POOL #49054 FNMA POOL #44997 | 8.0000 MTLY 8.0000 MTLY | 2002 | 06 | | 4,955 65,476 | 5 , 110 67 , 259 | 102.56 | 5,241 | 4,708 | 34 | 409 5,381 | 19 383 | 0 | 0 | 1 | 1987 1987 | 10 .750 9 .678 | 4,955 65,476 |
| 31361V_GK_3 | FNMA POOL #44997 FNMA POOL #45202 | 8.0000 MTLY | 2002 | 00 04 | | 6.146 | 6.318 | | 6.480 | 5.820 | 42 | 505 | 32 | D | | 11 | 1987 | 10 . 039 | 6.146 |
| 31365E-BN-2 | FNMA POOL #125245. | 7.0000 MTLY | 2023 | 10 | | 1.694.694 | 1,658,415 | 102.06 | 1.692.611 | 1,697,284 | 9.674 | 116.089 | 0 | 327 | 0 | 1 | 1993 | 6 . 763 | 1.694.694 |
| | TATE TOTAL | | | | | 3.043.747 | 2,961,626 | | 3,038,380 | 3,051,385 | 19.828 | 237.933 | 731 | 4.459 | 0 | XXX | XXX | XXX | 3.043.747 |
| | OUNTRY TOTAL - U.S. | | | | | 3,609,877 | 5,416,626 | XXX | 3,650,117 | 3,448,933 | 19,828 | 237,933 | 45,634 | 4,459 | 0 | XXX | XXX | XXX | 3,609,877 |
| MANITOBA | | | | | | | | • | | , | | , | • | | • | | | | |
| 563469-DA-0 | MANITOBA PROVINCE CANADA DEB. | 7.7500 FA | 2002 | 02 | | 999,391 | 1,000,000 | 106.49 | 1,064,910 | 998,750 | 32,292 | 77,500 | 168 | 0 | 0 | 1 | 1994 | 7.924 | 999,391 |
| | TATE TOTAL | | | | | 999,391 | 1,000,000 | | 1,064,910 | 998,750 | 32,292 | 77,500 | 168 | 0 | 0 | | XXX | XXX | 999,391 |
| | OUNTRY TOTAL - CANADA | | | | | 999,391 | 1,000,000 | | 1,064,910 | 998,750 | 32,292 | 77,500 | 168 | 0 | 0 | | XXX | XXX | 999,391 |
| | otal Bonds – Special Revenues – Single Class | | -Backed | Securitie | S | 4,609,268 | 6,416,626 | XXX | 4,715,027 | 4,447,683 | 52,119 | 315,433 | 45,802 | 4,459 | 0 | XXX | XXX | XXX | 4,609,268 |
| | -CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES | 3 | | | | | | | | <u> </u> | | <u> </u> | | | | | | | |
| U.S. GOVERNME | | 7 5000 45: :: | 0004 | 10 | 100 | 705 05 | 707 | 100 == | | 070 007 | | | 50.010 | | | 14 | 1005 | 0.400 | 705 05 1 |
| 312911-Z6-0 | FHLMC 1360Z | 7.5000 MTLY | 2021 | 1020 | 9100.000 | 785,651 | 797,833 | | 827,911 | 673,627 | 4,986 | | 58,342 | 0 | 0 | 1 | 1995 | 8 . 162 | 785,651 |
| 31340Y-LE-7 31358M-YQ-1 | FHLMC SER 34 CL 34-CFNMA 92-61Z | 9.0000 MTLY 7.5000 MTLY | 2019 2005 | 11 19 08 20 | 99100.000 00100.000 | 196,430 542,494 | 196,381 | 101.10 | 198,547 541,288 | | 786 3.378 | 17,674 40,533 | 9,920 | 0 | 0 | 1 1 | . 1989 . 1995 | 9.310 5.912 | 196,430 542,494 |
| | BTFNMA PAC 1993G03 CLJ | 7.0000 MTLY | 2005 | 03 19 | 99100.000 | 1,937,083 | 2,000,000 | | 2,047,960 | 1,915,625 | 11,667 | 140,000 | 14,245 | | | 11 | 1993 | 58.478 | 1,937,083 |
| 31359F-0U-8 | BTENMA PAC 93188 CL PK | 5.7500 MTLY | 2010 | 09 20 | 00100.000 | 1,699,760 | 1,706,028 | 99 686 | 1,700,671 | 1,729,752 | | 98.097 | 0 | 17 ,530 | 0 | 1 | 1993 | 5 .885 | 1,699,760 |
| 31359F - SU - 3 | BTFNMA PAC 93188 CL PK BTFNMA CMO SER 93223 CL PG | 5.8000 MTLY | 2021 | 0920 1219 | 99 | 1,983,464 | 2,000,000 | | | 1,975,000 | 9,667 | 116,000 | 4,776 | 0 | 0 | 1 | 1993 | 12.897 | 1,983,464 |
| 31359H-TL-8 | BTFNMA PAC 9475E | 6 .6000 MTLY | 2018 | 0919 | 99100.000 | 1,968,433 | 2,000,000 | 100.71 | 2,014,220 | 1,937,500 | 11,000 | 132,000 | 14,160 | 0 | 0 | 1 | 1994 | 25.923 | 1,968,433 |
| Sī | TATE TOTAL | - | | | | 9,113,315 | 9,240,676 | XXX | 9,323,697 | 8,965,457 | 49,658 | 544,303 | 101,443 | 21,511 | 0 | XXX | XXX | XXX | 9,113,315 |
| C(| OUNTRY TOTAL - U.S. | | | | | 9,113,315 | 9,240,676 | XXX | 9,323,697 | 8,965,457 | 49,658 | 544,303 | 101,443 | 21,511 | 0 | XXX | XXX | XXX | 9,113,315 |
| | otal Bonds – Special Revenues – Defined Multi | -Class Residential Mo | rtgage-E | Backed Sec | ırities | 9,113,315 | 9,240,676 | XXX | 9,323,697 | 8,965,457 | 49,658 | 544,303 | 101,443 | 21,511 | 0 | 717171 | XXX | XXX | 9,113,315 |
| | otal – Special Revenue Bonds | | | | | 15,618,740 | 17,502,302 | XXX | 15,992,195 | 15,347,511 | 133,787 | 1,035,160 | 147,385 | 35,907 | 0 | XXX | XXX | XXX | 15,618,740 |
| PUBLIC UTILIT | IES | | | | | | | | | | | | | | | | | | |
| ISSUER OBLIGATION | | 0.0000 51 | 0000 | 00 | | 450 700 | 450.000 | 440.45 | 100 005 | 450 450 | 5 500 | 10.050 | | 074 | | 0 | 1000 | 0.707 | 450 700 |
| 283677-A1-9 283677-AU-6 | EL PASO ELECTRIC CO 1ST MTGEL PASO ELECTRIC CO 1ST MTG | 9.4000 FA | . 2006 2011 | 02 | | 152,723 150,000 | 150 , 000 150 , 000 | 112.15 | 168,225 169,586 | 153 , 450 | 5,562 2,350 | 13,350 14,100 | 0 | 271 | 0 | 3 | . 1996 . 1996 | 8.737 9.621 | 152,723 150,000 |
| 637432-BA-2 | BTNATNL RURAL UTIL COOP | | 2002 | 00 Na | | 1,998,541 | 2,000,000 | 103.52 | 2,070,460 | 1,997,500 | 38,278 | 130,000 | 338 | | | ე 1 | . 1990 | 6 . 629 | 1,998,541 |
| | NIAGARA MOHAWK PWR CORP | 9.2500 AO | 2001 | 10 | | 1,069,343 | 1,000,000 | 108 22 | 1,082,200 | 1,087,930 | 23,125 | 92,500 | 0 | 18 ,587 | 0 | 2 | 1998 | 6.564 | 1,069,343 |
| 653522-DJ-8 | NIAGARA MOHAWK POWER | 7 .7500 A0 | 2008 | 10 | | 623,465 | 625,000 | 108.81 | 680.062 | 623,412 | 12,109 | 12,244 | 52 | 0 | 0 | 3 | 1998 | 7 .938 | 623,465 |
| 677347-BJ-4 | OHIO EDISON CO. | 8.6250 MS | 2003 | 09 | | 1,295,642 | 1,230,000 | 110.38 | 1.357.699 | 1,317,109 | 31,237 | 106,088 | 0 | 11,321 | 0 | 2 | 1997 | 7.398 | 1,295,642 |
| | BTPROGRESS CAPITAL MTN. | 6.8800 FA | 2001 | 08 | | 1,000,000 | 1,000,000 | 102.04 | 1,020,410 | 1,000,000 | 28,667 | 68,800 | 0 | 0 | 0 | 1 | . 1996 | 6.998 | 1,000,000 |
| | PUBLIC SVC ELECTRIC & GAS CO | 6.2500 JJ | 2007 | U1 | | 941,907 | 1,000,000 | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 928,420 | 31,250 | 62,500 | 5,206 | 0 | 0 | 1 | 1996 | 7 . 349 | |
| | OUNTRY TOTAL - U.S. | 1: | | | | 7,231,620 | 7,155,000 | XXX | 7,586,002 | 7,257,821 | 172,578 | 499,581 | 5,596 | 30,179 | 0 | XXX | XXX | XXX | 7,231,620 |
| | otal Bonds – Public Utilities – Issuer Obliga | LIONS | | | | 7,231,620 | 7,155,000 | | 7,586,002 | 7,257,821 | 172,578 | 499,581 | 5,596 | 30,179 | 0 | 717171 | XXX | XXX | 7,231,620 |
| | otal - Public Utilities Bonds | | | | | 7,231,620 | 7,155,000 | XXX | 7,586,002 | 7,257,821 | 172,578 | 499,581 | 5,596 | 30,179 | 0 | XXX | XXX | XXX | 7,231,620 |
| ISSUER OBLIGA | MISCELLANEOUS TIONS | | | | | | | | | | | | | | | | | | |
| | AGRIUM INC | 7.0000 FA | 2004 | 02 | | 997,514 | 1 000 000 | 101.90 | 1 019 010 | 996,780 | 29,167 | 70,000 | 301 | n | n | 2 | 1997 | 7 . 184 | 997,514 |
| 023586-AA-8 | AMERCO NOTE | 7 .8500 MN | 2003 | 05 | | 999,795 | 1,000,000 1,000,000 | 101.30 | 1,019,010 1,030,430 | 999,700 | 10,031 | 78,500 | 394 38 | 0 | 0 | 2 | 1996 | 8.010 | 999,795 |
| 029062-AA-4 | AMERICAN PORTA TELE 144A | | 2006 | 11 | | 1,893,741 | 3,590,000 | 60 .413 | 2, 168, 827 | 1,586,780 | 0 | 0 | 148,431 | 0 | 0 | 2 | . 1996 | 8.505 | 1,893,741 |
| 029717-AM-7 | AMER STANDARD SR NT | 7 .6250 FA | 2010 | 02 | | 1,005,660 | 1,000,000 | 101.25 | 1,012,500 | 1,005,660 | 28,806 | 38,549 | 0 | 0 | 0 | 3 | 1998 | 7 . 693 | 1,005,660 |
| | BTBANKAMERICA CORP SUB NOTE | 7.2000 A0 | 2006 | 04 | | 914,701 | 1,000,000 | 108.31 | 1,083,130 | | 15,200 | 72,000 | | 0 | 0 | 1 | 1994 | 9 . 004 | 914,701 |
| | CSC HOLDINGS INC SER B DEBENTURES | 8.1250 FA | 2009 | 08 | | 996,534 | 1,000,000 2,000,000 | 106.92 | | 996,270 | 30,694 | 78,767 | 199 | 0 | 0 | 3 | 1997 | 8.341 | 996,534 |
| | BTCATERPILLAR INCCOLTEC INDUSTRIES, INC | 6.0000 MN 7.5000 A0 | 2007 2008 | CU NA | | 1,905,552 649,054 | | 101.22 | | 1,868,820 649,006 | 20,000 | 120,000 | | 0 | 0 | 1 37 | . 1993 1998 | 6 .864 | 1,905,552 649,054 |
| | COMDISCO INC | 5.7500 FA | 2006 | 04 02 | | 1,497,338 | 1,500,000 | 99 000 | 1,485,000 | 1 , 494 , 195 | 32,583 | | 1,144 | 0 | 0 n | 2 | . 1996 | 5 .925 | |
| 20043J-AG-0 | COMINCO LTD MTNS | 8.0300 MS | 2003 | 05 | | 1,303,223 | 1.275.000 | 110.00 | 1.402.500 | 1,313,148 | 30 , 146 | 102.382 | | 5,238 | 0 | 2 | 1997 | 7 .570 | 1,303,223 |
| 201615-CW-9 | BTCOMMERCIAL CR GROUP INC NOTE | 7 .8750 JJ | 2004 | 07 | | 1,006,840 | 1,000,000 | 109.67 | 1,096,710 | 1,010,590 | 36,312 | 78,750 | 0 | 957 | 0 | 1 | . 1994 | 7 .870 | 1,006,840 |
| 224044-AH-0 | COX COMMUNICATION NEW NOTE. | 6 . 3750 JD | 2000 | 06 | | 3,005,079 | 3,000,000 | 101.22 | 3,036,570 | 3,014,550 | 8,500 | 191,250 | 0 | 3,228 | 0 | 2 | 1995 | 6.349 | 3,005,079 |
| 254063-AC-4 | BTDILLARD STORES NOTE | 8.0000 JJ | 1999 | 01 | | 1,500,574 | 1,500,000 | 100.06 | 1,500,975 | 1,552,890 | 55,333 | 120,000 | 0 | 13,280 | 0 | 2 | 1994 | 7 . 190 | 1,500,574 |

| | | | | | | | 5 | Showing all Long | g-Term BONDS | Owned | December 31 of | Current Year | | | | | | | | | |
|------------------------------------|---|--------------------|---------|------------------|--------|-------------|----------------------|------------------------|------------------------|----------------------|------------------------|-------------------------|--------------------|---------------------|------------------|------------------|-------------------------------|----------------|------------------|--------------------|----------------------------|
| | 1 | 2 | | | | 3 Date o | £ | 4 | 5 | 6 | 7 | 8 | Inte | erest | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| | | Intere | et | Ma | turity | Date | Option | | | | | | 9.1 | 9.2 | 1 | | Amount of Interest Due | | | | 1 |
| | | a | b | | a | b | С | 1 | | | | | Amount Due | 9.2 | | | and Accrued | | | | 1 |
| | | ű | _ | | | 1 ~ | Ü | | | Rate | | | and Accrued | | Increase | Decrease | Dec. 31 | | | Effec- | 1 |
| | | | | | | | | | | Used | | | Dec. 31 of | _ | by | by | Current Year, | | | tive | Statement |
| | | | | | | | | | | to | | | Current Year | Gross | Adjustment | Adjustment | on Bonds in | NAIC | V | Rate | Value |
| CUSIP | | Rate | How | | | | Call | Book | Par | Obtain Market | Market | Actual | on Bonds not in | Amount Received | in Book Value | in Book Value | Default as to Principal or | NAIC Desig- | Year Ac- | of In- | Dec. 31 of Current Year |
| Identification | Description | of | Paid | Year | Month | Year | Price | Value | Value | Value | Value | Cost | Default | During Year | During Year | During Year | Interest | nation | quired | terest | (a) |
| | DOW CHEM NT 99. | 8.5500 | A0 | . 2009 | . 10 | | | 1,599,032 | 1,575,000 | 119.46 | 1,881,526 | 1,603,742 | 28,429 | 134,662 | 0 | 1,333 | 0 | 1 | 1995 | 8.507 | 1,599,032 |
| 26882X-D2-8 277461-AS-8 | ERAC USA FINAN CO MTN EASTMAN KODAK CO NOTE | 7.0000 9.7500 | JD | 2000 | . 06 | | | 999,313 2,294,417 | 1,000,000 2,000,000 | 100 .43 | 1,004,260 2,460,900 | 998,260 2,489,740 | 3,111 | 70,000 | 433 | 0 | 0 | 2 | 1996 1993 | 7 . 175 | 999,313 2,294,417 |
| 309601-AB-8 | FARMERS INS. EXCH 144A | 9.7500 | | 2004 | 08 | | | 1,074,422 | 1,000,000 | | | | 48,750 | 85,000 | | 40 ,829 | | 1 17 | 1993 | 6 .740 6 .991 | 1,074,422 |
| 31410H-AF-8 | FEDERATED DEPARTMENT STORES | 8.1250 | A0 | 2002 | . 10 | | | 1,005,025 | 1,000,000 | 107.12 | 1,071,200 | 1,006,405 | 17 , 153 | 81,250 | 333 | 1,438 | 0 | 2 | 1997 | 8.129 | 1,005,025 |
| | BTFORD MOTOR CREDIT CO NTS | 6 . 1250 | | 2006 | . 01 | | | 953,263 | 1,000,000 | 102.49 | 1,024,940 | 940,380 | 29,264 | 61,250 | 5,005 | 0 | 0 | 1 | 1996 | 7 . 100 | 953,263 |
| 40423Q-AF-4 41163G-AE-1 | HMH PROPERTIES MTNHARCOURT GENERAL INC | 7 .8750 6 .7000 | | . 2008 2007 | . 08 | | | 745,271 2,010,641 | 750,000 2,000,000 | 97 .000 99 .918 | 727,500 1,998,360 | 745,140 2,011,180 | 2,625 | 21,328 | 131 | | 0 | პ ე | 1998 1998 | 8 . 129 6 . 727 | 727,500 2,010,641 |
| 438506-AN-7 | HONEYWELL INC NOTES. | 6.6000 | | 2001 | . 04 | | | 499.070 | 500,000 | | 513,380 | 498 , 145 | 6,967 | 33,000 | 364 | 0 | 0 | 1 | 1996 | 6.801 | 499.070 |
| 441065-AH-2 | COLUMBIA HEALTH HOSPITAL CORP AMER | 0.000 | | 2001 | . 06 | | | 1,039,953 | 1,250,000 | 84 . 165 | 1,052,062 | 1,012,000 | ٥ | Ω | 27,953 | 0 | 0 | 3 | 1998 | 7.900 | 1,039,953 |
| 460321-AC-6 526055-AA-6 | INTERNATIONAL SHIPHOLDING CORPLENFEST SENIOR NOTE | 7 .7500 8 .3750 | | . 2007 2005 | . 10 | | | | 750,000 500,000 | 96 .000 108 .25 | 720,000 541,250 | | 12,271 6,979 | 42,464 | 259 151 | 0 | 0 | 3 | 1998 1995 | 7 .980 8 .609 | 720,000 |
| 55262L - AA -8 | MBNA CORPORATION | 6.8750 | | 2005 | 06 | | | 984,835 | 1,000,000 | 99.403 | 994,030 | 982,500 | 5,729 | | 1,804 | 0 | 0 | 3 2 | 1995 | 7 . 303 | 498,559 984,835 |
| 592173-AG-3 | METLIFE INSUR CO. 144A. | 7.0000 | MN | . 2005 | . 11 | | | 2,064,815 | 2,000,000 | 105.14 | 2,102,880 | 2,069,240 | 23,333 | 70,000 | 0 | 4,425 | 0 | 1 | 1998 | 6.510 | 2,064,815 |
| | BTNAC RE CORP NOTE | 8.0000 | | . 1999 | . 06 | | | 2,000,000 | 2,000,000 | 101.03 | 2,020,600 | 2,000,000 | 7,111 | 160,000 | 0 | 0 | 0 | 1 | 1992 | 8 . 160 | 2,000,000 |
| 638585 - AD - 1 638585 - AF - 6 | BTNATIONSBANK CORP BTNATIONSBANK SUB NOTE | 6 .8750 6 .5000 | | . 2005 2003 | . 02 | | | 997, 247 1,000,000 | 1,000,000 | 105.02 | 1,050,220 1,034,920 | 995,500 | 25,972 24,556 | 68,750 65,000 | 350 | 0 0 | 0 | 1 1 | 1993 1993 | 7 .051 6 .606 | 997,247 |
| 652228-AE-7 | NEWPORT NEWS. | 8.6250 | JD | 2006 | . 12 | | | 522,864 | 500,000 | 105.62 | 528,125 | 525,000 | 3,594 | 43 , 125 | 0 | 2.018 | 0 | 4 | 1997 | 7 .993 | 522,864 |
| | NINE WEST GROUP SR NT | 8.3750 | | . 2005 | 80 | | | 1,001,136 | 1,000,000 | | 965,000 | 1,001,250 | 31,639 | 92,125 | 0 | 114 | 0 | 3 | 1998 | 8.527 | 965,000 |
| 655422 - AK -9 676255 - AJ - 1 | | | | | . 0/ | | | 1,064,131 648,314 | 1,000,000 650,000 | | 1,045,970 617,500 | 1, 109, 220 648, 200 | 39,771 | 86,250 23,888 | | 15,605 | 0 | 2 | 1995 1998 | 6.674 8.072 | 1,064,131 |
| 679833-AB-9 | -9 NORANDA INC DEB. 8.6250 JJ 2002 07 | | | | | | | 1,012,195 | 1,000,000 | 103.37 | 1,033,740 | 1,016,150 | | | | 1,373 | 0 | 3 27 | 1995 | 6.505 | 1,012,195 |
| 690768-BB-1 | -9. NORANDA INC DEB. 8.6250 JJ 2002. 071. OFFSHORE LOGISTICS INC 144A 7.8750 JJ 2008. 019. OLD KENT FINANCIAL CORP. 6.6250 MN. 2005. 111. OWENS ILLINOIS INC 8.1000 MN. 2007. 05 | | | | | | | 1,498,205 | 1,500,000 | 106.03 | 1,590,510 | 1,497,975 | 15,525 | 121,500 | 145 | 0 | 0 | 3 | 1997 | 8.285 | 1,498,205 |
| | -1. OFFSHORE LOGISTICS INC 144A. 7.8750 JJ. 2008. 019. OLD KENT FINANCIAL CORP 6.6250 MN. 2005. 111. OWENS ILLINOIS INC. 8.1000 MN. 2007. 056. PAINE WEBBER SNR. 8.8750 MS. 2005. 03. | | | | | | | 1,102,627 | 1,000,000 | 111.76 | 1,117,560 | 1,139,600 | 26,132 | | 0 | 12,890 | 0 | 2 | 1995 | 6.936 | 1, 102, 627 |
| 74157K - AC -5 749121 - AK -5 | -9. OLD KENT FINANCIAL CORP. 6.6250 MN. 2005. 11. | | | | | | | | 750,000 500,000 | 100.00 104.50 | 750,000 522,500 | 745,688 496,620 | 14,297 5,938 | 35,583 | 255 | 0 | 0 | 3 37 | 1998 1998 | 7 .856 7 .742 | 745,942 496,656 |
| 79549B-BH-9 | BTSALOMON INC NOTES | 6.5000 | | 2000 | . 03 | | | 1,000,000 | 1,000,000 | 101.15 | 1,011,460 | 1,000,000 | 21,667 | 65,000 | 0 | 0 | 0 | 1 | 1997 | 6 . 606 | 1,000,000 |
| 79549B-CF-2 | BTSALOMON SMITH BARNEY HLDGS NOTE | 6.8750 | JD | . 2005 | . 06 | | | 1,021,392 | 1,000,000 | 104.39 | 1,043,940 | 1,028,860 | 3,056 | 68,750 | 0 | 2,595 | 0 | 1 | 1995 | 6 . 569 | 1,021,392 |
| 81238X-KR-1 832248-AC-2 | BTSEARS ROEBUCK & CO MED TERM NTSMITHFIELD FOODS | 8 .5200 7 .6250 | | 2002 | . 05 | | | 1,600,484 498,372 | 1,500,000 500,000 | 108.73 | 1,630,995 502,500 | 1,721,580 | 31,950 | 127 ,800 19 ,698 | 0 | 26,009 | 0 | 1 | 1993 1998 | 6 . 382 7 . 823 | 1,600,484 498,372 |
| | TENET HEALTHCARE SNR NOTE | 8.6250 | | 2003 | 12 | | | 510.650 | 500,000 | 100.30 | 521,670 | 515,625 | | 43 . 125 | 07 | 1.701 | 0 | 3 3 | 1995 | 8 . 255 | 510,650 |
| 88033G-AG-5 | TENET HEALTHCARE SSB. | 8.6250 | JJ | 2007 | . 01 | | | 499,541 | 500,000 | 104.00 | 520,000 | 499,470 | 19,885 | 43, 125 | 38 | 0 | 0 | 3 | 1997 | 8.828 | 499,541 |
| 88037E-AG-6 | TENNECO INC NEW | 10.200 | | 2008 | . 03 | | | 1,502,815 | 1,250,000 | | 1,569,850 | 1,540,112 | 37,542 | 127,500 | 0 | 18,843 | 0 | 2 | 1996 1997 | 7 .291 | 1,502,815 |
| 903290 - AC -8 908068 - AD - 1 | USF&G CORPUNION PLANTERS CORP SUB | 8.3750 6.2500 | | . 2001 2003 | . 00 | | | 2,067,987 990.046 | 2,000,000 1,000,000 | 106.35 101.47 | 2,127,020 1.014,730 | 2,114,704 985,150 | 7,444 10,417 | 167,500 | 1.702 | 24,592 | 0 | 1 2 | 1997 | 6 .966 6 .599 | 2,067,987 990,046 |
| 908584-DJ-1 | BTP-UNION TANK CAR | 7 .1250 | | 2007 | . 02 | | | 499,541 | 500,000 | 104.75 | 523,765 | 499,465 | 14,844 | 35,625 | 41 | 0 | 0 | 1 | 1997 | 7 . 268 | 499,541 |
| 925524-AC-4 | VIACOM INC SUB DEBS | 8.0000 | | . 2006 | . 07 | | | 505,916 | 500,000 | 103.25 | 516,250 | 507,500 | 18,444 | 40,000 | 0 | 561 | 0 | 3 | 1995 | 7 .941 | 505,916 |
| | WAL-MART STORES INCWATSTON PHARMACEUTICALS. | 7 .2500 7 .1250 | | . 2013 . 2008 | . 06 | | | 993,206 991,657 | 1,000,000 | 115.49 | 1,154,910 1.014,390 | 991,970 991,280 | 6,042 9,104 | 72,500 | 259 | 0 | 0 | 1 | 1993 1998 | 7 .461 7 .381 | |
| | WESTPOINT STEVENS. | 7 . 1250 | JD | 2008 | 06 | | | 511,761 | 500,000 | 101.44 | 503,750 | 511,875 | 1,750 | 20,344 | 0 | 114 | 0 | 1 | 1998 | 7 .664 | 511,761 |
| | DUNTRY TOTAL - U.S. | | | | | | | 59,473,312 | 60,490,000 | XXX | 61,769,379 | 59,643,072 | 1,009,668 | 3,811,986 | 206,369 | 188,288 | 0 | XXX | XXX | XXX | 59,362,184 |
| | 9999 – Total Bonds – Industrial, Misc. – Issuer Obligations | | | | | | 59,473,312 | 60,490,000 | XXX | 61,769,379 | 59,643,072 | 1,009,668 | 3,811,986 | 206,369 | 188,288 | 0 | XXX | XXX | XXX | 59,362,184 | |
| | NED MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 16-AP-8 ACCESS MTG LOAN TR 1996-3 A2 6.9000 MTLY 2011 105 2000 | | | | | | 100.000 | 070 047 | 070 505 | 100 10 | 077 400 | 070 540 | 4 507 | 10.001 | | 101 | | | 1000 | 7.000 | 070.047 |
| 003916-AP-8 161546-AV-8 | -AV-8. CFAB 1998-2 IA6. 6.1600 MTLY. 2013. 09 | | | | | 100.000 | 276,047 2,499,943 | 276,585 2,500,000 | 100 . 19 99 . 563 | 277,102 2,489,075 | 276,542 | 1,537 | 19,084 | 0 | 161 57 | 0 | 1 1 | 1996 1998 | 7 .028 6 .256 | 276,047 | |
| 393505-BA-9 | i-BA-9BTGREEN TREE FINL CORP 932 CLA3 | | | | | | 100.000 | 1,998,617 | 2,000,000 | 100.68 | 2,409,073 | 1,995,938 | 5,822 | 131,000 | 1,711 | 0 | 0 | 1 | 1993 | 6 .913 | 1,998,617 |
| 393505-BH-4 | GREENTREE FINL CORP HSG CL 93-3A5 | 5.7500 | MTLY | 2018 | . 10 | | 100.000 | 1,874,160 | 1,874,577 | 100.20 | 1,878,232 | 1,878,970 | 8,982 | 107,788 | 0 | 1,977 | 0 | 1 | 1993 | 0.917 | 1,874,160 |
| | COUNTRY TOTAL - U.S. | | | | | | 100.000 | 1,706,020 | 1,705,594 | 100.63 | 1,716,390 | 1,792,739 | 12,792 | 153,503 | 0 | 74,704 | 0 | 1 | 1992 | 9.371 | 1,706,020 |
| | COUNTRY TOTAL – U.S. 199 – Total Bonds – Industrial, Misc. – Defined Multi-Class Residential Mortgage-Backed Securities | | | | | | tion | 8,354,787 8,354,787 | 8,356,756 8,356,756 | XXX | 8,374,340 8,374,340 | 8,444,189 8,444,189 | 41,967 41,967 | 411,376 411,376 | 1,711 1,711 | 76,899 76,899 | 0 | XXX | XXX | XXX | 8,354,787 8,354,787 |
| | | | | | | | 1169 | 0,334,767 | 0,300,700 | ۸۸۸ | 0,3/4,340 | 0,444,189 | 41,907 | 411,3/0 | 1,/11 | 70,099 | U | ۸۸۸ | ۸۸۸ | ۸۸۸ | 0,304,787 |
| | TEAM FLEET FINANCE | 7.3500 | MTLY, | 2003 | . 05 | .2002 | 100.000 | 1,998,702 | 2,000,000 | 105.22 | 2,104,380 | 1,998,632 | 6,533 | 147,000 | 329 | 0 | 0 | 1 | 1997 | 7 .626 | 1,998,702 |
| | DUNTRY TOTAL - U.S. | | | | | | | 1,998,702 | 2,000,000 | XXX | 2,104,380 | 1,998,632 | 6,533 | 147,000 | 329 | | 0 | XXX | XXX | XXX | 1,998,702 |
| 4399999 - To | otal Bonds – Industrial, Misc. – Defined Multi-C | Class Commer | cial Mc | rtgage | Backed | Securiti | es | 1,998,702 | 2,000,000 | XXX | 2,104,380 | 1,998,632 | 6,533 | 147,000 | 329 | 0 | 0 | XXX | XXX | XXX | 1,998,702 |

| | | | | | | | 5 | Showing all Long | g-Term BONDS | Owned | December 31 of | f Current Year | | | | | | | | | |
|----------------|---|-------------|---------|-------|---------|------|----------|------------------|--------------|------------------|-----------------|----------------|-------------------|--------------------|------------------|------------------|--------------------------|------------------|---------------|---------------|---------------------|
| | 1 | 2 | | | | 3 | | 4 | 5 | 6 | 7 | 8 | Inte | erest | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| | | | | | | Date | | | | | | | | • | | | Amount of | | | | 1 |
| | | Intere | est | Mat | urity | | Option | | | | | | 9.1 | 9.2 | | | Interest Due | | | | |
| | | a | b | | a | b | С | | | | | | Amount Due | | | | and Accrued | | | | |
| | | | | | | | | | | Rate | | | and Accrued | | Increase | Decrease | Dec. 31 | | | Effec- | 1 _ |
| | | | | | | | | | | Used | | | Dec. 31 of | _ | by | by | Current Year, | | | tive | Statement |
| | | | | | | | | | | to | | | Current Year | Gross | Adjustment | Adjustment | on Bonds in | NIAIO | | Rate | Value |
| CUSIP | | Data | | | | | Call | Deel. | Des | Obtain Market | Manlant | A =4=1 | on Bonds | Amount Received | in Book Value | in Book Value | Default as to | NAIC | Year | of | Dec. 31 of |
| Identification | Description | Rate of | How | Year | Month | Voor | Price | Book Value | Par Value | Value | Market Value | Actual Cost | not in Default | During Year | During Year | | Principal or Interest | Desig- nation | Ac- quired | In- terest | Current Year (a) |
| | otal - Industrial and Miscellaneous Bonds | OI | Falu | i eai | WOTILIT | Teal | FIICE | 69,826,801 | 70,846,756 | | 72,248,098 | 70,085,893 | 1,058,168 | 4,370,362 | 208,409 | 265 , 187 | niterest | XXX | XXX | XXX | 69,715,672 |
| | otal - Issuer Obligations | | | | | | | 71,724,894 | 72,540,000 | | 74,433,703 | 72,189,373 | 1,284,787 | 4,658,929 | 212,104 | 272,823 | 0 | XXX | XXX | XXX | 71,613,765 |
| 5500000 - To | otal – Issuer obrigations otal – Single Class Mortgage-Backed/Asset-Backet | d Sacuritia | c | | | | | 27,808,316 | 28,268,987 | | 28,250,542 | 27,691,611 | 220,256 | 2,127,587 | 46,042 | 19,363 | 0 | XXX | XXX | XXX | 27,808,316 |
| 5600000 - To | otal - Defined Multi-Class Residential Mortgage | -Backed Sec | uritiae | | | | | 17.468.102 | 17,597,431 | XXX | 17.698.037 | 17,409,646 | 91,625 | 955.679 | 103,154 | 98,409 | 0 | XXX | XXX | XXX | 17,468,102 |
| 5899999 - To | otal – Defined Multi-Class Commercial Mortgage- | Backed Secu | rities | | | | | 1,998,702 | 2,000,000 | XXX | 2,104,380 | 1,998,632 | 6,533 | 147,000 | 329 | | 0 | XXX | XXX | XXX | 1,998,702 |
| 0000000 - 10 | bernou murti-orass commercial mortgage-t | Daorou ocou | 111103 | 1 | 1 | 1 | 1 | 1,000,702 | 2,000,000 | ллл | 2,104,300 | 1,000,002 | 0,000 | 147,000 | 323 | U | U | ΛΛΛ | ΛΛΛ | ллл | 1,000,702 |
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| 6099999 To | otals | | | | | | | 119,000,014 | 120,406,418 | XXX | 122,486,662 | 119,289,262 | 1,603,201 | 7,889,196 | 361,630 | 390.595 | 0 | XXX | XXX | XXX | 118.888.885 |

Schedule D - Part 2 - Section 1

NONE

Schedule D - Part 2 - Section 2

NONE

| Showing All Lo | na-Torm Bonds and Stoc | ks ACQUIRED During Curre | nt Voor |
|-----------------|------------------------|--------------------------|----------|
| Showing All Loi | nu-Term bonds and Stoc | KS ACQUIRED DUTING CUTTE | ent rear |

| | | Showing All | Long-Term Bonds and Stocks ACQUIRED During Current Year | | | | |
|------------------------------------|--|--------------------------|--|---|-------------------------------|------------------------|--|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| CUSIP | | | | Number of | Actual | | Paid for Accrued |
| Identification | Description | Date Acquired | Name of Vendor | Shares of Stock | Cost | Par Value | Interest and Dividends |
| US GOVERNMENT OBLIGATION | | | Thomas de la constant | | | | |
| 36202C -BS - 1 36202C -G5 - 6 | GNMA POOL #1849 | 02/19/1998 | NOMURA INTERNATIONAL | | 50,707 | 48,625 5,909,567 | 207 |
| 36202C-RF-2 | GNMA POOL #2020. GNMA POOL #2286. | 02/19/1998 02/19/1998 | NOMURA INTERNATIONAL | † | 6 , 162 , 570 6 , 27 , 029 | | 25 , 116 1 ,740 |
| 36202C -NF -2 | GNMA POOL #2326. | | NOMURA INTERNATIONAL | | 4,105,417 | 3.936.869 | 16 732 |
| 36202C -TA - 1 | GNMA POOL #2345 | 02/19/1998 | NOMURA INTERNATIONAL | | 1,560,610 | 1,496,540 | 16 , 732 6 , 360 |
| 36202C-UX-9 | GNMA POOL #2398 | 02/19/1998 | NOMURA INTERNATIONAL | | 413 581 | 396.601 | 1,686 353 5,549 |
| 36202C - VH - 3 | GNMA POOL #2416. GNMA POOL #2446. | 02/19/1998 | NOMURA INTERNATIONAL. | | | 83,090 | |
| 36202C - WF - 6 | GNMA POOL #2446 | 02/19/1998 | NOMURA INTERNATIONAL | 4 | 1,361,480 | 1,305,585 | 5 , 549 |
| 36202C - ZC - 0 | GNMA POOL #2539 | 02/19/1998 | NOMURA INTERNATIONAL | | 1,052,501 | 1,009,291 | 4,289 |
| 362059 - Y8 - 4 362064 - L8 - 8 | GNMA POOL #030435 GNMA POOL #034551. | 05/20/1998 05/20/1998 | Undefined | | 8,241 169,158 | 7,635 156,718 | |
| 36214D-AB-3 | ONMA POOL #034331 | 05/20/1998 | Undefined | | 126 , 197 | 116,917 | 554 |
| 36214G-3M-0 | GNMA POOL #106204 | | Undefined. | | 309,070 | 286.342 | 1 360 |
| 36214H-GD-4 | GNMA POOL #106496. | 05/20/1998 | Undefined | | 140,934 | 130,570 | 620 |
| 362162-SW-0 | GNMA POOL #181533 | 05/20/1998 | Undefined | | 43 023 | 39 859 | |
| 36216H-G4-2 | GNMA POOL #165019 | 05/20/1998 | Undefined | | 47,696 | 44,189 | |
| 362174-3H-5 | GNMA POOL #212400 | 05/20/1998 | Undefined | | 31,190 | 28,896 | 137 |
| 36217A -U3 -2 | GNMA POOL #187902 | 05/20/1998 | . Unde fined. | | 17 , 151 | 15,889 | |
| 36217K - WL - 8 | GNMA POOL #196051 | 05/20/1998 | Undefined | | 10,877 | 10,077 | 48 |
| 36217T -UE -7 36218F -KA - 5 | GNMA POOL #203181. GNMA POOL #220889. | 05/20/1998 05/20/1998 | Undefined Undefined | | 45,816 24,867 | 42,446 | |
| 362199-7D-7 | GNMA POOL #220009. | | Undefined | | | 48,442 | 230 |
| 36219E-BK-5 | GNMA POOL #246742 | | Undefined. | | 148,351 | 137 ,441 | 653 |
| 36219M-50-1 | GNMA POOL #253855 | 05/20/1998 | Undefined | | 195,936 | 181,528 | 75 44 202 100 230 655 862 582 |
| 36219N-TB-6 | GNMA POOL #254446 | 05/20/1998 | Undefined. | | 132 , 181 | 122,460 | 582 |
| 36220H-QY-9 | GNMA POOL #278671 | 05/20/1998 | Undefined. | | 372,418 | 345,031 | |
| 36220L -2N-0 | GNMA POOL #281681 | 05/20/1998 | Undefined | | 145,266 | 134,584 858,554 | 639 |
| 36220M-AP-4 | GNMA POOL #281814 | | . Undefined. | | 926,702 | 858,554 | 4 , 078 107 |
| 36220N-DH-7 912827-3C-4 | GNMA POOL #282804. US TREASURY NOTE 6.000% '02. | 05/20/1998 | Undefined | - | 24,376 | 22,583 1,000,000 | 107 |
| 912027 - 3C-4 COUNTRY T | | 11/03/1990 | PAINE WEDDER INC. | | 19,251,967 | 18,348,867 | 90,598 |
| | Bonds - U.S. Government | | | | 19,251,967 | 18,348,867 | 90,598 |
| SPECIAL REVENUE AND A | | | | | 13,231,301 | 10,340,007 | 90,090 |
| U.S. GOVERNMENT | NOOLOGIIILIVIO - 0.0. | | | | | | |
| | FHLMC 1360Z | Various | PAR ACCRETION. | | 0 | | (|
| STATE TOT | | | 1111 1001-1111 | *************************************** | 0 | 57,251 | C |
| COUNTRY T | | | | | 0 | 57,251 | |
| | Bonds - Special Revenue | | | | 0 | 57,251 | |
| PUBLIC UTILITIES - U | | | | | | 0.120. | |
| | NIAGARA MOHAWK PWR CORP. | 03/02/1998 | GOLDMAN SACHS & CO | | 1,087,930 | 1,000,000 | 38,799 |
| 653522-DJ-8 | NIAGARA MOHAWK POWER | 06/30/1998 | DONALDSN, LUFKN & JENRETT | | | 625,000 | (|
| COUNTRY T | TOTAL | | , | | 1,711,342 | 1,625,000 | 38,799 |
| 3899999 - Total - E | Bonds - Public Utilities | | | | 1,711,342 | 1,625,000 | 38,799 |
| INDUSTRIAL & MISCELLA | | | | • | | , | • |
| 029717-AM-7 | AMER STANDARD SR NT | 08/04/1998 | GOLDMAN SACHS & CO | | 1,005,660 | 1,000,000 | |
| 161546 - AV - 8 | CFAB 1938-2 IAG. COLTEC INDUSTRIES, INC. | 12/18/1998 | CHASE MANHATTAN. | | 2,500,000 | 2,500,000 | 36 , 219 7 , 272 |
| 196879 - AF - 7 | COLTEC INDUSTRIES, INC. | 04/16/1998 | CHASE MANHATTAN | . | 649.006 | 650.000 | |
| 40423Q - AF - 4 | HMH PROPERTIES MTN. | | DONALDSN, LUFKN & JENRETT. | | 745,140 | 750,000 | |
| 41163G-AE-1 441065-AH-2 | HARCOURT GENERAL INC | 05/26/1998 08/21/1998 | SALOMON BROTHERS INC | | 2,011,180 | 2,000,000 1,250,000 | 42 ,806 |
| 441065-AH-2 460321-AC-6 | INTERNATIONAL SHIPHOLDING CORP | | CITICORP SECURITIES. | † | 1,012,000 746,148 | 750,000 | |
| | METLIFE INSUR CO. 144A | | SALOMON BROTHERS INC | | 2,069,240 | 2,000,000 | 9,722 |
| | NINE WEST GROUP SR NT | 01/30/1998 | MERRILL LYNCH. | † | 1,001,250 | 1,000,000 | |
| 676255-AJ-1 | OFFSHORE LOGISTICS INC 144A | 01/27/1998 | JEFFERIES & COMPANY, INC. | | 648,200 | 650,000 | 10,700 |
| 74157K - AC - 5 | PRIMEDIA INC. | 02/17/1998 | SALOMON BROTHERS INC. | | 745,688 | 750,000 | |
| 749121-AK-5 | QWEST COMM INTL INC SR NT 144A | 11/04/1998 | SALOMON BROTHERS INC | | 496,620 | 500,000 | |
| 832248 - AC - 2 | SMITHFIELD FOODS. | 02/09/1998 | CHASE MANHATTAN | | 498,265 | 500,000 | |
| 942683-AA-1 | WATSTON PHARMACEUTICALS. | 05/18/1998 | DONALDSN, LUFKN & JENRETT | | 991,280 | 1,000,000 | |
| 961238-AF-9 | WESTPOINT STEVENS. | 11/12/1998 | GOLDMAN SACHS & CO. | | 511,875 | 500,000 | 16,734 |

| Showing All Long-Te | rm Rande and Stac | Le ACOUIDED Duri | na Curront Voor |
|---------------------|--------------------|-----------------------|-----------------|
| Showing All Long-Te | irm Bonds and Stoc | KS AC.(JUIRFI) IJIIFI | na Current Year |

| | | Showing All | ong-Term Bonds and Stocks ACQUIRED During Current Year | | | | |
|-------------------|-----------------------------|---------------|--|-----------------|------------|------------|------------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| CUSIP | | 1 | | Number of | Actual | | Paid for Accrued |
| Identification | Description | Date Acquired | Name of Vendor | Shares of Stock | Cost | Par Value | Interest and Dividends |
| COUNTRY | | | | • | 15,631,550 | 15,800,000 | 159,514 |
| 4599999 - Total - | Bonds - Industrial, Misc. | | | | 15,631,550 | 15,800,000 | |
| 6099997 - Total - | Bonds - Part 3 | | | | 36,594,860 | 35,831,118 | 288,911 |
| 6099998 - Total - | Bonds - Part 5 | | | | 15,005,703 | 15,000,000 | 60,898 |
| 6099999 - Total - | Bonds | | | | 51,600,563 | 50,831,118 | 349,809 |
| 7199999 - Total - | Preferred and Common Stocks | | | | 0 | XXX | 0 |
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| 7299999 Totals | | | | | 51,600,563 | XXX | 349,809 |

| | | | Showing all Long-Term B | | JULE D - | | | C | | | | | | |
|------------------------------------|--|---------------------|------------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|--------|--|-----------------|---------------|--|--|
| CUSIP | 1 | 2 Disposal | Snowing all Long-Term B | Number of Shares of | 5 | 6 | 7 | 8 Book Value at | | 10 Decrease by Adjustment in Book Value | 11 Profit on | 12 Loss on | 13 Interest on Bonds Received | 14 Dividends on Stocks Received |
| Identification | Description | Date | Name of Purchaser | Stock | Consideration | Par Value | Actual Cost | Disposal Date | | During Year | Disposal | Disposal | | During Year |
| US GOVERNMENT | OBLIGATIONS - U.S. | • | | • | • | | | | | | | | | |
| 36202C -BS - 1 | GNMA POOL #1849 | Various | PRINCIPAL RECEIPT. | | 21,036 | 21,036 | 21,937 | 21,036 | 0 | 901 | 0 | 0 | 709 | |
| 36202C -G5 -6 | GNMA POOL #2020 | Various | PRINCIPAL RECEIPT | | 2,455,865 | 2,455,865 | 2,561,007 | 2,455,865 | 0 | 105,142 | 0 | 0 | 83,202 | |
| 36202C -RF -2 | GNMA POOL #2286 | Various | PRINCIPAL RECEIPT | | 198,257 | 198,257 | 206,745 | 198,257 | 0 | 8,488 | 0 | 0 | 7,090 | |
| 36202C - SP - 9 36202C - TA - 1 | GNMA POOL #2326 | Various Various | PRINCIPAL RECEIPT | | 1,697,825 596,886 | 1,697,825 596,886 | 1,770,514 622,440 | 1,697,825 596,886 | 0 | 72,688 | 0 | 0 | 59,163 | |
| 36202C-TA-1 | GNMA POOL #2398 | Various | PRINCIPAL RECEIPT | | 170,528 | 170,528 | 177 . 828 | 170,528 | 0 | 7.301 | | | 5.598 | |
| 36202C - VH - 3 | GNMA POOL #2416 | Various | PRINCIPAL RECEIPT. | | 32,375 | 32,375 | 33,762 | 32,375 | 0 | 1,386 | 0 | 0 | 1,146 | |
| 36202C - WF - 6 | GNMA POOL #2446. | Various | PRINCIPAL RECEIPT | | 604,848 | 604,848 | 630,743 | 604,848 | 0 | 25,895 | 0 | 0 | 22,242 | |
| 36202C-ZC-0 | GNMA POOL #2539 | Various | PRINCIPAL RECEIPT. | | 202,574 | 202,574 | 211,247 | 202,574 | 0 | 8,673 | 0 | 0 | 8,260 | |
| 36202K -P8 - 2 | GNMA POOL #8547 | Various | PRINCIPAL RECEIPT | | 1,268,026 | 1,241,513 | 1,231,037 | 1,231,506 | 434 | 0 | 36,519 | 0 | 11,592 | |
| | GNMA POOL #343441 | Various | PRINCIPAL RECEIPT | | 47,701 | 47 ,701 | 49,304 | 47,701 | 0 | 1,545 | 0 | 0 | 2,825 | |
| 362059-Y8-4 | GNMA POOL #030435 | Var i ous | PRINCIPAL RECEIPT | | 258 | 258 | 278 | 258 | 0 | 20 | 0 | 0 | 8 | |
| 36205J - AX - 3 36205J - HZ - 1 | GNMA POOL #391622GNMA POOL #391848 | Various Various | PRINCIPAL RECEIPTPRINCIPAL RECEIPT | | 167, 180 | 167 , 180 3 , 890 | 172,822 | 167 , 180 3 , 890 | 0 | 5,467 124 | 0 | | 6 , 468 192 | |
| 36205L - JF -8 | GNMA POOL #3931646 | Various | PRINCIPAL RECEIPT | | 7,983 | 7.983 | 8,251 | 7,983 | 0 | 266 | 0 | 0 | 351 | |
| | GNMA POOL #034551 | Various | PRINCIPAL RECEIPT | | 11.494 | 11.494 | 12,406 | 11.494 | 0 | 912 | 0 | 0 | 236 | |
| 362135-4V-4 | GNMA POOL #097136 | Various | PRINCIPAL RECEIPT | | 2,358 | 2.358 | 2.594 | 2.358 | 0 | 224 | 0 | 0 | 154 | |
| 362135-T3-9 | GNMA POOL #096870. | Various | PRINCIPAL RECEIPT. | | 1,941 | 1,941 | 2, 135 | 1,941 | 0 | 182 | 0 | 0 | 112 | |
| 36214D-AB-3 | GNMA POOL #102702 | Various | PRINCIPAL RECEIPT | | 56,888 | 56,888 | 61,403 | 56,888 | 0 | 4,515 | 0 | 0 | 2,113 | |
| 36214G-3M-0 | GNMA POOL #106204 | Various | PRINCIPAL RECEIPT | | 6,214 | 6,214 | 6,707 | 6,214 | 0 | 493 | 0 | 0 | 194 | |
| 36214H-GD-4 | GNMA POOL #106496 | Various | PRINCIPAL RECEIPT | | 2,230 | 2,230 | 2,407 | 2,230 | 0 | 177 | 0 | 0 | 67 | |
| | GNMA POOL #150419. | Various | PRINCIPAL RECEIPT | | 39,132 | 39,132 | 42,703 | 39,132 | 0 | 3,360 | 0 | 0 | 2,406 | |
| 362153 - ED - 6 362157 - W5 - 4 | GNMA POOL #152332 GNMA POOL #156468 | Various Various | PRINCIPAL RECEIPT | | 7,579 | 7 ,579 69 .107 | 8,271 75,413 | 7,579 69.107 | 0 | 654 5.955 | 0 | 0 | 4,055 | |
| 362159-P2-5 | GNMA POOL #150406 | Various | PRINCIPAL RECEIPT | | 32,198 | 32 . 198 | 35,136 | 32 . 198 | 0 | 2.751 | | | 2,018 | |
| 36215D-WA-0 | GNMA POOL #132141 | Various | PRINCIPAL RECEIPT | | 94,269 | 94,269 | 102,871 | 94,269 | 0 | 8,024 | 0 | 0 | 7,664 | |
| | GNMA POOL #140410. | Various | PRINCIPAL RECEIPT | | 40,979 | 40.979 | 44,719 | 40,979 | 0 | 3,502 | 0 | 0 | 1,959 | |
| 36215N-3U-6 | GNMA POOL #140411 | Various | PRINCIPAL RECEIPT. | | 33,713 | 33,713 | 36,789 | 33,713 | 0 | 2,961 | 0 | 0 | 1,482 | |
| 36215N-TV-6 | GNMA POOL #140164 | Various | PRINCIPAL RECEIPT | | 48,812 | 48,812 | 53,266 | 48,812 | 0 | 4,304 | 0 | 0 | 2,901 | |
| 36215Q-YK-7 | GNMA POOL #142114 | Various | PRINCIPAL RECEIPT | | 23,666 | 23,666 | 25,826 | 23,666 | 0 | 2,029 | 0 | 0 | 1,992 | |
| 36215U-VT-2 | GNMA POOL #145626 | Var i ous | PRINCIPAL RECEIPT | | 82,747 | 82,747 | 90,297 | 82,747 | 0 | 7,111 | 0 | 0 | 4,826 | |
| 36215U-ZH-4 36215W-BR-4 | GNMA POOL #145744GNMA POOL #146848 | Various Various | PRINCIPAL RECEIPT | | | 592 39,595 | 646 43,208 | 592 39,595 | 0 | 48 | 0 | 0 | 32 | |
| 36215W-QD-9 | GNMA POOL #140046 | various Various | PRINCIPAL RECEIPT | | | | 43,206 | | 0 | 1,253 | | | 1,020 | |
| 362162-SW-0 | GNMA POOL #181533. | Various | PRINCIPAL RECEIPT | | 9.541 | 9.541 | 10.299 | 9.541 | 0 | 757 | 0 | | 254 | |
| 362164-X6-7 | GNMA POOL #183501. | Various | PRINCIPAL RECEIPT | | 143,786 | 143,786 | 156,907 | 143,786 | 0 | 12,730 | 0 | 0 | 7.208 | |
| 36216H-G4-2 | GNMA POOL #165019. | Various | PRINCIPAL RECEIPT | | 36,969 | 36,969 | 39,904 | 36,969 | 0 | 2,934 | 0 | 0 | 1,455 | |
| 36216H-YB-6 | GNMA POOL #165506 | Various | PRINCIPAL RECEIPT | | 75,413 | 75,413 | 75,767 | 75,413 | 0 | 246 | 0 | 0 | 3,253 | |
| 36216S-J7-8 | GNMA POOL #173186 | Various | PRINCIPAL RECEIPT | | 108,519 | 108 ,519 | 109,028 | 108,519 | 0 | 356 | 0 | 0 | 5,291 | |
| 36216W-WW-9 | GNMA POOL #177161 | Var i ous | PRINCIPAL RECEIPT | | 250,506 | 250,506 | 273,364 | 250,506 | 0 | 21,479 | 0 | 0 | 12,424 | |
| 362174-3H-5 | GNMA POOL #212400. | Various | PRINCIPAL RECEIPT | | 6,039 | 6,039 | 6,518 | 6,039 | 0 | 479 | I0 | ļ | 132 | |
| 36217A - U3 - 2 | GNMA POOL #187902GNMA POOL #189044 | Various | | | 6,168 | 6,168 | 6,658 | 6,168 | 0 | 490 | 0 | 0 | | |
| 36217B-5D-6 36217C-SU-1 | GNMA POOL #189044. | Various Various. | PRINCIPAL RECEIPT | | 18,767 | 18 ,767 6 ,959 | 18,092 7,594 | 18,767 | 568 | | n | | 1,722 | |
| 36217K-WL-8 | GNMA POOL #199051 | Various | PRINCIPAL RECEIPT | | 1,910 | 1,910 | 2,061 | 1,910 | 0 n | 152 | n | n | 25 | |
| | GNMA POOL #203181 | Various | PRINCIPAL RECEIPT. | | 5,589 | 5,589 | 6,033 | 5,589 | 0 | 444 | 0 | 0 | 149 | |
| 36218F -KA -5 | GNMA POOL #220889. | Various | PRINCIPAL RECEIPT | | 4,020 | 4,020 | 4,340 | 4,020 | 0 | 319 | 0 | 0 | 76 | |
| 36218V-S9-5 | GNMA POOL #233744 | Various | PRINCIPAL RECEIPT. | | 2,302 | 2,302 | 2,241 | 2,302 | 53 | 0 | 0 | 0 | 127 | |
| 36218W-MD-0 | GNMA POOL #234456 | Various | PRINCIPAL RECEIPT | | 38,935 | 38,935 | 42,488 | 38,935 | 0 | 3,341 | 0 | 0 | 3,357 | |
| 362193-SA-3 | GNMA POOL #266113 | Var i ous | PRINCIPAL RECEIPT. | | 32,729 | 32,729 | 31,869 | 32,729 | 758 | 0 | 0 | 0 | 1,633 | |
| 362199-7D-7 | GNMA POOL #271892 | Various | PRINCIPAL RECEIPT | | 29,601 | 29,601 | 31,950 | 29,601 | 0 | 2,350 | 0 | 0 | 1,017 | |
| 36219E-BK-5 36219G-FG-5 | GNMA POOL #246742GNMA POOL #248667 | Various Various | PRINCIPAL RECEIPTPRINCIPAL RECEIPT | | 31,109 | 31 , 109 1 , 641 | 33,579 | 31, 109 | 0 | 2,469 | | | 910 | |
| | GNMA POUL #248667 | Various Various | PRINCIPAL RECEIPT | | | | 28,106 | | 0 | 2.067 | | | 1,165 | |
| JUZ 1911-04-1 | TUUL #200000 | | TIVINGILAT VECEILI | | 20,039 | 20,039 | 20,100 | 20,039 | 0 | | | JU | 1 , 100 | |

| | | | Showing all Long-Term | Bonds and Stocks S | OLD, REDEEMED o | r Otherwise DISP | OSED OF During | Current Year | | | | | | |
|-----------------|--|--------------------|-------------------------------------|--------------------|------------------|--------------------|------------------|---------------|---------------|------------------------------------|-----------|----------|----------------------------|------------------------------|
| | 1 | 2 | 3 | 4 Number of | 5 | 6 | 7 | 8 | Adjustment in | 10 Decrease by Adjustment in | 11 | 12 | 13 Interest on Bonds | 14 Dividends on Stocks |
| CUSIP | | Disposal | | Shares of | | | | Book Value at | | Book Value | Profit on | Loss on | Received | Received |
| Identification | Description | Date | Name of Purchaser | Stock | Consideration | Par Value | Actual Cost | Disposal Date | | During Year | Disposal | Disposal | During Year | During Year |
| | GNMA POOL #254140 | Var ious | PRINCIPAL RECEIPT | | 13,807 | 13,807 | 13,311 | 13,807 | 436 | 0 | 0 | 0 | 1,115 | |
| | GNMA POOL #254446 | Various | PRINCIPAL RECEIPT | | 30,947 | 30,947 | 33,403 | 30,947 | 0 | 2,456 | 0 | 0 | 478 | |
| 36219S-Z5-1 | GNMA P00L #258264 | Various | PRINCIPAL RECEIPT | | 99,361 | 99,361 | 108,428 | 99,361 | 0 | 8,640 | 0 | 0 | 6,442 | |
| | GNMA POOL #258813 | Various | PRINCIPAL RECEIPTPRINCIPAL RECEIPT. | | 6,971 | 6,971 | 6,721 | 6,971 | 222 | | 0 | 0 | 560 | |
| | GNMA POOL #260137 GNMA POOL #278671 | Various | PRINCIPAL RECEIPT | | 15,852 67.345 | 15 ,852 67 ,345 | 15,282 72,690 | 15,852 | 503 | 5.346 | 0 | | 1,093 1,614 | |
| | GNMA POOL #270071 | Various | PRINCIPAL RECEIPT | | 14,038 | 14,038 | 15,152 | 14,038 | 0 | | 0 | 0 | 709 | |
| | GNMA POOL #281814 | Various Various | PRINCIPAL RECEIPT | | 181.470 | 181,470 | 195,875 | 14,036 | | 1, 114 | | | 4,689 | |
| | GNMA POOL #282804. | Various | PRINCIPAL RECEIPT | | 452 | 452 | 193,673 | 452 | 0 | 36 | | 0 | 4,009 | |
| | GNMA POOL #202804 | Various | PRINCIPAL RECEIPT. | | 30,775 | 30,775 | 33,852 | 30,775 | | 2,890 | | 0 | 2,403 | |
| | GNMA POOL #905932 | Various | PRINCIPAL RECEIPT | | 2,913 | 2.913 | 3,184 | 2,913 | | 2,030 | ٥ | | 176 | |
| 36221H-3B-3 | GNMA POOL #907094. | Various | PRINCIPAL RECEIPT | | 1,291 | 1,291 | 1,411 | 1,291 | | 109 | | 0 | 72 | |
| | GNMA POOL #907161. | Various | PRINCIPAL RECEIPT | | 837 | 837 | 915 | 837 | | 74 | 0 | 0 | 47 | |
| | GNMA POOL #906575 | Various | PRINCIPAL RECEIPT | | 59,235 | 59,235 | 64,751 | 59,235 | n | 5,181 | n | n | 4,501 | |
| | GNMA POOL #907357 | Various | PRINCIPAL RECEIPT | | 663 | 663 | 725 | 663 | | 59 | | 0 | 37 | |
| | GNMA POOL #907473. | Various | PRINCIPAL RECEIPT. | | 28.140 | 28.140 | 30.761 | 28.140 | 0 | 2.457 | 0 | 0 | 2.807 | |
| | GNMA POOL #907796. | Various | PRINCIPAL RECEIPT. | | 5,093 | 5,093 | 5,567 | 5,093 | 0 | 451 | 0 | 0 | 495 | |
| | GNMA POOL #910798. | Various | PRINCIPAL RECEIPT | | 1,206 | 1,206 | 1,318 | 1,206 | 0 | 108 | 0 | 0 | 68 | |
| | GNMA POOL #910621 | Various | PRINCIPAL RECEIPT. | | 872 | 872 | 953 | 872 | 0 | 78 | 0 | 0 | 49 | |
| | GNMA POOL #910650. | Various | PRINCIPAL RECEIPT | | 934 | 934 | 1,021 | 934 | 0 | 84 | 0 | 0 | 53 | |
| | GNMA POOL #911581 | Various | PRINCIPAL RECEIPT | | 75,035 | 75,035 | 82,022 | 75,035 | 0 | 6,639 | 0 | 0 | 1,393 | |
| | GNMA POOL #911218. | Various | PRINCIPAL RECEIPT. | | 41,110 | 41,110 | 44,938 | 41,110 | 0 | 3.494 | 0 | 0 | 3,456 | |
| | GNMA POOL #780118. | Various | PRINCIPAL RECEIPT | | 376,738 | 376,738 | 404,523 | 376,738 | 0 | 27 .300 | 0 | 0 | 19,390 | |
| 36225A - FR - 6 | GNMA POOL #780176 | Various | PRINCIPAL RECEIPT | | 2,170,747 | 2,170,747 | 2,351,869 | 2,170,747 | 0 | 176,563 | 0 | 0 | 123,243 | |
| 912827 -E8 - 1 | 0-US TREASURY NOTE 7.0% '99. | 02/18/1998 | MERRILL LYNCH. | | 1,526,602 | 1,500,000 | 1,627,500 | 1,530,349 | 0 | 3,379 | 0 | 3.747 | 36,635 | |
| | US TREASURY NOTE 6.375% '99 | | SMITH BARNEY SHEARSON. | | 2,330,188 | 2,300,000 | 2,355,344 | 2,316,246 | 0 | 1,471 | 13,941 | 0 | 87 , 489 | |
| 912827 - J3-7 | 0-US TREASURY NOTE 6.375% '00 | 02/18/1998 | PAINE WEBBER INC. | | 2,035,000 | 2,000,000 | 2,041,875 | 2,015,223 | 0 | 1,001 | 19,777 | 0 | 76,077 | |
| 912827 - N2 - 4 | 0-US TREASURY NOTE 5.125% '98 | 02/18/1998 | NOMURA INTERNATIONAL | | 6,485,781 | 6,500,000 | 6,503,555 | 6,500,627 | 0 | 104 | 0 | 14,845 | 74,129 | |
| 912827 - XE - 7 | US TREASURY NOTE 8.875% '99 | 03/10/1998 | NOMURA INTERNATIONAL | | 1,030,078 | 1,000,000 | 1,150,938 | 1,025,302 | 0 | 5,112 | 4,776 | 0 | 50,259 | |
| 912827 - Y4 - 8 | 0-US TREASURY NOTE 6.625% '01 | | MERRILL LYNCH. | | 792,492 | 765,000 | 773,091 | 772,333 | 0 | 267 | 20,159 | 0 | 7,000 | |
| 912827 - YE - 6 | US TREASURY NOTE 7.875% '99 | 02/25/1998 | PAINE WEBBER INC | | 1,036,875 | 1,000,000 | 1,085,938 | 1,024,547 | 0 | 2,053 | 12,328 | 0 | 23,277 | |
| CO | DUNTRY TOTAL | • | | • | 27,382,796 | 27,184,267 | 28,280,719 | 27,293,887 | 2,974 | 637,770 | 107,501 | 18,593 | 835,482 | XXX |
| 0399999 - Bo | onds - U.S. Governments | | | | 27,382,796 | 27,184,267 | 28,280,719 | 27,293,887 | 2.974 | 637.770 | 107,501 | 18.593 | 835,482 | XXX |
| SPECIAL REVEN | UE AND ASSESSMENTS - U.S. | | | | , , | , , | , , | , , | | | ,,,,, | -,,,,, | | |
| | BTATLANTA GA URBN RESIDENTAL FIN | 10/01/1998 | CALLED @ 22.8370000 | | 581,202 | 2,545,000 | 412,122 | 575,016 | 34,681 | n | 6 , 186 | Λ | n | |
| | TATE TOTAL | | & | | 581,202 | 2,545,000 | 412,122 | 575,016 | 34.681 | n | 6.186 | Λ | 0 | XXX |
| NEW YORK | THE TOTAL | | | | 001,202 | 2,010,000 | 112,122 | 010,010 | 04,001 | Ü | 0,100 | U | V | 7007 |
| | BTNEW YORK ST MTG AGY REC H/O SER | Various | CALLED @ 100.0000000 | | 115,000 | 115,000 | 125,350 | 124 , 163 | 0 | 133 | ٥ | 9 , 163 | 5,214 | |
| | TATE TOTAL | vai 10u5 | CALLED @ 100.0000000 | | 115.000 | 115.000 | | 124, 163 | 0 | 133 | 0 | | | XXX |
| U.S. GOVERNME | | | | | 115,000 | 115,000 | 125,350 | 124, 103 | 0 | 133 | 0 | 9,163 | 5,214 | ۸۸۸ |
| | FHLMC PC GOLD 15Y POOL #B00538 | Various | PRINCIPAL RECEIPT | | 812,225 | 812,225 | 854,613 | 812,225 | 0 | 37 ,045 | 0 | 0 | 38,890 | |
| 31340Y-LE-7 | FHLMC SER 34 CL 34-C. | Various | PRINCIPAL RECEIPT | | 313,181 | 313,181 | 292, 188 | 313, 181 | 15,742 | 0 | 0 | 0 | 15,937 | |
| 31358M-YQ-1 | FNMA 92-61Z | Various | PRINCIPAL RECEIPT | | 673,910 | 673,910 | 686,756 | 673,910 | 0 | 7 ,534 | 0 | 0 | 27 , 188 | |
| 31359E-QU-8 | BTFNMA PAC 93188 CL PK | Various | PRINCIPAL RECEIPT | | 293,972 | 293,972 | 298,060 | 293,972 | 0 | 1,941 | 0 | 0 | 14,936 | |
| | FNMA P00L #46523 | Various | PRINCIPAL RECEIPT | | 37,303 | 37,303 | 34,365 | 37,303 | 1,205 | 0 | 0 | 0 | 2,088 | |
| | FNMA P00L #46825 | Various | PRINCIPAL RECEIPT | | 9,836 | 9,836 | 9,062 | 9,836 | 325 | 0 | 0 | 0 | 434 | |
| | FNMA P00L #49054 | Various | PRINCIPAL RECEIPT | | 5,568 | 5,568 | 5, 129 | 5 , 568 | 190 | 0 | 0 | 0 | 135 | |
| | FNMA POOL #44997 | Various | PRINCIPAL RECEIPT | | 80,842 | 80,842 | 74,475 | 80,842 | 2,603 | 0 | 0 | 0 | 4,714 | ļ |
| | FNMA P00L #45202 | Various | PRINCIPAL RECEIPT | | 2,565 | 2,565 | 2,363 | 2,565 | 83 | 0 | 0 | 0 | 96 | |
| 31365E-BN-2 | FNMA P00L #125245 | Various | PRINCIPAL RECEIPT | | 399,747 | 399,747 | 409,116 | 399,747 | 0 | 8,824 | 0 | 0 | 15,765 | |
| Si | TATE TOTAL | - | | | 2,629,148 | 2,629,148 | 2,666,127 | 2,629,148 | 20,148 | 55,343 | 0 | 0 | 120,184 | XXX |
| TEXAS | | | | | | , , , | | | | | | | | |

| Showing all Long-Torn | n Bonde and Stocks SOLD PEDER | EMED or Otherwise DISPOSED OF During | Current Vear |
|-----------------------|-------------------------------|--------------------------------------|--------------|
| | | | |

| | | | Showing all Long-Term Bo | onds and Stocks St | OLD, REDEEMED O | or Otherwise DISP | OSED OF During | Current Year | | | | | | |
|----------------|-------------------------------------|--|--|--------------------|-----------------|---|----------------|---------------|---------------|---------------|-----------|----------|-------------|--------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| | | | | | | | | | Increase by | Decrease by | | | Interest on | Dividends on |
| | | | | Number of | | | | | Adjustment in | Adjustment in | | | Bonds | Stocks |
| CUSIP | | Disposal | | Shares of | | | | Book Value at | | Book Value | Profit on | Loss on | Received | Received |
| Identification | Description | Date | Name of Purchaser | Stock | Consideration | Par Value | Actual Cost | Disposal Date | During Year | | Disposal | Disposal | During Year | |
| | BTLOCKHART CORRECTIONAL FAC MBIA | | CALLED @ 100.0000000 | Olock | 15,000 | 15,000 | 14,850 | 14,873 | During rear | During real | 127 | Лізрозаі | 656 | Dulling Teal |
| | TATE TOTAL | 04/01/1330 | CALLED @ 100:0000000 | ••••••••• | 15.000 | 15,000 | 14,850 | 14,873 | 1 | | 127 | Δ | 656 | XXX |
| | DUNTRY TOTAL | | | | 3.340.349 | 5,304,148 | 3,218,449 | 3,343,199 | 54,830 | 55.476 | 6,313 | 9.163 | 126,054 | XXX |
| | onds - Special Revenues | | | | 3,340,349 | 5,304,148 | 3,218,449 | 3,343,199 | 54,830 | 55,476 | 6,313 | 9,163 | 126,054 | XXX |
| | MISCELLANEOUS - U.S. | | | | 3,340,349 | 0,304,140 | 3,210,449 | 3,343,199 | 34,030 | 33,470 | 0,313 | 9,103 | 120,034 | ۸۸۸ |
| | | | Inc.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 1 | | | | | | | | | | |
| | ACCESS MTG LOAN TR 1996-3 A2 | Various | PRINCIPAL RECEIPT | | 723,415 | 723 ,415 | 723,302 | 723,415 | 988 | 0 | 0 | 0 | 31,807 | |
| 021091-AB-9 | | Various | VAR 10US | | 923,093 | 916 , 168 | 925,330 | 916,981 | 0 | 3,270 | 6,112 | 0 | 44 , 551 | |
| 315292-AA-0 | FERRELLGAS LP FIN CORP. | | CALLED @ 105.0000000 | | 525,000 | 500,000 | 525,000 | 513,849 | 0 | 2,360 | 11 , 151 | 0 | 50,556 | |
| 393505-BH-4 | GREENTREE FINL CORP HSG CL 93-3A5 | Various | PRINCIPĂL RECEIPT | | 125,423 | 125,423 | 125,717 | 125,423 | 0 | 104 | 0 | 0 | 7 ,046 | |
| | LEHMAN BROTHERS HOLDINGS INC NOTE | 01/26/1998 | LEHMAN BROTHERS. | | 1,022,440 | 1,000,000 | 1,039,090 | 1,007,974 | 0 | 730 | 14,466 | 0 | 20,955 | |
| | LONG ISLAND LIGHTING CO. | | CALLED @ 100.0000000 | | 600,000 | 600,000 | 617 , 400 | 616,911 | 0 | 105 | 0 | 16.911 | 38,675 | |
| | PENNEY J C CO INC NOTE | 10/29/1998 | PRUDENT I AL BACHE | | 1,063,000 | 1,000,000 | 1.051.690 | 1,029,128 | 0 | 5.374 | 33,872 | 0 | 122,850 | |
| | QUAKER ST CORP | 04/29/1998 | | | 976.450 | 1,000,000 | 993,860 | 995,055 | 168 | 0,071 | n | 18,605 | 36,622 | |
| | BTRYLAND ACCEPT CORP IV REMIC 81 | 12/00/1000 | PRINCIPAL RECEIPT | | 44,406 | 44,406 | 46,675 | 44,406 | | 1,956 | | 10,000 | 3,997 | |
| | | 12/09/1990 | PRINCIPAL RECEIPI | | | | | | 0 | , 930 | 59.977 | 0 | | |
| | SHOWBOAT INC 1ST MTG. | | Undefined | | 527,475 | 500,000 | 462,500 | 467,498 | 872 | 0 | | 0 | 28,780 | |
| | TAUBMAN REALTY GROUP MTN | | Undefined | | 1,053,950 | 1,000,000 | 1,049,610 | 1,036,558 | 0 | 8,326 | 17 ,392 | 0 | 61,330 | |
| | UNITED ARTIST THEATRE | Various | VAR I OUS | | 496 , 108 | 487 ,064 | 487,064 | 487 , 064 | 0 | 0 | 9,044 | 0 | 35,857 | |
| CC | DUNTRY TOTAL | | | | 8,080,760 | 7,896,477 | 8,047,238 | 7,964,263 | 2,028 | 22,225 | 152,014 | 35,516 | 483,024 | XXX |
| 4599999 - Bo | onds – Industrial and Miscellaneous | | | | 8,080,760 | 7,896,477 | 8,047,238 | 7,964,263 | 2,028 | 22,225 | 152,014 | 35,516 | 483,024 | XXX |
| 6099997 - Bo | onds - Part 4 | | | | 38,803,905 | 40,384,891 | 39,546,406 | 38,601,349 | 59,832 | 715,471 | 265,827 | 63,272 | 1,444,560 | XXX |
| | onds - Part 5 | | | | 15,148,477 | 15,000,000 | 15,005,703 | 15,002,834 | 0 | 2,870 | 152,644 | 7,001 | 116,460 | XXX |
| 6099999 - To | otal - Bonds | | | | 53,952,382 | 55,384,891 | 54,552,110 | 53,604,183 | 59,832 | 718,341 | 418,472 | 70,273 | 1,561,020 | XXX |
| | | | | | | | | | | | | | | |
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| 7000000 - | | | | | FO OFO 000 | VVV | E4 EE0 440 | FO COA 400 | EO 000 | 740 044 | 440 470 | 70 070 | 1 501 000 | ^ |
| 7299999 To | otals | | | | 53,952,382 | XXX | 54.552.110 | 53,604,183 | 59.832 | 718.341 | 418.472 | 70.273 | 1.561.020 | 0 |

7299999 Totals

ANNUAL STATEMENT FOR THE YEAR 1998 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE D - PART 5

| | | | | | SCHEDUL | .E D - P/ | ARI 5 | | | | | | | | |
|----------------|------------------------------------|------------|----------------------|--------------|-----------------------|---|------------------|---------------|---------------|---------------|------------------------------|-----------|----------|---------------------------|---------------------------|
| | | | Showing all Long | -Term Bonds | and Stocks ACQUIRED D | uring Current Yea | ar and Fully DIS | POSED OF Dur | | | | | | Ī | T |
| | 1 | 2 | 3 | 4 | 5 | 6 Par Value (Bonds) or Number of | 7 | 8 | 9 | Adjustment in | 11 Decrease by Adjustment in | 12 | 13 | 14 Interest and Dividends | 15 Paid for Accrued |
| CUSIP | | Date | | Disposal | | Shares | Cost to | | Book Value at | Book Value | Book Value | Profit on | Loss on | Received | Interest and |
| Identification | Description | Acquired | Name of Vendor | Date | Name of Purchaser | (Stock) | Company | Consideration | Disposal Date | During Year | During Year | Disposal | Disposal | During Year | Dividends |
| | T OBLIGATIONS - U.S. | | | | | | | | | | | | | | |
| | US TREASURY NOTE 5.625% | 01/26/1998 | MORGAN STANLEY | Yarious | MORGAN STANLEY | 7,000,000 | 7,038,828 | 7,031,367 | 7,038,368 | 0 | 460 | 0 | 7,001 | 37,988 | 28,280 |
| | UNTRY TOTAL | | | | | 7,000,000 | 7,038,828 | 7,031,367 | 7,038,368 | 0 | 460 | 0 | 7,001 | 37,988 | 28,280 |
| | nds - U.S. Governments | | | | | 7,000,000 | 7,038,828 | 7,031,367 | 7,038,368 | 0 | 460 | 0 | 7,001 | 37,988 | 28,280 |
| U.S. GOVERNM | NUE AND ASSESSMENTS - U.S. ENT | | | | | | | | | | | | | | |
| 31360A-9L-2 | FNMA 7Y BLN TBA | 01/26/1998 | SALOMON BROTHERS INC | 01/26/1998 | SALOMON BROTHERS INC | 7,000,000 | 6,903,750 | 7,000,000 | 6,903,750 | 0 | 0 | | 0 | 29,167 | 29, 167 |
| ST | ATE TOTAL | | - | | | 7,000,000 | 6,903,750 | 7,000,000 | 6,903,750 | 0 | 0 | 96,250 | 0 | 29,167 | 29,167 |
| | UNTRY TOTAL | | | | | 7,000,000 | 6,903,750 | 7,000,000 | 6,903,750 | 0 | 0 | 96,250 | 0 | 29,167 | 29,167 |
| | nds - Special Revenue | | | | | 7,000,000 | 6,903,750 | 7,000,000 | 6,903,750 | 0 | 0 | 96,250 | 0 | 29,167 | 29,167 |
| | MISCELLANEOUS - U.S. | | | | | | | | | | | | | | |
| | HMH PROPERTIES | Various | . VAR I OUS | 08/07/1998 | VAR 10US | 1,000,000 | 1,063,125 | 1,117,110 | 1,060,716 | 0 | 2,409 | 56,394 | 0 | 49,305 | 3,451 |
| | UNTRY TOTAL | | | | | 1,000,000 | 1,063,125 | 1,117,110 | 1,060,716 | 0 | 2,409 | 56,394 | 0 | 49,305 | 3,451 |
| | nds - Industrial and Miscellaneous | | | | | 1,000,000 | 1,063,125 | 1,117,110 | 1,060,716 | 0 | 2,409 | 56,394 | 0 | 49,305 | 3,451 |
| 6099998 - To | | | | | | 15,000,000 | 15,005,703 | 15,148,477 | 15,002,834 | 0 | 2,870 | 152,644 | 7,001 | 116,460 | 60,898 |
| 7199999 - To | tal - Preferred and Common Stocks | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
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15,005,703

15,148,477

15,002,834

152,644

SCHEDULE D - PART 6 - SECTION 1

| | Valuation of | f Shares of S | ubsidiary, Co | ntrolled or Af | filiated Companie | S | | |
|----------------|--|----------------|---------------|----------------|-------------------|-----------------|-------------------|-------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | Stock of Such Con | npany Owned |
| | | | | Do Insurer's | | | by Insurer on Sta | tement Date |
| | | | | Admitted | | | 7 | 8 |
| | | | | Assets | | | • | ŭ |
| | | | NAIC | Include | | | | |
| | | | | | | | | |
| | | NAIC | Valuation | Intangible | | | | |
| | | | Method (See | | | | | |
| | | Code or | SVO | Connected | | | | |
| | | Alien | Purposes | with Holding | | | | |
| | Description | Insurer | and | of Such | If Yes, | | | |
| CUSIP | Name of Subsidiary, Controlled or Affiliated | Identification | | Company's | Amount of Such | | | % of |
| Identification | Company | Number | manual) | Stock? | Intangible Assets | Statement Value | Number of Shares | Outstanding |
| Identification | Сопрапу | Number | manuai) | Olock: | Intangible Assets | Statement value | Number of Shares | Outstanding |
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| 1799999 To | otals | | | | | | XXX | XXX |

Amount of insurer's capital and surplus from the prior year's annual statement: \$(57,175,235)

SCHEDULE D - PART 6 - SECTION 2

| | 1 | 2 | 3 Amount of Intangible | Stock in Lower-tier Company Owned Indirectly by Insurer o Statement Date | | | |
|-------------------------|----------------------------|---|------------------------|--|--------------------------|--|--|
| CUSIP Identification | Name of Lower-tier Company | Name of Company Listed in Section 1 Which Controls Lower-tier Company | Assets Included in | 4 Number of Shares | 5 % of Outstanding | | |
| | | | | | | | |
| | | | | | | | |
| | | NONE | | | | | |
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SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

| | | | | | | Snowing | all SHC | JRI-IERM INVE | STMENTS Owner | ed December 31 | of Current | rear | | | | | | |
|----------------|--------------------------------|---------------|--------------------|----------|------|---------|---------|---------------|------------------------------|----------------|------------|-----------------|-------------|---------------------------|----------|------------------|--------|-----------|
| | 1 | 2 | 3 | 4 | | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | | | 13 | 14 | 15 |
| | | | | | | Date | | | | | | | | | | | | |
| | | | | Intere | est | Matu | ırity | | | | | | | | rest | 1 | | |
| | | | | | | | l . I | | | | | | | 12.1 | 40.0 | | | |
| | | | | а | b | а | b | | | | | | | | 12.2 | | | |
| | | | | | | | | | Increses or | | | | | Amount Due and Accrued | | | | |
| | | | | | | | | | Increase or (Decrease) by | | Rate Used | | | Dec. 31 of | | | | |
| | | | | | | | | | Adjustment in | | to Obtain | | | Current Year on | | | NAIC | Effective |
| CUSIP | | Date | | | How | | | | Book Value | | Statement | | | Bonds Not in | | Paid for Accrued | Desig- | Rate of |
| Identification | Description | Acquired | Name of Vendor | Rate of | Paid | Year | Month | Book Value | During Year | Par Value | | Statement Value | Actual Cost | Default | Received | Interest | nation | Interest |
| INDUSTRIAL 8 | MISCELLANEOUS | | | | | | | | | | | | | | | | | |
| ISSUER OBLIG | SATIONS | | | | | | | | | | | | | | | | | |
| 161990-22-1 | CHASE MANHATTAN | 12/1998 | Undefined | 0.0000 | MATR | 1999 | 01 | 5, 167, 479 | 0 | 5, 167, 479 | COST | 5, 167, 479 | 5, 167, 479 | 0 | 0 | 0 | 1 | 0.000 |
| 17177M-NL-2 | CIESCO LP | 12 / 1998 | CS First Boston | 5.2500 | MATR | 1999 | 01 | 1,989,500 | 0 | 2,000,000 | C0ST | 1,989,500 | 1,989,500 | 4,958 | 0 | 0 | 1 | 11 . 153 |
| 30241N-ZT-5 | FCC NATIONAL BANK | 10 / 1998 | CS First Boston | 5 . 1000 | MATR | 1999 | 01 | 1,500,000 | 0 | 1,500,000 | COST | 1,500,000 | 1,500,000 | 14,875 | 0 | 0 | 1 | 5 . 198 |
| | METLIFE FUNDING INC | 12/1998 | GOLDMAN SACHS & CO | 5.4500 | MATR | 1999 | 01 | 2,488,267 | 0 | 2,500,000 | COST | 2,488,267 | 2,488,267 | 4, 163 | 0 | ٥ | 1 | 11.601 |
| 1 | COUNTRY TOTAL - U.S. | | | | | | | 11,145,246 | 0 | 11,167,479 | XXX | 11,145,246 | 11,145,246 | | 0 | 0 | XXX | XXX |
| 3999999 - | Industrial and Miscellaneous · | – Issuer Obli | gations | | | | | 11,145,246 | 0 | 11,167,479 | XXX | 11,145,246 | 11,145,246 | 23,997 | 0 | 0 | XXX | XXX |
| 4599999 - | Total – Industrial and Miscell | laneous Bonds | ; | | | | | 11,145,246 | 0 | 11,167,479 | XXX | 11,145,246 | 11,145,246 | 23,997 | 0 | 0 | XXX | XXX |
| 5499999 - | Total – Issuer Obligations | | | | | | | 11,145,246 | 0 | 11,167,479 | XXX | 11,145,246 | 11,145,246 | 23,997 | 0 | 0 | XXX | XXX |
| 6099999 - | Total - Bonds | | | | | | | 11,145,246 | 0 | 11,167,479 | XXX | 11,145,246 | 11,145,246 | 23,997 | 0 | 0 | XXX | XXX |
| | | | | | | | | | | | | | | | | | | |
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| | | | | | | | | 44 445 040 | | | | 44 445 040 | 44 445 040 | 00.007 | | | | |
| 8299999 To | otals | | | | | | | 11,145,246 | (a) () | XXX | XXX | 11,145,246 | 11,145,246 | 23,997 | 0 | 0 | XXX | XXX |

SCHEDULE DA - PART 2

Verification of SHORT-TERM INVESTMENTS Between Years

| | 1 | 2 | 3 | 4 | 5 | 6 |
|--|----------------|---------------|------------------|----------------|--|---|
| | Total | Bonds | Collateral Loans | Mortgage Loans | Other Short-term Investment Assets(a) | Investments in Parent, Subsidiaries and Affiliates |
| 1. Book value, prior year | 4 , 478 , 887 | 4,478,887 | | | | |
| Cost of short-term investments acquired | 75 , 137 , 804 | 75 , 137 ,804 | | | | |
| Increase by adjustment in book value | | | | | | |
| Profit on disposal of short-term investments | | | | | | |
| 5. Subtotals (Total of Lines 2 to 4) | 75 , 137 , 804 | 75 , 137 ,804 | | | | |
| Consideration received on disposal of short-term investments | 68,471,445 | 68,471,445 | | | | |
| 7. Decrease by adjustment in book value | | | | | | |
| Loss on disposal of short-term investments | | | | | | |
| 9. Subtotals (Total of Lines 6 to 8) | 68,471,445 | 68,471,445 | | | | |
| 10. Book value, current year | 11,145,246 | 11, 145, 246 | | | | |
| 11. Income collected during year | 177,015 | 177,015 | | | | |
| 12. Income earned during year | 191,845 | 191,845 | | | | |

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part A - Section 3

NONE

Schedule DB - Part A - Section 4

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part B - Section 3

NONE

Schedule DB - Part B - Section 4

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Part C - Section 3

NONE

Schedule DB - Part C - Section 4

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DB - Part D - Section 3

NONE

Schedule DB - Part D - Section 4

NONE

Schedule DB - Part E - Section 1

NONE

Schedule DB - Part E - Section 2

NONE

SCHEDULE DM

For bonds and preferred stocks owned as of December 31, state the aggregate statement (admitted) value, the aggregate fair market value, and the aggregate difference, if any, between them.

| | 1 Statement (Admitted) Value | 2 Fair Market Value (a) | 3 Excess of Statement over Market (-), or Market over Statement (+) |
|------------------|------------------------------|-------------------------------|---|
| 1. Bonds | 130,034,131 | 128 , 524 , 882 | (1,509,249) |
| Preferred Stocks | | | |
| 3. Totals | 130,034,131 | 128,524,882 | (1,509,249) |

| (a) Amortized or book values shall not be substituted for fair market values. Describe the sources or methods utilized in determining the fair market values. |
|---|
| Market values were obtained from the SVO where available. The market value of bonds not valued by the SVO were obtained from T. Rowe Price Associates, Inc |
| |
| |

SCHEDULE E - PART 1 - CASH

| | 1 | 2 | 3 | 4 | 5 |
|---|---|----------|--|--------------|------------|
| | Papagitary | Rate of | Amount of Interest Received During Year | | |
| OPEN DEPOSITORIES | Depository | Interest | Year | Current Year | Balance |
| Crestar - Transition | Richmond, VA | | | | 214,801 |
| Crestar - Sweep | Richmond, VA | 4 .800 | 61,023 | | 1,288,022 |
| Crestar - Claims | Richmond, VA | | | | (1,952,917 |
| Crestar - Deposit | Richmond, VA | | | | 35,356 |
| Chase Bank of Texas | Fort Worth, TX | | | | 6,030 |
| Bankers Trust | | 4.940 | 7,406 | | 200,000 |
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| 0199998 Deposits in | depositories which do not exceed the | | | | |
| allowable limit in any o 0199999 Totals – Open Depositorie | one depository (See Instructions) – open depositories | XXX | 68,428 | | (208,708 |
| 0399999 Total Cash on Deposit | | XXX | 68,428 | | (208,708 |
| 0499999 Cash in Company's Office | | XXX | XXX 69, 429 | XXX | /200 700 |
| 599999 Total Cash | | XXX | 68,428 | | (208,70 |

| | TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR | | | | | | | | | | | | | | |
|-------------|---|----------|---------------|--------------|---------------|--------------|-----------|--|--|--|--|--|--|--|--|
| 1. January | 1,846,953 | 4. April | 1, 254, 182 | 7. July | 1,180,384 | 10. October | (908,502) | | | | | | | | |
| 2. February | 470,227 | 5. May | 1 , 588 , 610 | 8. August | 1 , 155 , 383 | 11. November | 4,142,798 | | | | | | | | |
| 3. March | 1,398,045 | 6. June | 631,053 | 9. September | 620,878 | 12. December | (208,708) | | | | | | | | |

SCHEDULE E - PART 2 - SPECIAL DEPOSITS

| | | 00::====== | | | | |
|-------------------------|-----------|--|--|-------------------|-----------------|--------------|
| | | | | 1 | 2 | 3 |
| Line Number | Type | Description of Deposit | Where Deposited and Purpose of Deposit | Par or Book Value | Statement Value | Market Value |
| NC00001 | . B | FNMA 7.0% Due 03/25/22 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | | 1,937,083 | 2,047,960 |
| NC00002 | B | FNMA 5.75% Due 09/25/10 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | 1,706,028 | 1,699,760 | 1,700,671 |
| NC00003 | B | FNMA 5.8% Due 12/25/21 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | 2,000,000 | 1,983,464 | |
| NC00004 | B | FNMA 6.6% Due 09/25/18 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | 2,000,000 | 1,968,433 | 2,014,220 |
| NC00005 | B | Atlanta GA Urban Residential Fin 8.375% Due 10/01/16 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re. | | 566,130 | 611,737 |
| NC00006 | B | Lockhart Correctional Fac 8.75% Due 04/01/12 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | | 436,381 | 468,855 |
| NC00007 | B | BankAmerica Corp 7.2% Due 04/15/06 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re. | | 914,701 | |
| NC00008 | B | Caterpillar Inc. 6.0% Due 05/01/07 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | 2,000,000 | 1,905,552 | 2,024,360 |
| NC00009 | B | Commercial Credit Group Inc. 7.875% Due 07/15/04 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | | 1,006,840 | 1,096,710 |
| NC00010 | B | Dillard Dept Stores Inc. 8.0% Due 01/15/99 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re. | 1,500,000 | 1,500,574 | 1,500,975 |
| NC00011 | B | Ford Motor Credit Co. 6.125% Due 01/09/06 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | 1,000,000 | 953,263 | 1,024,940 |
| NC00012 | B | Green Tree Financial Corp. 6.55% Due 07/15/18 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | 2,000,000 | 1,998,617 | 2,013,540 |
| NC00013 | B | NAC RE Corp. 8.0% Due 06/15/99. | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | 2,000,000 | 2,000,000 | 2,020,600 |
| NC00014 | B | National Rural Utilities Corp. 6.5% Due 09/15/02 | Bankers Trust Company: Reinsurance Trust Agreement w/ American Re | 2,000,000 | 1,998,541 | 2,070,460 |
| NC00015 | B | NationsBank Corp. 6.875% Due 02/15/05 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | 1,000,000 | 997,247 | 1,050,220 |
| NC00016 | В. | NationsBank Corp. 6.5% Due 08/15/03 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | 1,000,000 | 1.000,000 | 1,034,920 |
| NC00017 | B | New York State Mtg Agy Rev 10.75% Due 10/01/12 | Bankers Trust Company: Reinsurance Trust Agreement w/ American Re | 405,000 | 436,671 | 410,346 |
| NC00018 | В. | Progress Capital Holdings Inc. 6.88% Due 08/01/01 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | | 1.000,000 | 1 ,020 ,410 |
| NC00019 | В | Ryland Accept Corp. Four 9.0% Due 02/01/17 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | 1,705,594 | 1,706,020 | 1,716,390 |
| NC00020 | В. | Ryland Accept Corp. Four 9.0% Due 02/01/17 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | | 1,000,000 | 1,011,460 |
| NC00021 | В | Salomon Smith Barney Holdings 6.875% Due 06/15/05 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | 1,000,000 | 1,021,392 | 1,043,940 |
| NC00022 | В. | Sears Roebuck & Co. 8.52% Due 05/13/02. | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re. | 1,500,000 | 1,600,484 | 1,630,995 |
| NC00023 | B | USF&G Corp. 8.375% Due 06/15/01 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | 2,000,000 | 2,067,987 | 2,127,020 |
| NC00024 | В | Union Tank Car Co. 7.125% Due 02/01/07 | Bankers Trust Company; Reinsurance Trust Agreement w/ American Re | | 499,541 | |
| NC99999 - | | • | | 34,211,622 | 32,198,681 | 33,240,724 |
| XX99999 - Not All Polic | cyholders | | | 34,211,622 | 32,198,681 | 33,240,724 |
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| 9999999 Totals | | • | • | 34.211.622 | 32.198.681 | 33.240.724 |

Schedule F - Part 1

Schedule F - Part 2

SCHEDULE F - PART 3

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

| Federal Dectar | | | | | | Ceded F | Reinsurance a | s of Decem | ber 31, Curre | | | | | | | | | | |
|--|--------------------------|-------|---|---|--------------|-------------|---------------|------------|---------------|------------|--------------|-----------|----------|------------|-------------|-----------|------------|-------------|------------|
| Federal NAIC Contracts Contracts Contracts Coling 75% or More of 10 Coling 75% | | | | | | 1 | | | | Reinsur | ance Recover | rable On | | | | Reinsuran | ce Payable | 13 | 14 |
| Coding Company Name of Reinsurer Domicillary Dom | | | | F | Reinsurance | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | |
| Federal NAIC Decompany Name of Reinsurer Decompany Decompany Name of Reinsurer Decompany Name of Reinsurer Decompany Dec | | | | | Contracts | | | | | | | | | | | | | Net Amount | í |
| Federal NAIC Decompany Name of Reinsurer Decompany Decompany Name of Reinsurer Decompany Name of Reinsurer Decompany Dec | | | | l le | Cedina 75% | | | | | | | | | | | | | Recoverable | Funds Held |
| Federal DR Dr Dr Dr Dr Dr Dr Dr | | | | | | | | | | | | | | | | | Other | | By Company |
| Description Company Number Code Name of Reinsurer Dominilary Demiums Pendum Number Code Cod | Federal | NAIC | | | | Reinsurance | | | Known Case | Known Case | | | | Contingent | | Ceded | | | |
| Number Code Name of Reinsurer Jurisdiction Written Ceded Losses LE Reserves Reserves Reserves Principal Payable Reinsurers 11 + 12 Treaties Advisor 12 American Reinsurance Corporation. Dishinan, N. 8 1 72 23 93 5,591 7,618 3 9 7 2 2 2 2 2 2 2 2 2 | | _ | | Domiciliary | | | Paid | | | | | IBNR I AF | Unearned | | Cols 2 thru | | | | |
| 3-404126 1027 American Reinsurance Corpany Dever DE 1771 23,955 5,991 7,618 37,922 7,3732 32,25347400 2297 0 0.00 American Reinsurance Corporation Charlam, NU 8 1 1 20 0 7,00 0.00 American Reinsurance Corporation Charlam, NU 8 1 1 20 0 7,00 0.00 American Reinsurance Corporation Charlam, NU 8 1 1 20 0 7,00 0.00 American Reinsurance Corporation Charlam, NU 8 1 1 20 0 7,00 0.00 American Reinsurance Corporation Machine February Corporation Charlam, NU 8 1 1 20 0 7,00 0.00 American Reinsurance Corporation Machine February Corporation Charlam, NU 8 1 1 20 0 0 7,0 0.00 American Reinsurance Corporation Charlam, NU 8 1 1 20 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | | | Name of Reinsurer | | | | | | | | | | | | | | | | Treaties |
| 6-3344/20. 2876. Osabrian Reinsurance Corporal for Distant N 8 1 | | | | | | | | | | | | | | | | , | | | |
| 3-1701424 10650 Commercial Composition Insurance Co. Tarry Lown, IV. 195 65 294.434 280 280 280 290 290 290 290 290 290 290 290 290 29 | 36-3347420 | | | | - | | 8 | 1 | | | 20,000 | ,0,001 | ,010 | | 9 | | 7 | 2 | |
| 3-3440(380) 29700 European Relinstrance Corp. of America. Manchester, ME, 175 239 4.34 | 13-1701424 | | | | | | 195 | 65 | | | | | | | 260 | | | 260 | |
| 3-293109, 22047, North Star Reinsurance Corpy/Signet, III linington, DE. | 13-3440360 | 29700 | European Reinsurance Corp. of America | Manchester, NH | | | 175 | 239 | 434 | | | | | | 848 | | 469 | | |
| 6 - 0.003792 | 00-0000000 | 00000 | New York Insurance Exchange | | | | 22 | 1 | | | | | | | 23 | | | | |
| 3-2153760 | 13-2930109 | 22047 | North Star Reinsurance Corp/Signet | | | | | | | | | | | | | | | | |
| 3-0569080. 24457. Rel lance Insurance Company. Philadeliphia, PA. 29 78 146 4 | 06-1008792 | | Orion Insurance Company | | | | 206 | 70 | | | | | | | | | 6 | 285 | |
| 4-6070058, Z1911. San Francisco Reinsurance Company. Novato, CA. 4 | 23-2153760 | 39675 | PMA Reinsurance Corporation. | | | | | 2 | | | | | | | 46 | | 19 | 27 | |
| 5-144407, 30058, SCR Reinsurance Company, New York, NY, 298 4.19 772 | 23-0580680 | 24457 | Reliance Insurance Company | | | | 29 | 78 | 146 | | | | | | 253 | | 18 | 235 | |
| 3-3029255 39322 Sorema North American Reinsurance Co. New York, Nr. 51 98 192 341 307 34 342 346 346 347 348 348 349 347 348 348 349 3 | | 21911 | San Francisco Reinsurance Company | | | | 4 | | | | | | | | 4 | | | 4 | |
| 1-0406690 | 75-1444207 | | | | | | | | | | | | | | | | 1,024 | 465 | |
| 7-0698697 20880. TIG Reinstrance Company. Stanford. CT. 413 138 30 | 13-3029255 | | | | | | 51 | | | | | | | | | | | 34 | |
| 3-6108722 12904 Tokio Marine & Fire Insurance Company New York NY 4 1 | | 24/6/ | | | | | /9 | | | | | | | | | | | | |
| 1,484 1,381 2,857 23,993 5,591 7,618 42,924 2,090 40,834 32,24 32,000 40,834 32,24 4,112000 1,000000 1,000000 1,000000 1,000000 1,000000 1,000000 1,000000 1,000000 1,000000 1,000000 1,000000 1,000000 1,0000000 1,000000000 1,0000000000 | 47 - 0098507 | | | | | | 413 | 138 | 30 | | | | | | 581 | | 50 | 525 | |
| A-1122000. I00000. Lloyds Underwriters. London, UK | | | | New YORK, NY | ······ | | 4 | | 0.057 | | 00.000 | F F04 | 7.040 | | 40.004 | | 4 | 40.004 | 00.000 |
| A-1121365. | | | | | | | | | 2,857 | | 23,993 | 5,591 | 7,018 | | | | 2,090 | | |
| A-1121425 | | | | | - | | | | | | | | | | | | b | | |
| 1,024 317 317 317 318 318 32,857 399999 - Total - Authorized - Other Non-U.S. Insurers 1,024 317 317 317 318 32,857 39999 - Total - Authorized - Other Non-U.S. Insurers 1,024 317 317 317 318 32,685 32,993 5,591 7,618 44,265 2,096 42,169 32,2857 32,993 5,591 7,618 44,265 2,096 42,169 32,2857 32,993 32,2857 32,2857 32,993 32,2857 32,993 32,2857 32,993 32,2857 32,993 32,2857 32,993 32,2857 32,993 32,2857 32,993 32,857 32,993 | AA 1121300 | | | | | | 100 | | | | | | | | 220 | | | 220 | |
| 0999999 - Total - Authorized 2,508 1,698 2,857 23,993 5,591 7,618 44,265 2,096 42,169 32,24 32,24 32,24 32,24 33 | | | | London, UK | | | | | | | | | | | | | ^ | | |
| A-1120150 00000 Anglo American Insurance Company, LTD. London, UK. 49 16 A-1240077 00000 CIE Europeene De Reassurances S.A. Paris France. 20 6 | | | | | | | | | 2 057 | | 22 002 | F F01 | 7 610 | 1 | | | 2 006 | | |
| A-1240077 | | | | 1 | | | | 1,098 | 2,83/ | | 23,993 | 5,591 | 7,018 | | , | | 2,090 | 42,109 | 32,233 |
| A-1120440 00000 Copenhagen Reinsurance Company (UK) Ltd London, UK 13 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | | 00000 | Anglo American insurance Company, LID | | - | | | 16 | | | | | | | | | | | |
| A-1120580. 00000. Excess Insurance Co. Ltd. London, UK. 16 1 1 17 A-1560483. 00000. Hannover Stahl Ruckversicherungs Akt. Germany. 16 3 1 17 A-1561035. 00000. Mututel le Generale Francaise Accidents France. 4 1 17 A-1121295. 00000. Scan Re Insurance Co., Ltd. London, UK. 2 2 1 1212180. 00000. Storebrand Insurance Co. (UK) Ltd. London, UK. 92 31 1 123 A-1121430. 00000. TOA-RE Insurance Co. (UK) Ltd. London, UK. 99 30 120 120 A-1121430. 00000. TOA-RE Insurance (UK) Ltd. London, UK. 90 30 120 120 B199999 - Total - Unauthorized - Other Non-U.S. Insurers 1390 51 339 1899999 - Total - Unauthorized 1390 51 339 | | 00000 | Capanhagan Painauranaa Camanay (UK) Ltd | | | | 20 | | | | | | | | 20 | | 27 | | , |
| A-1560483 | AA-1120440 AA-1120580 | 00000 | Evenes Insurance Co. 1td | | - | | | 1 | | | | | | | 17 | | | 17 | |
| A-1561035 00000 Mutuel le Generale Française Accidents Françe 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 | | | | | | | 16 | | | | | | | | 10 | ····· | 1/1 | 1/ | |
| A-1121295 | | 00000 | Mutuelle Generale Française Accidents | | - | | / | | | | | | | | Λ | | 14 | | |
| A-1121380 00000 Storebrand Insurance Co. (UK) Ltd. London, UK 99 31 123 124 125 126 127 127 127 128 129 129 129 129 129 129 129 129 129 129 | | | | | | | 9 | | | | | | | | 2 | | | 2 | |
| A-1121430 00000 TOA-RE Insurance (UK) Ltd. London, UK 90 30 120 120 1799999 - Unauthorized - Other Non-U.S. Insurers 302 88 309 51 339 1899999 - Total - Unauthorized 300 88 300 51 339 | AA-1121380 | | | | - | | 92 | 31 | | | | | | | 123 | | | 123 | |
| 1799999 - Unauthorized - Other Non-U.S. Insurers 302 88 390 51 339 1899999 - Total - Unauthorized 302 88 390 51 339 | AA-1121430 | | | | | | | | | | | | | | | | | | |
| 189999 - Total - Unauthorized 302 88 9999 - Total - Unauthorized 51 339 | | | | | • | | | | | | | | | | | | 51 | | |
| | | | | | | | | | | | | 1 | İ | | | | 0.1 | | |
| | | | * ** | | | | 2.810 | 1.786 | 2.857 | | 23.993 | 5.591 | 7.618 | | 44.655 | | 2.147 | 42.508 | |

NOTE: Report the five largest provisional commission rates included in the cedant's reinsurance treaties.

The commission rate to be reported is by contract with ceded premium in excess of \$50,000:

SCHEDULE F - PART 4

Aging of Ceded Reinsurance, as of December 31, Current Year (000 Omitted)

| | | | Aging of | f Ceded Reinsurand | | | | | | | | |
|--------------------------|---------------|---|----------------------------|--------------------|--------------|--------------------|--------------------|--------------------|-----------------------|-------------|---------------|------------------|
| | | | | | Reinsurar | nce Recoverable on | Paid Losses and Pa | id Loss Adjustment | Expenses | | 8 | 9 |
| | | | | 1 | | | Overdue | | | 7 | | |
| | | | | | 2 | 3 | 4 | 5 | 6 | | | |
| | | | | | | | | | | | | Percentage more |
| Federal | NAIC | | | | | | | | | | Percentage | Than 120 Days |
| ID | Company | | | | | | | | Total Overdue | Total Due | Overdue | Overdue Col. 5 / |
| Number | Code | Name of Reinsurer | Domiciliary Jurisdiction | Current | 1 to 29 Days | 30 - 90 Days | 91 - 120 Days | Over 120 Days | Cols. $2 + 3 + 4 + 5$ | Cols. 1 + 6 | Col. 6/Col. 7 | Col. 7 |
| 36-3347420 | | Chatham Reinsurance Corporation | . Chatham, NJ | 0 | | | | 9 | 9 | 9 | 100.0 | 100.0 |
| 13-1701424 | 10650 | Commercial Compensation Insurance Co | Tarrytown, NY | 0 | | | | 260 | 260 | 260 | 100.0 | 100.0 |
| 13-3440360 | 29700 | European Reinsurance Corp. of America | Manchester, NH | 252 | | | | 162 | 162 | 414 | | 39.1 |
| 00-0000000 | 00000 | New York Insurance Exchange | New York, NY | 0 | | | | 23 | 23 | 23 | 100.0 | 100.0 |
| 13-2930109 | 22047 | North Star Reinsurance Corporation/Signet | .Wilmington, DE | 146 | | | | 0 | 0 | 146 | 0.0 | 0.0 |
| 06-1008792 | 37818 | Orion Insurance Company | Farmington, CT | 1 | | | | 275 | 275 | 276 | 99.6 | 99.6 |
| 23-2153760 | | PMA Reinsurance Corporation. | Philadelphia, PA | 2 | | | | 0 | 0 | 2 | | 0.0 |
| 23-0580680 | 24457 | Reliance Insurance Company | Philadelphia, PA | /3 | | | | 34 | 34 | 10/ | 31.8 | 31.8 100.0 |
| 94-6078058 | 21911 | San Francisco Reinsurance Company | Novato, CA New York. NY | | | | | 4 | 245 | 4 717 | 34.2 | |
| 75-1444207 13-3029255 | 39322 | SCOR Reinsurance CompanySorema North American Reinsurance Company | New York, NY | 472 | | | | 245 | 245 | 1/0 | 34.2 | 34.2 16.1 |
| 41-0406690 | 24767 | St. Paul Marine & Fire Insurance Company | St. Paul. MN | 120 | | | | 24 | 24 | 202 | 41.1 | 41.1 |
| 47-0698507 | 24707 | TIG Reinsurance Company | Stamford, CT | 19 | | | | 550 | 550 | 551 | 99.8 | 99.8 |
| 13-6108722 | 12904 | Tokio Marine & Fire Insurance Company | New York, NY | | | | | 500 | 500 | 5 | 100.0 | 100.0 |
| | | Other U.S. Unaffiliated Insurers | INCH TOTK, INT. | 1.191 | | | | 1.674 | 1.674 | 2.865 | 58.4 | 58.4 |
| AA-1122000 | | Lloyds Underwriters | London. UK | 1,101 | | | | 758 | 758 | 758 | 100.0 | 100.0 |
| AA-1121365 | 00000 | Sphere Drake Insurance PLC | London, UK | N | | | | 220 | 220 | 220 | 100.0 | 100.0 |
| AA - 1121425 | | Terra Nova Insurance Company Ltd. | London . UK | | | | | 363 | 363 | 363 | 100.0 | 100.0 |
| 0899999 - A | | Other Non-U.S. Insurers | Edition, dit. | | | | | 1.341 | 1,341 | 1.341 | 100.0 | 100.0 |
| | otal - Author | | | 1.191 | | | | 3,015 | 3.015 | 4,206 | 71.7 | 71.7 |
| AA - 1120150 | | Anglo American Insurance Company Ltd | London . UK | 0 | | | | 65 | 65 | 65 | 100.0 | 100.0 |
| AA - 1240077 | 00000 | CIE Europeene De Reassurances S.A. | Paris, France | 0 | | | | 26 | 26 | 26 | 100.0 | 100.0 |
| AA - 1120440 | | Copenhagen Reinsurance Company (UK) | London . UK | 14 | | | | 0 | 0 | 14 | 0.0 | 0.0 |
| AA-1120580 | 00000 | Excess Insurance Co., Ltd. | London, UK | 0 | | | | 17 | 17 | 17 | 100.0 | 100.0 |
| AA - 1560483 | | Hannover Stahl Ruckversicherungs Akt | . Germany | 0 | | | | 19 | 19 | 19 | 100.0 | 100.0 100.0 |
| AA-1561035 | 00000 | Mutuelle Generale Française Accidents | France | 0 | | | | 4 | 4 | 4 | 100.0 | 100.0 |
| AA-1121295 | | Scan Re Insurance Co., Ltd | London, UK | 0 | | | | 2 | 2 | 2 | 100.0 | 100.0 |
| AA-1121380 | | Storebrand Insurance Co. (UK) Ltd | London, UK | 0 | | | | 123 | 123 | 123 | 100.0 | 100.0 |
| AA-1121430 | | TOA-RE Insurance (UK) Ltd | London, UK | 0 | | | | 120 | 120 | 120 | 100.0 | 100.0 |
| | | Other Non-U.S. Insurers | | 14 | | | | 376 | 376 | 390 | 96.4 | 96.4 |
| | otal – Unauth | norized | | 14 | | | | 376 | 376 | 390 | 96.4 | 96.4 |
| 9999999 T | otals | | · | 1,205 | · | | | 3,391 | 3,391 | 4,596 | 73.8 | 73.8 |

| | Provision for Unauthorized Reinsurance as of December 31, Current Year (000 Omitted) 1 2 3 4 5 6 7 8 9 10 11 12 13 Table Table | | | | | | | | | | | | | | | |
|--------------|--|--|-------------------|--------------|-------------|------------|----------|-----------|--------------|---------------|--------------|--------------|--------------|------------|---|----------------|
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| | | | | | | | | | | | | | | | | Total |
| | | | | | | | | | | | | Recoverable | | | | Provision for |
| | | | | Reinsurance | | | | | | | | Paid Losses | | | Smaller of | Unauthorized |
| | | | | Recoverable | Funds Held | | | | | | | & LAE | | | | Reinsurance |
| | | | | all Items | By Company | | | | | Sum of Cols. | | Expenses | | | of Amount in | |
| Federal | NAIC | | | Schedule F | Under | | Ceded | Miscell- | Other | | Subtotal Col | Over 90 Days | 20% of | Smaller of | Dispute | Col. |
| | Company | | Domiciliary | Part 3, | Reinsurance | Letters of | Balances | aneous | Allowed | not in excess | | past Due not | | Col. 7 or | Included in | 1 or Cols. 8 + |
| Number | Code | Name of Reinsurer | Jurisdiction | Col. 10 | Treaties | Credit | Payable | Balances | Offset Items | of Col. 1 | Col. 7 | in Dispute | Col. 9 | Col. 10 | Col. 1 | 11 + 12 |
| AA-1120150 | 00000 | Anglo American Insurance Company LTD | London, UK | 65 | TTOULIOU | Orodit | 1 dyddio | Balarioco | Oncor nome | 0.00 | 65 | III Biopato | 001.0 | 001.10 | 001 | 65 |
| AA - 1240077 | 00000 | CIE Europeene De Reassurances S.A. | Paris, France | 26 | | | | | | 0 | 26 | | 0 | 0 | 0 | 26 |
| AA-1120440 | 00000 | Copenhagen Reinsurance Company (UK) | London, UK | 14 | | | | 37 | | 14 | 0 | | 0 | 0 | 0 | 0 |
| AA-1120580 | 00000 | Anglo American Insurance Company, LTD. CIE Europeene De Reassurances S.A. Copenhagen Reinsurance Company (UK) Excess Insurance Co., Ltd | London UK | 17 | | | | | | 0 | 17 | 17 | 3 | 0 | 0 | 17 |
| AA - 1560483 | 00000 | Hannover Stahl Ruckversicherungs Akt | Germany France | 19 | | | | 14 | | 14 | 5 | 19 | 4 | 4 | 0 | 9 |
| AA - 1561035 | 00000 | Mutuelle Generale Française Accidents | France | 4 | | | | | | 0 | 4 | 4 | 1 | 0 | 0 | 4 |
| AA-1121295 | 00000 | Scan Re Insurance Co., Ltd | London, UK | 2 | | | | | | 0 | 2 | 2 | 0 | 0 | 0 | 2 |
| AA-1121380 | 00000 | Scan Re Insurance Co., Ltd | London, UK | 123 120 | | | | | | 0 | 123 | | 0 | 0 | 0 | 123 |
| AA-1121430 | 00000 | TOA-RE Insurance (UK) Ltd | London, UK | | | | | | | 0 | 120 | | 0 | 0 | 0 | 120 |
| 0899999 - 0 | ther Non-U.S | . Insurers | | 390 | | | | 51 | | 28 | 362 | 42 | 8 | 4 | | 366 |
| | | | | | | | | | | | | | | | | |
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| 9999999 T | otals | | | 390 | | | | 51 | | 28 | 362 | 42 | ٨ | Λ | | 366 |
| 333333 I | otais | | | 550 | | | | JI | | 20 | 302 | 42 | U | 4 | I | 300 |

Amounts in dispute totaling \$
 Amounts in dispute totaling \$..334 are included in Column 1.

^{...334} are excluded from Column 9.

^{3.} Column 1 excludes \$ recoverables on ceded IBNR on contracts in force prior to July 1, 1984 and not subsequently renewed.

| | | | 1 | 2 | 3 | s of December 31, Current 4 | 5 | 6 | 7 | 8 |
|------------|---------|--|-------------------------|---------------------|------------------|------------------------------|-----------------------|---------------------------|---------------|-------------------------|
| | | | Reinsurance Recoverable | - | 9 | · · | ľ | ŭ | <i>'</i> | Ü |
| | | | on Paid Losses and LAE | Total Reinsurance | | | Amounts in Col. 1 for | Amounts in Dispute | | |
| Federal | NAIC | | More Than 90 Days | Recoverable on Paid | | | Companies Reporting | Excluded from Col. 1 for | | |
| ID | Company | | Overdue | Losses and Paid LAE | Amounts Received | Col. 1 divided by | less than 20% | Companies Reporting | 20% of Amount | Amount Reported in Col. |
| Number | Code | Name of Reinsurer | (a) | (b) | Prior 90 Davs | (Cols. 2 + 3) | in Col. 4 | less than 20% in Col. 4 | in Col. 6 | 5 x 20% + Col. 7 |
| 36-3347420 | | Chatham Reinsurance Corporation | (a) 9.000 | 9.000 | Filor 90 Days | (Cois. 2 + 3) | III COI. 4 | less than 20 /8 in Col. 4 | III Col. 0 | 3 X 20 /6 + Col. 7 |
| 13-1701424 | | Commercial Compensation Insurance Co. | 9,000 | 9,000 | | 0.00 | | 260.000 | 52.000 | |
| 13-3440360 | | European Reinsurance Corp. of America | 162.000 | 414.000 | | 39.1 | | 200,000 | 52,000 | |
| AA-1122000 | | Lloyds Underwriters | 102,000 | | | | | | | |
| 00-0000000 | | New York Insurance Exchange. | | | | | 0 | 0 | 0 | |
| 13-2930109 | | North Star Reinsurance Corp/Signet | 23,000 | 23,000 | | 100.0 | 0 | 0 | 0 | |
| | | | 0 | 146,000 | | 0.0 | 0 | 275.000 | U | |
| 06-1008792 | | Orion Insurance Company | ł0 l | 1,000 2,000 | | 0.0 | 0 | 2/5,000 | 55,000 | 55,000 |
| 23-2153760 | | PMA Reinsurance Corporation. | | | | 0.0 | 0 | 0 | 0 | |
| 23-0580680 | | Reliance Insurance Company | 34,000 | 107,000 | | 31.8 | 0 | 0 | 0 | |
| 94-6078058 | | San Francisco Reinsurance Company | 4,000 | 4,000 | | 100.0 | 0 | 0 | ļ <u>0</u> | |
| 75-1444207 | | SCOR Reinsurance Company | 245,000 | 717,000 | | 34.2 | 0 | 0 | 0 | |
| 13-3029255 | | Sorema North American Reinsurance Co | 24,000 | 149,000 | | 16.1 | 24,000 | 0 | 0 | 4,800 |
| AA-1121366 | | Sphere Drake Insurance Ltd | 0 | 0 | | 0.0 | 0 | 220,000 | 44,000 | 44,000 |
| 41-0406690 | | St. Paul Marine & Fire Insurance Company | 83,000 | 202,000 | | 41.1 | 0 | 0 | 0 | |
| AA-1121425 | | Terra Nova Insurance Company Ltd | 0 | 0 | | 0.0 | 0 | 363,000 | 72,600 | 72,600 |
| 47-0698507 | | TIG Reinsurance Company. | 0 | 1,000 | | 0.0 | 0 | 550,000 | 110,000 | 110 , 000 |
| 13-6108722 | 12904 | Tokio Marine & Fire Insurance Company | 5,000 | 5,000 | | 100.0 | 0 | 0 | 0 | (|
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| 9999999 To | ntals | | 694.000 | 1,885,000 | | 36.8 | 24.000 | 1.668.000 | 333.600 | 338,400 |

SCHEDULE F - PART 7

| Dravician fo | r Overdue Beir | nsurance as of I | Docombor 21 | Current Vear |
|--------------|----------------|------------------|-------------|--------------|
| | | | | |

| | | | | FIOVISION TO OVERUL | | occimber or, carrent | | | | | |
|-------------|---------|--|-----------------|----------------------|-------------------|----------------------|---------------------|---|-----------------------|---------------------|----------------------|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Federal | NAIC | | Reinsurance | Funds Held By | | | | | Sum of Cols. 2 thru 6 | | Greater of Col. 8 or |
| ID | Company | | Recoverable All | Company Under | | | Other Miscellaneous | Other Allowed | but not in excess of | | Schedule F - Part 4 |
| Number | Code | Name of Reinsurer | | Reinsurance Treaties | Letters of Credit | Payable | Balances | Offset Items | Col. 1 | Col. 1 minus Col. 7 | Cols. 4 + 5 |
| 36-3347420 | 23876 | Chatham Reinsurance Corporation | 9,000 | | | | 7,000 | | 7,000 | 2,000 | 9,000 |
| 13-3440360 | 29700 | European Reinsurance Corp. of America. | 848,000 | | | | 469,000 | • | 469,000 | 379,000 | 379,000 |
| AA-1122000 | 00000 | Lloyds Underwriters | 758,000 | | | | 6,000 | | 6,000 | 752,000 | 758,000 |
| 00-0000000 | 00000 | New York Insurance Exchange | 23,000 | | | | | | 0 | 23,000 | 23,000 |
| 23-0580680 | 24457 | Reliance Insurance Company | 253,000 | | | | 18,000 | | 18,000 | 235,000 | 235,000 |
| 94-6078058 | 21911 | San Francisco Reinsurance Company | 4,000 | | | | | | 0 | 4,000 | 4,000 |
| 75-1444207 | 30058 | SCOR Reinsurance Company | 1,489,000 | | | | 1,024,000 | | 1,024,000 | 465,000 | 465,000 |
| 41-0406690 | 24767 | St. Paul Marine & Fire Insurance Company | 412,000 | | | | 180,000 | | 180,000 | 232,000 | 232,000 |
| 13-6108722 | 12904 | Tokio Marine & Fire Insurance Company | 5,000 | | | | 4,000 | | 4,000 | 1,000 | 5,000 |
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| | | | | | | | | | | | |
| 9999999 Tot | tals | | 3,801,000 | | | | 1,708,000 | | 1,708,000 | 2,093,000 | 2,110,000 |
| - | | | . , | • | | | 1. Total | | . , | | 2,110,000 |
| | | | | | | | | | | | , -, |

2. x .20

3. Line 1 x Line 2

4. Schedule F - Part 6 Col. 8

5. Provision for Overdue Authorized Reinsurance (Lines 3 + 4)

6. Provision for Unauthorized Reinsurance (Schedule F - Part 5 Col. 13 x 1000)

365,800 7. Provision for Reinsurance (sum Lines 5 + 6)[Enter this amount on Page 3, Line 14] 1,126,200

422,000

338,400

760,400

SCHEDULE F - PART 8

Restatement of Balance Sheet to Identify Net Credit for Reinsurance 2 Restatement As Reported (Net of Ceded) Restated (Gross of Ceded) Adjustments ASSETS (Page 2, Col. 4) 129.825.423 129.825.423 1. Cash and invested assets (Line 9) .. 2. Agents' balances or uncollected premiums (Line 10) ... 3. Funds held by or deposited with reinsured companies (Line 11)4,594,715 ..(4,594,715) Reinsurance recoverable on loss and loss adjustment expense payments (Line 13) . ..3,279,562 ..3,279,562 5. Other assets (Lines 12 and 14 through 21) 9,147,932 9,147,932 6. Net amount recoverable from reinsurers. 137,699,700 4,553,217 142,252,917 Totals (Line 22) ... LIABILITIES (Page 3) .94,592,343 .32,441,606 .127,033,949 8. Losses and loss adjustment expenses (Lines 1 through 2) ... 9. Taxes, expenses, and other obligations (Lines 3 through 8)1,881,506 ...1,881,506 ..17,982,000 ..7,618,000 .25,600,000 10. Unearned premiums (Line 9) 11. Dividends declared and unpaid (Line 10) _32,233,474 ..(32,233,474) _0 12. Funds held by company under reinsurance treaties (Line 11) ... 13. Amounts withheld or retained by company for account of others (Line 12) 14. Provision for reinsurance (Line 14)1, 126, 200 ..(1, 126, 200) ۵. 15. Other liabilities (Lines 15 through 22) ... 22,578,382 (2,146,715)20,431,667 170,393,905 4,553,217 174,947,122 Total liabilities (Line 23) (32,694,204)(32,694,204)17. Surplus as regards policyholders (Line 27) X X XTotals (Line 28) 137,699,701 4.553.217 142.252.918

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements? Yes [] No [X] If yes, give full explanation:

Schedule H - Part 1

NONE

Schedule H - Part 2

NONE

Schedule H - Part 3

NONE

Schedule H - Part 4

NONE

Schedule H - Part 5

NONE

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES SCHEDULE P - PART 1 - SUMMARY

| | | | | | (\$ | 000 Omitted |) | | | | | |
|------------------------|-----------------------|-------------|----------------------|-----------------------|---------|-----------------------|---------------|-----------------------|----------|-------------------------|----------------------------|-----------------------|
| 1 | Pr | emiums Earn | ed | | | Loss | s and Loss Ex | kpense Paym | ents | | | 13 |
| Years in | 2 | 3 | 4 | | | | ss Expense | Unalloca | ted Loss | 11 | 12 | |
| Which | | | | Loss Pa | yments | Paym | nents | Expense | Payments | | | Number of |
| Premiums | | | | 5 | 6 | 7 | 8 | 9 | 10 | Salvage | Total Net | Claims |
| Were Earned and Losses | Discret and | | NI-4 | Discrete and | | Discret and | | Discret and | | and | Paid (Cols. | Reported - |
| Were Incurred | Direct and Assumed | Ceded | Net (Cols. 2 - 3) | Direct and Assumed | Ceded | Direct and Assumed | Ceded | Direct and Assumed | Ceded | Subrogation Received | 5 - 6 + 7 - 8 + 9 - 10) | Direct and Assumed |
| | | | , | | Ocucu | | Ocucu | 7133411104 | Ocaca | received | / | |
| 1. Prior | XXX | XXX | XXX | (25) | | 1 | | | | 25 | (24) | XXX |
| 2. 1989 | 19,975 | 1,646 | 18,329 | 21,878 | 5 , 521 | 7 , 471 | 710 | 3 , 565 | | 3,275 | 26,683 | XXX |
| 3. 1990 | 20,678 | 1,480 | 19 , 198 | 22,656 | 498 | 6,752 | 86 | 2,839 | | 2,435 | 31,663 | XXX |
| 4. 1991 | 22,018 | 3,513 | 18,505 | 21,358 | 511 | 7 ,942 | 1,056 | 1,886 | | 3,241 | 29,619 | XXX |
| 5. 1992 | 23,047 | 5,737 | 17,310 | 26,730 | 1 , 179 | 10 , 107 | 864 | 4,031 | | 4,406 | 38,825 | XXX |
| 6. 1993 | 23,496 | 7 , 466 | 16,030 | 21,590 | 4,607 | 6,731 | 266 | 4,663 | | 3,641 | 28 , 111 | XXX |
| 7. 1994 | 22,967 | 7 , 731 | 15,236 | 9,435 | 3,642 | 2,608 | 204 | 10 , 542 | | 1 , 156 | 18,739 | XXX |
| 8. 1995 | 18,920 | 5,042 | 13,878 | 7 , 161 | 254 | 368 | 71 | 1,800 | | 411 | 9,004 | XXX |
| 9. 1996 | 18,502 | 3,413 | 15,089 | 4,980 | 422 | 639 | 17 | 7 , 160 | | 1,713 | 12,340 | XXX |
| 10. 1997 | 17,937 | 4,071 | 13,866 | 2,980 | 583 | 521 | 13 | 3,662 | | 315 | 6,567 | XXX |
| 11. 1998 | 13,588 | 2,596 | 10,992 | 1,353 | 251 | 137 | 9 | 1,273 | | 193 | 2,503 | XXX |
| 12. Totals | XXX | XXX | XXX | 140,096 | 17,468 | 43,277 | 3,296 | 41,422 | | 20,811 | 204,031 | XXX |

| · | | | | | A.II. | | | | Unallo | | 24 | 25 | 26 |
|------------|-----------------------|-------------|-----------------------|----------|-----------------------|-------------|-----------------------|-------------|------------------|------------------|---|----------------------------------|---|
| | Case | | Unpaid Bulk + | IBNR | Case | | xpenses Un Bulk + | | Loss Expen 22 | ses Unpaid 23 | | Total | Number of |
| | 14 Direct and Assumed | 15 Ceded | 16 Direct and Assumed | 17 Ceded | 18 Direct and Assumed | 19 Ceded | 20 Direct and Assumed | 21 Ceded | Direct and | | Salvage and Subrog- ation Anticipated | Net Losses and Expenses | Claims Outstand- ing - Direct and Assumed |
| 1 | | Ceded | Assumed | | Assumed | | | | | | | | XXX |
| 1 2. | | | | | | | | | | | | | XXX |
| | 17 | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | XXX |
| 4 | 2,308 | 1,425 | | | 36 | | | | | | | 919 | XXX |
| 5 | 895 | 430 | | | 4 | | | | | | | 469 | XXX |
| 6 | 327 | 19 | | | | | | | | | | 308 | XXX |
| 7 | 1, 192 | 322 | 80,621 | 23,993 | 1 | | 18,788 | 5,591 | 19,163 | | | 89,859 | XXX |
| 8 | 167 | 21 | | | 193 | | | | | | | 339 | XXX |
| 9 | 270 | 13 | | | 23 | | | | | | | 280 | XXX |
| 10 | 635 | 132 | | | 59 | | | | | | | 562 | XXX |
| 11. | 2,159 | 496 | | | 169 | | | | | | | 1,832 | XXX |
| 12. Totals | 7,974 | 2,858 | 80,621 | 23,993 | 488 | | 18,788 | 5,591 | 19,163 | | | 94,592 | XXX |

| | Losses and | Total Loss Expense | es Incurred | | oss Expense F | | Nontabula | r Discount | 35 Inter- | | nce Sheet fter Discount |
|------------|-----------------------|-----------------------|-------------|-----------------------|---------------|---------|-----------|-----------------|-----------------------------|------------------|----------------------------|
| | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | Company Pooling | 36 | 37 Loss |
| | Direct and Assumed | Ceded | Net | Direct and Assumed | Ceded | Net | Loss | Loss Expense | Participation Percentage | Losses Unpaid | Expenses Unpaid |
| 1 | XXX | XXX | XXX | XXX | XXX | XXX | | | XXX | 3 | |
| 2 | 32,915 | 6,231 | 26,684 | 164.8 | 378.6 | 145 .6 | | | | 1 | |
| 3 | 32,267 | 584 | 31,683 | 156.0 | 39.5 | 165 . 0 | | | | 17 | 3 |
| 4 | 33,530 | 2,992 | 30,538 | 152.3 | 85.2 | 165 .0 | | | | 883 | 36 |
| 5 | 41,767 | 2,473 | 39,294 | 181.2 | 43.1 | 227 .0 | | | | 465 | 4 |
| 6 | 33,311 | 4,892 | 28,419 | 141.8 | 65.5 | 177 .3 | | | | 308 | |
| 7 | 142,350 | 33,752 | 108,598 | 619.8 | 436.6 | 712.8 | | | | 57 , 498 | 32,361 |
| 8 | 9,689 | 346 | 9,343 | 51.2 | 6.9 | 67 .3 | | | | 146 | 193 |
| 9 | 13,072 | 452 | 12,620 | 70.7 | 13.2 | 83.6 | | | | 257 | 23 |
| 10 | 7 ,857 | 728 | 7 , 129 | 43.8 | 17.9 | 51.4 | | | | 503 | 59 |
| 11. | 5,091 | 756 | 4,335 | 37.5 | 29.1 | 39.4 | | | | 1,663 | 169 |
| 12. Totals | XXX | XXX | XXX | XXX | XXX | XXX | | | XXX | 61,744 | 32,848 |

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 33 and 34 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

| 1 | | INCURRE | D LOSSES A | ND ALLOCA | TED EXPENS | ES REPORT | ED AT YEAR | END (\$000 C | OMITTED) | | DEVELO | PMENT |
|-------------------------|--------------------|---------|------------|-----------|------------|-----------|------------|--------------|----------|--------|----------|----------|
| Years in Which | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Losses Were Incurred | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | One Year | Two Year |
| 1. Prior | 13,037 | 12,565 | 12,860 | 12,937 | 13,081 | 12,895 | 12,147 | 13,437 | 13,445 | 13,420 | (25) | (17) |
| 2. 1989 | 20,606 | 17,344 | 24,621 | 26,061 | 23,640 | 23,750 | 23 , 167 | 23,324 | 23,187 | 23,119 | (68) | (205) |
| 3. 1990 | XXX | 26,478 | 23,938 | 26,379 | 27 ,651 | 25,502 | 28 , 195 | 28,059 | 28,845 | 28,844 | (1) | 785 |
| 4. 1991 | xxx | XXX | 27 , 705 | 25,640 | 27 ,409 | 27,922 | 28,450 | 28,517 | 28,551 | 28,652 | 101 | 135 |
| 5. 1992 | XXX | XXX | XXX | 30,589 | 32,403 | 36,606 | 34 ,715 | 34,836 | 35,563 | 35,263 | (300) | 427 |
| 6. 1993 | XXX | XXX | XXX | XXX | 28,701 | 28 , 117 | 23,887 | 23,902 | 23,991 | 23,756 | (235) | (146) |
| 7. 1994 | xxx | XXX | xxx | XXX | XXX | 132,928 | 66 , 247 | 73,982 | 83,133 | 78,893 | (4,240) | 4,911 |
| 8. 1995 | XXX | XXX | XXX | XXX | XXX | XXX | 6,376 | 4,852 | 8,743 | 7 ,543 | (1,200) | 2,691 |
| 9. 1996 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 7 , 140 | 6,866 | 5,460 | (1,406) | (1,680) |
| 10. 1997 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 3,677 | 3,467 | (210) | XXX |
| 11. 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 3,062 | XXX | XXX |
| | 12. Totals (7,584) | | | | | | | | | | | |

SCHEDULE P - PART 3 - SUMMARY

| 1 CUMULATIVE PAID LOSSES AND ALLOCATED EXPENSES AT YEAR END (\$000 OMITTED) | | | | | | | | | | | | |
|---|-------|--------|------------|------------|----------|------------|-------------|--------------|--------|---------|-------------|-----------|
| 1 | | CUMUL | ATIVE PAID | LOSSES AND | ALLOCATE | D EXPENSES | S AT YEAR E | ND (\$000 OM | ITTED) | | 12 | 13 |
| | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | | Number of |
| | | | | | | | | | | | Number of | Claims |
| | | | | | | | | | | | Claims | Closed |
| Years in Which | | | | | | | | | | | Closed With | Without |
| Losses Were | 4000 | 4000 | 4004 | 4000 | 4000 | 4004 | 400= | 4000 | | 4000 | Loss | Loss |
| Incurred | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | Payment | Payment |
| 1. Prior | 000 | 11,449 | 12,323 | 12,718 | 12,704 | 12,682 | 12,142 | 13,436 | 13,441 | 13,417 | XXX | XXX |
| 2. 1989 | 7,699 | 14,214 | 18,284 | 21,837 | 23,612 | 23,743 | 23 , 156 | 23,323 | 23,186 | 23,118 | XXX | XXX |
| 3. 1990 | XXX | 10,326 | 22 , 125 | 24,860 | 24,948 | 25,356 | 28,057 | 28,021 | 28,823 | 28,824 | XXX | XXX |
| 4. 1991 | XXX | XXX | 13,921 | 22,471 | 25,319 | 25,941 | 27 ,692 | 27 , 605 | 27,633 | 27 ,733 | XXX | XXX |
| 5. 1992 | XXX | XXX | XXX | 15,925 | 27 ,308 | 31 , 165 | 32,452 | 32,991 | 34,078 | 34,794 | XXX | XXX |
| 6. 1993 | XXX | XXX | XXX | XXX | 11,809 | 21,544 | 22,438 | 22,960 | 23,322 | 23,448 | XXX | XXX |
| 7. 1994 | XXX | XXX | XXX | XXX | XXX | (982) | 6,235 | 7 ,795 | 7,871 | 8,197 | XXX | XXX |
| 8. 1995 | XXX | XXX | XXX | XXX | XXX | XXX | 1,034 | 3,381 | 4,332 | 7,204 | XXX | XXX |
| 9. 1996 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2, 165 | 4,592 | 5,180 | XXX | XXX |
| 10. 1997 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,392 | 2,905 | XXX | XXX |
| 11. 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,230 | XXX | XXX |

SCHEDULE P - PART 4 - SUMMARY

| | CONEDULE I ART + COMMART | | | | | | | | | | | | | |
|-------------------------------|--------------------------|-------------|--------------|-------------|-------------|--------------|-------------|---------------|---------------|----------|--|--|--|--|
| 1 | BULK | AND INCURRE | D BUT NOT RE | PORTED RESE | RVES ON LOS | SES AND ALLO | CATED EXPEN | SES AT YEAR E | ND (\$000 OMI | ΓTED) | | | | |
| Years in Which Losses Were | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | | | | |
| Incurred | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | | | | |
| 1. Prior | 0 | 0 | 0 | 0 | 132 | 86 | 0 | 0 | 0 | | | | | |
| 2. 1989 | 2,113 | 0 | 1,569 | 1,549 | 0 | 1 | 0 | 0 | 0 | | | | | |
| 3. 1990 | XXX | 2,748 | 0 | 888 | 1,889 | 17 | 0 | 0 | 0 | | | | | |
| 4. 1991 | XXX | XXX | 4,629 | 1,248 | 1,141 | 1,761 | 0 | 0 | 0 | | | | | |
| 5. 1992 | XXX | XXX | XXX | 2,378 | 892 | 2,500 | 0 | 0 | 0 | | | | | |
| 6. 1993 | XXX | XXX | XXX | XXX | 4,018 | 2,369 | 0 | 0 | 0 | | | | | |
| 7. 1994 | XXX | XXX | XXX | XXX | XXX | 119,883 | 56,034 | 64,516 | 73,342 | 69 , 825 | | | | |
| 8. 1995 | XXX | XXX | XXX | XXX | XXX | XXX | 0 | 0 | 0 | | | | | |
| 9. 1996 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 | 0 | | | | | |
| 10. 1997 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 | | | | | |
| 11. 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | | | |

Schedule P - Part 1A - Home/Farm

NONE

Schedule P - Part 1B - Private Passenger NONE

Schedule P - Part 1C - Comm'l Auto/Truck

NONE

Schedule P - Part 1D - Workers' Comp

Schedule P - Part 1E - Comm Multi Peril NONE

Schedule P - Part 1F - Section 1

NONE

Schedule P - Part 1F - Section 2

NONE

Schedule P - Part 1G - Special Liability

NONE

Schedule P - Part 1H - Section 1

NONE

Schedule P - Part 1H - Section 2

NONE

Schedule P - Part 1I - Special Property

NONE

Schedule P - Part 1J - Auto Phys. Damage NONE

Schedule P - Part 1K - Fidelity/Surety
NONE

Schedule P - Part 1L - Other NONE

Schedule P - Part 1M - International NONE

Schedule P - Part 1N - Reinsurance A NONE

Schedule P - Part 10 - Reinsurance B NONE

Schedule P - Part 1P - Reinsurance C NONE

SCHEDULE P - PART 1R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

| (\$000 | Omitted) |
|--------|-----------|
| ιψυυυ | Ommitted) |

| 1 | Pı | emiums Earne | ed | | | | | pense Payme | nts | | | 13 |
|----------------------|------------|--------------|---------------|--------------|-------------|------------|---------------|-------------|----------------|----------------|--------------------------|----------------------|
| Years in | 2 | 3 | 4 | D- | | Allocate | | Unalloca | | 11 | 12 | |
| Which Premiums | | | | Loss Pa 5 | yments 6 | Expense I | Payments 8 | Expense 9 | Payments 10 | | | Number |
| Were | | | | 3 | U | , | 0 | 9 | 10 | | Total | of |
| Earned and Losses | | | | | | | | | | Salvage and | Net Paid (Cols. 5 - 6 | Claims Reported - |
| Were | Direct and | | Net | Direct and | | Direct and | | Direct and | | Subrogation | | Direct and |
| Incurred | Assumed | Ceded | (Cols. 2 - 3) | Assumed | Ceded | Assumed | Ceded | Assumed | Ceded | Received | + 9 - 10) | Assumed |
| 1. Prior | XXX | XXX | XXX | (25) | | 1 | | | | 25 | (24) | XXX |
| 2. 1989 | 19 ,975 | 1,646 | 18,329 | 21,878 | 5,521 | 7 , 471 | 710 | 3,565 | | 3,275 | 26,683 | 11,357 |
| 3. 1990 | 20 ,678 | 1,480 | 19 , 198 | 22,656 | 498 | 6,752 | 86 | 2,839 | | 2,435 | 31,663 | 11,570 |
| 4. 1991 | 22,018 | 3,513 | 18,505 | 21,358 | 511 | 7,942 | 1,056 | 1,886 | | 3,241 | 29,619 | 13 , 133 |
| 5. 1992 | 23 , 047 | 5,737 | 17,310 | 26,730 | 1 , 179 | 10 , 107 | 864 | 4,031 | | 4 ,406 | 38 , 825 | 13,557 |
| 6. 1993 | 23 ,496 | 7,466 | 16,030 | 21,590 | 4,607 | 6,731 | 266 | 4,663 | | 3,641 | 28 , 111 | 14,086 |
| 7. 1994 | 22,967 | 7,731 | 15,236 | 9,435 | 3,642 | 2,608 | 204 | 10,542 | | 1 , 156 | 18 ,739 | 12,955 |
| 8. 1995 | 18 ,920 | 5,042 | 13,878 | 7 , 161 | 254 | 368 | 71 | 1,800 | | 411 | 9 ,004 | 3,696 |
| 9. 1996 | 18 , 502 | 3,413 | 15,089 | 4,980 | 422 | 639 | 17 | 7 , 160 | | 1,713 | 12,340 | 4,287 |
| 10. 1997 | 17 ,937 | 4,071 | 13,866 | 2,980 | 583 | 521 | 13 | 3,662 | | 315 | 6 , 567 | 2,766 |
| 11. 1998 | 13,588 | 2,596 | 10,992 | 1,353 | 251 | 137 | 9 | 1,273 | | 193 | 2,503 | 2,003 |
| 12. Totals | XXX | XXX | XXX | 140,096 | 17,468 | 43,277 | 3,296 | 41,422 | | 20,811 | 204,031 | XXX |

| | | | | | | | | | | Unallocated | | 25 | 26 |
|-----|---------------|-------|------------|--------|--------------------------------|-------|------------|-------|----------------------|-------------|-----------------|-----------------|---------------------|
| | Losses Unpaid | | | | Allocated Loss Expenses Unpaid | | | | Loss Expenses Unpaid | | | | |
| | Case | | Bulk + | | Case | | Bulk + | | 22 | 23 | | | Number of |
| | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | | | 0.1 | Total | Claims |
| | | | | | | | | | | | Salvage and | Net Losses | Outstand- |
| | Direct and | | Direct and | | Direct and | | Direct and | | Direct and | | Subrogation | and Expenses | ing - Direct and |
| | Assumed | Ceded | Assumed | Ceded | Assumed | Ceded | Assumed | Ceded | Assumed | Ceded | Anticipated | Unpaid | Assumed |
| | | Codod | 7 locumou | 00000 | 7100011100 | Codod | 7100011100 | Codod | 7 loodinod | Ocaca | 7 ti itioipatou | Oripaid | 7 loodinod |
| 1. | 3 | | | | | | | | | | | 3 | 3 |
| 2. | 1 | | | | | | | | | | | 1 | 1 |
| 3. | 17 | | | | 3 | | | | | | | 20 | 49 |
| 4. | 2,308 | 1,425 | | | 36 | | | | | | | 919 | 76 |
| 5. | 895 | 430 | | | 4 | | | | | | | 469 | 49 |
| 6. | 327 | 19 | | | | | | | | | | 308 | 35 |
| 7. | 1, 192 | 322 | 80,621 | 23,993 | 1 | | 18,788 | 5,591 | 19,163 | | | 89,859 | 219 |
| 8. | 167 | 21 | | | 193 | | | | | | | 339 | 24 |
| 9. | 270 | 13 | | | 23 | | | | | | | 280 | 81 |
| 10. | 635 | 132 | | | 59 | | | | | | | 562 | 128 |
| 11. | 2,159 | 496 | | | 169 | | | | | | | 1,832 | 592 |
| 12. | 7,974 | 2,858 | 80,621 | 23,993 | 488 | | 18,788 | 5,591 | 19,163 | | | 94,592 | 1,257 |

| | | T | | | | | | | | N. (D.) | 01 |
|-----|---|-------------|-----------|-----------------------------|--------------------------------|-----------|------------|-----------------------|--|--|----------------------------------|
| | Total Losses and Loss Expenses Incurred | | | | Loss Expense Pered/Premiums Ea | | Nontabula | ar Discount | 35 Inter- | Net Balance Sheet Reserves After Discount | |
| | 27 Direct and Assumed | 28 Ceded | 29 Net | 30 Direct and Assumed | 31 Ceded | 32 Net | 33 Loss | 34 Loss Expense | Company Pooling Participation Percentage | 36 Losses Unpaid | 37 Loss Expenses Unpaid |
| 1. | XXX | XXX | XXX | XXX | XXX | XXX | | | XXX | 3 | |
| 2. | 32,915 | 6,231 | 26,684 | 164.8 | 378.6 | 145.6 | | | | 1 | |
| 3. | 32,267 | 584 | 31,683 | 156.0 | 39.5 | | | | | | 3 |
| 4. | 33 , 530 | 2,992 | 30,538 | 152.3 | 85.2 | | | | | | 36 |
| 5. | 41,767 | 2,473 | 39,294 | 181 .2 | 43.1 | 227.0 | | | | 465 | 4 |
| 6. | 33,311 | 4 ,892 | 28,419 | 141 .8 | 65.5 | 177 .3 | | | | 308 | |
| 7. | 142,350 | 33 ,752 | 108,598 | 619.8 | 436.6 | 712.8 | | | | 57 , 498 | 32,361 |
| 8. | 9,689 | 346 | 9,343 | 51.2 | 6.9 | 67.3 | | | | 146 | 193 |
| 9. | 13,072 | 452 | 12,620 | 70.7 | 13.2 | 83.6 | | | | 257 | 23 |
| 10. | 7 ,857 | 728 | 7 , 129 | 43.8 | 17.9 | 51.4 | | | | 503 | 59 |
| 11. | 5,091 | 756 | 4,335 | 37.5 | 29.1 | 39.4 | | | | 1,663 | 169 |
| 12. | XXX | XXX | XXX | XXX | XXX | XXX | | | xxx | 61,744 | 32,848 |

Schedule P - Part 1R - Section 2 NONE

Schedule P - Part 1S-Fin./Mtg. Guaranty

NONE

Schedule P - Part 2A

NONE

Schedule P - Part 2B

NONE

Schedule P - Part 2C

NONE

Schedule P - Part 2D

NONE

Schedule P - Part 2E

NONE

Schedule P - Part 2F - Section 1

NONE

Schedule P - Part 2F - Section 2

NONE

Schedule P - Part 2G

NONE

Schedule P - Part 2H - Section 1

NONE

Schedule P - Part 2H - Section 2

NONE

Schedule P - Part 2I

NONE

Schedule P - Part 2J

NONE

Schedule P - Part 2K

NONE

Schedule P - Part 2L

NONE

Schedule P - Part 2M

NONE

Schedule P - Part 2N

NONE

Schedule P - Part 2O

NONE

Schedule P - Part 2P

ANNUAL STATEMENT FOR THE YEAR 1998 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE P - PART 2R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

| 1 | | INCURRE | D LOSSES A | ND ALLOCAT | TED EXPENS | ES REPORT | ED AT YEAR | END (\$000 C | MITTED) | | DEVELO | PMENT |
|-------------------------|--------|----------|------------|------------|------------|-----------|------------|--------------|----------|------------|----------|----------|
| Years in Which | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Losses Were Incurred | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | One Year | Two Year |
| 1. Prior | 13,037 | 12,565 | 12,860 | 12,937 | 13,081 | 12,895 | 12,147 | 13,437 | 13,445 | 13,420 | (25) | (17) |
| 2. 1989 | 20,606 | 17 , 344 | 24,621 | 26,061 | 23,640 | 23,750 | 23 , 167 | 23,324 | 23 , 187 | 23 , 119 | (68) | (205) |
| 3. 1990 | XXX | 26,478 | 23,938 | 26,379 | 27,651 | 25,502 | 28 , 195 | 28,059 | 28,845 | 28,844 | (1) | 785 |
| 4. 1991 | XXX | XXX | 27,705 | 25,640 | 27 , 409 | 27,922 | 28 , 450 | 28,517 | 28,551 | 28,652 | 101 | 135 |
| 5. 1992 | XXX | XXX | XXX | 30,589 | 32,403 | 36,606 | 34,715 | 34,836 | 35,563 | 35,263 | (300) | 427 |
| 6. 1993 | XXX | XXX | XXX | XXX | 28,701 | 28 , 117 | 23,887 | 23,902 | 23,991 | 23,756 | (235) | (146) |
| 7. 1994 | XXX | XXX | XXX | XXX | XXX | 132,928 | 66 , 247 | 73,982 | 83 , 133 | 78,893 | (4,240) | 4,911 |
| 8. 1995 | XXX | XXX | XXX | XXX | XXX | XXX | 6,376 | 4,852 | 8,743 | 7 , 543 | (1,200) | 2,691 |
| 9. 1996 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 7 , 140 | 6,866 | 5,460 | (1,406) | (1,680) |
| 10. 1997 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 3,677 | 3,467 | (210) | XXX |
| 11. 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 3,062 | XXX | XXX |
| | | | | | | | | | | 12. Totals | (7,584) | 6,901 |

SCHEDULE P - PART 2R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

| | | | . I - I <i>F</i> | 111 I ZIV | - <u>3</u> LC | HOI | 2 - F IN | | I S LIA | DILII I | | IIIAI 2-IAI | |
|-----|-------|-----|------------------|-----------|---------------|-----|-----------------|-----|---------|---------|------------|-------------|-----|
| 1. | Prior | | | | | | | | | | | | |
| 2. | 1989 | | | | | | | | | | | | |
| 3. | 1990 | xxx | | | | | | | | | | | |
| 4. | 1991 | xxx | XXX | | | | | | | | | | |
| 5. | 1992 | | | XXX | | 46 | | | | | | | |
| 6. | 1993 | XXX | XXX | XXX | XXX | | | | | | | | |
| 7. | 1994 | XXX | XXX | XXX | XXX | XXX | | | | | | | |
| 8. | 1995 | XXX | XXX | XXX | XXX | XXX | XXX | | | | | | |
| 9. | 1996 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | | | |
| 10. | 1997 | xxx | XXX | XXX | XXX | XXX | xxx | XXX | xxx | | | | XXX |
| 11. | 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | XXX | XXX |
| | | | | | | | | | | | 12. Totals | | |

SCHEDULE P - PART 2S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

| 1. Prior | XXX | XXX | XXX | XXX. | (XX | X | | | | | | |
|----------|-----|-----|-----|------|-----------------|--------------|-----|-----|-----|-----------|-----|-----|
| | XXX | | | xxx. | N _{ox} | $\int_{X} X$ | XX | XXX | | | | XXX |
| 3. 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | XXX | XXX |
| | | | | | | | | | | 4. Totals | | |

Schedule P - Part 3A

NONE

Schedule P - Part 3B

NONE

Schedule P - Part 3C

NONE

Schedule P - Part 3D

NONE

Schedule P - Part 3E

NONE

Schedule P - Part 3F - Section 1

NONE

Schedule P - Part 3F - Section 2

NONE

Schedule P - Part 3G

NONE

Schedule P - Part 3H - Section 1

NONE

Schedule P - Part 3H - Section 2

NONE

Schedule P - Part 3I

Schedule P - Part 3J

NONE

Schedule P - Part 3K

NONE

Schedule P - Part 3L

NONE

Schedule P - Part 3M

NONE

Schedule P - Part 3N

NONE

Schedule P - Part 3O

NONE

Schedule P - Part 3P

ANNUAL STATEMENT FOR THE YEAR 1998 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE P - PART 3R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

| 1 | | CUMUL | ITTED) | | 12 | 13 | | | | | | |
|---|-------|--------|----------|--------|----------|----------|----------|----------|----------|--------|--------------------------------|-------------------------------|
| | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | Number of Claims | Number of Claims Closed |
| Years in Which Losses Were Incurred | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | Closed With Loss Payment | Without Loss Payment |
| 1. Prior | 000 | 11,449 | 12,323 | 12,718 | 12,704 | 12,682 | 12,142 | 13,436 | 13,441 | 13,417 | 1,646 | 1,100 |
| 2. 1989 | 7,699 | 14,214 | 18,284 | 21,837 | 23,612 | 23,743 | 23 , 156 | 23,323 | 23 , 186 | 23,118 | 3,381 | 7 ,975 |
| 3. 1990 | XXX | 10,326 | 22 , 125 | 24,860 | 24,948 | 25,356 | 28,057 | 28,021 | 28,823 | 28,824 | 3,280 | 8,241 |
| 4. 1991 | xxx | XXX | 13,921 | 22,471 | 25,319 | 25,941 | 27 ,692 | 27 , 605 | 27,633 | 27,733 | 2,853 | 10,204 |
| 5. 1992 | XXX | xxx | xxx | 15,925 | 27 , 308 | 31 , 165 | 32,452 | 32,991 | 34,078 | 34,794 | 3,087 | 10 , 421 |
| 6. 1993 | XXX | xxx | xxx | XXX | 11,809 | 21,544 | 22,438 | 22,960 | 23,322 | 23,448 | 2,992 | 11,059 |
| 7. 1994 | XXX | xxx | xxx | XXX | xxx | (982) | 6,235 | 7 ,795 | 7,871 | 8,197 | 1,701 | 11,035 |
| 8. 1995 | XXX | xxx | xxx | XXX | xxx | xxx | 1,034 | 3,381 | 4,332 | 7,204 | 747 | 2,925 |
| 9. 1996 | XXX | xxx | xxx | XXX | xxx | xxx | xxx | 2,165 | 4,592 | 5,180 | 984 | 3,222 |
| 10. 1997 | XXX | XXX | xxx | XXX | xxx | xxx | xxx | XXX | 1,392 | 2,905 | 427 | 2,211 |
| 11. 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,230 | 216 | 1,195 |

SCHEDULE P - PART 3R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

| 1. | Prior | 000 | | | | | | | | | | |
|-----|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|--|
| 2. | 1989 | | | | | | | | | | | |
| 3. | 1990 | XXX | | | | | | | | | | |
| 4. | 1991 | XXX | XXX | | | YL | /11 | | | | | |
| 5. | 1992 | XXX | xxx | XXX | | | | | | | | |
| 6. | 1993 | XXX | XXX | XXX | XXX | | | | | | | |
| 7. | 1994 | XXX | xxx | XXX | XXX | XXX | | | | | | |
| 8. | 1995 | XXX | XXX | XXX | XXX | XXX | XXX | | | | | |
| 9. | 1996 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | | |
| 10. | 1997 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | |
| 11. | 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | |

SCHEDULE P - PART 3S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

| | | | | | | <u> </u> | | / | | | | |
|----------|-----|-----|-----|-----|-----|--------------------|-----|-----|-----|-------------|-----|-----|
| 1. Prior | XXX | XXX | XXX | XXX | ¥XX | X) /_ X | ٧٧٧ | 000 | | | XXX | XXX |
| 2. 1997 | XXX | | XXX | | × | 7. 1. | | XXX | | | xxx | xxx |
| 3. 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | XXX | xxx |

Schedule P - Part 4A

NONE

Schedule P - Part 4B

NONE

Schedule P - Part 4C

NONE

Schedule P - Part 4D

NONE

Schedule P - Part 4E

NONE

Schedule P - Part 4F - Section 1

NONE

Schedule P - Part 4F - Section 2

NONE

Schedule P - Part 4G

NONE

Schedule P - Part 4H - Section 1

NONE

Schedule P - Part 4H - Section 2

NONE

Schedule P - Part 4I

Schedule P - Part 4J

NONE

Schedule P - Part 4K

NONE

Schedule P - Part 4L

NONE

Schedule P - Part 4M

NONE

Schedule P - Part 4N

NONE

Schedule P - Part 40

NONE

Schedule P - Part 4P

ANNUAL STATEMENT FOR THE YEAR 1998 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE P - PART 4R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE

| 1 | BU | LK AND INCUR | RED BUT NOT F | REPORTED RESI | ERVES ON LOSS | SES AND ALLOC | CATED EXPENS | ES AT YEAR EN | D (\$000 OMITTI | ED) |
|-------------------------------|-------|--------------|---------------|---------------|---------------|---------------|--------------|---------------|-----------------|--------|
| Years in Which Losses Were | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Incurred | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
| 1. Prior | 0 | 0 | 0 | 0 | 132 | 86 | 0 | 0 | 0 | |
| 2. 1989 | 2,113 | 0 | 1,569 | 1,549 | 0 | 1 | 0 | 0 | 0 | |
| 3. 1990 | XXX | 2,748 | 0 | 888 | 1,889 | 17 | 0 | 0 | 0 | |
| 4. 1991 | xxx | xxx | 4,629 | 1,248 | 1,141 | 1,761 | 0 | 0 | 0 | |
| 5. 1992 | xxx | xxx | xxx | 2,378 | 892 | 2,500 | 0 | 0 | 0 | |
| 6. 1993 | xxx | xxx | xxx | xxx | 4,018 | 2,369 | 0 | 0 | 0 | |
| 7. 1994 | xxx | xxx | xxx | xxx | xxx | 119,883 | 56,034 | 64,516 | 73,342 | 69,825 |
| 8. 1995 | xxx | xxx | xxx | xxx | xxx | xxx | 0 | 0 | 0 | |
| 9. 1996 | xxx | xxx | xxx | xxx | xxx | xxx | xxx | 0 | 0 | |
| 10. 1997 | xxx | xxx | xxx | xxx | xxx | xxx | xxx | xxx | 0 | |
| 11. 1998 | xxx | xxx | xxx | xxx | xxx | xxx | xxx | xxx | xxx | |

SCHEDULE P - PART 4R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE

| | | | | | | <u> </u> | _ == | | | |
|----------|-----|-----|-----|-----|-----|----------|------|-----|-----|--|
| 1. Prior | | | | | | | | | | |
| 2. 1989 | | | | | | | | | | |
| 3. 1990 | xxx | | | | | | | | | |
| 4. 1991 | xxx | xxx | | 171 | | | | | | |
| 5. 1992 | xxx | xxx | xxx | | | | | | | |
| 6. 1993 | xxx | xxx | xxx | xxx | | | | | | |
| 7. 1994 | xxx | xxx | xxx | xxx | xxx | | | | | |
| 8. 1995 | xxx | xxx | xxx | xxx | xxx | XXX | | | | |
| 9. 1996 | xxx | xxx | xxx | xxx | xxx | XXX | xxx | | | |
| 10. 1997 | xxx | xxx | xxx | xxx | xxx | xxx | xxx | xxx | | |
| 11. 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |

SCHEDULE P - PART 4S - FINANCIAL GUARANTY/MORTGAGE GUARANTY

| | | | | | | | | | 0 0 2 1 1 1 2 | |
|----------|-----|-----|-----|-----|----|-----|-----|-----|---------------|--|
| 1. Prior | XXX | xxx | XXX | XX | XX | | XXX | | | |
| 2. 1997 | VVV | XXX | xxx | N (| | (XX | XXX | xxx | | |
| 3 1998 | xxx | XXX | XXX | YYY | | ××× | xxx | XXX | xxx | |

Schedule P - Part 5A- SN1

NONE

Schedule P - Part 5A- SN2

NONE

Schedule P - Part 5A- SN3

NONE

Schedule P - Part 5B- SN1

NONE

Schedule P - Part 5B- SN2

NONE

Schedule P - Part 5B- SN3

NONE

Schedule P - Part 5C- SN1

NONE

Schedule P - Part 5C- SN2

NONE

Schedule P - Part 5C- SN3

NONE

Schedule P - Part 5D- SN1

NONE

Schedule P - Part 5D- SN2

Schedule P - Part 5D- SN3

NONE

Schedule P - Part 5E- SN1

NONE

Schedule P - Part 5E- SN2

NONE

Schedule P - Part 5E- SN3

NONE

Schedule P - Part 5F- SN1A

NONE

Schedule P - Part 5F- SN2A

NONE

Schedule P - Part 5F- SN3A

NONE

Schedule P - Part 5F- SN1B

NONE

Schedule P - Part 5F- SN2B

NONE

Schedule P - Part 5F- SN3B

NONE

Schedule P - Part 5H- SN1A

Schedule P - Part 5H- SN2A

NONE

Schedule P - Part 5H- SN3A

NONE

Schedule P - Part 5H- SN1B

NONE

Schedule P - Part 5H- SN2B

NONE

Schedule P - Part 5H- SN3B

SCHEDULE P - PART 5R - PRODUCTS LIABILITY - OCCURRENCE

| 2 | =_ | TI | \sim | N | 1 | Λ | |
|---|----|----|--------|---|---|---|--|

| 1 | CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END 2 | | | | | | | | | |
|--|--|--------|-------|-------|-------|-------|-------|-------|--------|-------|
| Years in | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Which Premiums Were Earned and Losses | | | | | | | | | | |
| Were Incurred | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
| 1. Prior | | | | | | | | 0 | 0 | 0 |
| 2. 1989 | 1,857 | 3, 192 | 3,290 | 3,367 | 3,388 | 3,392 | 3,380 | 3,381 | 3,381 | 3,381 |
| 3. 1990 | XXX | 1,505 | 2,896 | 3,218 | 3,234 | 3,302 | 3,282 | 3,279 | 3,280 | 3,280 |
| 4. 1991 | XXX | XXX | 1,968 | 2,787 | 2,853 | 2,874 | 2,857 | 2,850 | 2,850 | 2,853 |
| 5. 1992 | XXX | XXX | XXX | 2,240 | 3,109 | 3,161 | 3,079 | 3,066 | 3,081 | 3,087 |
| 6. 1993 | XXX | XXX | XXX | XXX | 2,125 | 3,020 | 2,974 | 2,973 | 2,987 | 2,992 |
| 7. 1994 | XXX | XXX | XXX | XXX | XXX | 1,181 | 1,541 | 1,638 | 1 ,650 | 1,701 |
| 8. 1995 | XXX | XXX | XXX | XXX | XXX | XXX | 331 | 639 | 688 | 747 |
| 9. 1996 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 383 | 721 | 984 |
| 10. 1997 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 219 | 427 |
| 11. 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 216 |

SECTION 2A

| | | NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END | | | | | | | | | | | | | |
|-----------------------|-------------------------------------|---|-------|--------|---------------|--------------|---------------|--------------|--------|------|------|--|--|--|--|
| | 1 | | | NUMBER | R OF CLAIMS O | UTSTANDING I | DIRECT AND AS | SSUMED AT YE | AR END | | | | | | |
| | ars in nich | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | | | | |
| Pren Were and L | niums Earned osses ncurred | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | | | | |
| 1. | Prior | 496 | 97 | 36 | 5 | 2 | 1 | 5 | 1 | 3 | 3 | | | | |
| 2. | 1989 | 2,242 | 297 | 166 | 34 | 5 | 3 | 4 | 1 | 1 | 1 | | | | |
| 3. | 1990 | XXX | 2,016 | 589 | 223 | 76 | 5 | 10 | 11 | 23 | 49 | | | | |
| 4. | 1991 | XXX | XXX | 1,619 | 333 | 52 | 31 | 36 | 32 | 66 | 76 | | | | |
| 5. | 1992 | XXX | XXX | XXX | 1,688 | 167 | 104 | 104 | 87 | 49 | 49 | | | | |
| 6. | 1993 | XXX | XXX | XXX | XXX | 1,748 | 284 | 156 | 102 | 108 | 35 | | | | |
| 7. | 1994 | XXX | XXX | XXX | XXX | XXX | 1,663 | 314 | 147 | 199 | 219 | | | | |
| 8. | 1995 | XXX | XXX | XXX | XXX | XXX | XXX | 1,358 | 251 | 101 | 24 | | | | |
| 9. | 1996 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 1,763 | 336 | 81 | | | | |
| 10. | 1997 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 709 | 128 | | | | |
| 11. | 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 592 | | | | |

SECTION 3A

| | | | | | | SECTION SA | | | | | |
|---------------------|-------|--------|--------|------------|-------------|-------------|--------------|--------------|-------------|----------|----------|
| 1 | | | | CUMULATIVE | NUMBER OF C | LAIMS REPOR | TED DIRECT A | ND ASSUMED A | AT YEAR END | | |
| Years i | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Which | | | | | | | | | | | |
| Premiun Were Ear | | | | | | | | | | | |
| and Loss | | | | | | | | | | | |
| Were Incu | urred | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
| 1. Pri | ior | | | | | | | | 0 | 0 | 0 |
| 2. 19 | 89 | 11,295 | 11,428 | 11,429 | 11,437 | 11,438 | 11,437 | 11,357 | 11,357 | 11,357 | 11,357 |
| 3. 19 | 90 | XXX | 11,259 | 11,628 | 11,639 | 11,643 | 11,643 | 11,541 | 11,541 | 11,542 | 11,570 |
| 4. 19 | 91 | XXX | XXX | 13 , 174 | 13,226 | 13,226 | 13,226 | 13,111 | 13 , 111 | 13 , 120 | 13 , 133 |
| 5. 19 | 92 | XXX | XXX | XXX | 13,858 | 13,897 | 13,899 | 13,554 | 13,554 | 13,556 | 13,557 |
| 6. 19 | 93 | XXX | XXX | XXX | XXX | 14,355 | 14,473 | 14,036 | 14,036 | 14,081 | 14,086 |
| 7. 19 | 94 | XXX | XXX | XXX | XXX | XXX | 13 , 146 | 12,784 | 12,785 | 12,891 | 12,955 |
| 8. 19 | 95 | XXX | XXX | XXX | XXX | XXX | XXX | 3,693 | 3,695 | 3,696 | 3,696 |
| 9. 19 | 96 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 4,328 | 4,246 | 4,287 |
| 10. 19 | 97 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2,765 | 2,766 |
| 11. 19 | 98 | XXX | xxx | XXX | XXX | xxx | XXX | XXX | xxx | xxx | 2,003 |

Schedule P - Part 5R- SN1B

NONE

Schedule P - Part 5R- SN2B

NONE

Schedule P - Part 5R- SN3B

NONE

Schedule P - Part 6C - SN1

NONE

Schedule P - Part 6C - SN2

NONE

Schedule P - Part 6D - SN1

NONE

Schedule P - Part 6D - SN2

NONE

Schedule P - Part 6E - SN1

NONE

Schedule P - Part 6E - SN2

NONE

Schedule P - Part 6H - SN1A

NONE

Schedule P - Part 6H - SN2A

Schedule P - Part 6H - SN1B

NONE

Schedule P - Part 6H - SN2B

NONE

Schedule P - Part 6M - SN1

NONE

Schedule P - Part 6M - SN2

NONE

Schedule P - Part 6N - SN1

NONE

Schedule P - Part 6N - SN2

NONE

Schedule P - Part 6O - SN1

NONE

Schedule P - Part 6O - SN2

SCHEDULE P - PART 6R - PRODUCTS LIABILITY - OCCURRENCE

| | | | | | SECTION | IA | | | | | |
|-------------------|--------|--------|-------------|-------------|-------------|------------|------------|---------------|--------|--------|----------|
| 1 | | CUMU | LATIVE PREM | IIUMS EARNE | ED DIRECT A | ND ASSUMED | AT YEAR EN | ND (\$000 OMI | TTED) | | 12 |
| Years in Which | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | Current |
| Premiums Were | | | | | | | | | | | Year |
| Earned and Losses | | | | | | | | | | | Premiums |
| Were Incurred | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | Earned |
| 1. Prior | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 2. 1989 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 3. 1990 | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 4. 1991 | XXX | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 5. 1992 | XXX | XXX | XXX | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 6. 1993 | XXX | XXX | XXX | XXX | 23,484 | 23,602 | 23,496 | 23,496 | 23,496 | 23,496 | |
| 7. 1994 | XXX | XXX | XXX | XXX | XXX | 23,703 | 22,967 | 22,967 | 22,967 | 22,967 | |
| 8. 1995 | XXX | XXX | XXX | XXX | XXX | XXX | 18,920 | 18,920 | 18,920 | 18,920 | |
| 9. 1996 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 18,502 | 18,502 | 18,502 | |
| 10. 1997 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 17,937 | 17,937 | |
| 11. 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 13,588 | 13,588 |
| 12. Total | | | | | | | | | | | 13,588 |
| 13. Earned | | | | | | | | | | | |
| Premiums | | | | | | | | | | | |
| (Sch P, Part 1) | 19,975 | 20,678 | 22,018 | 23,047 | 23,496 | 22,967 | 18,920 | 18,502 | 17,937 | 13,588 | XXX |

| | | | | | SECTION 2 | 2A | | | | | |
|-------------------|-------|-------|-----------|------------|------------|-------------|---------------|----------|--------|---------|----------|
| 1 | | | CUMULATI\ | /E PREMIUM | S EARNED C | EDED AT YEA | AR END (\$000 | OMITTED) | | | 12 |
| Years in Which | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | Current |
| Premiums Were | | | | | | | | | | | Year |
| Earned and Losses | | | | | | | | | | | Premiums |
| Were Incurred | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | Earned |
| 1. Prior | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 2. 1989 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 3. 1990 | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 4. 1991 | XXX | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 5. 1992 | XXX | XXX | XXX | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 6. 1993 | XXX | XXX | XXX | XXX | 5,269 | 5,269 | 7 , 466 | 7 , 466 | 7,466 | 7 , 466 | |
| 7. 1994 | XXX | XXX | XXX | XXX | XXX | 6,047 | 7 ,731 | 7 ,731 | 7 ,731 | 7,731 | |
| 8. 1995 | XXX | XXX | XXX | XXX | XXX | XXX | 5,042 | 5,042 | 5,042 | 5,042 | |
| 9. 1996 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 3,413 | 3,413 | 3,413 | |
| 10. 1997 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 4,071 | 4,071 | |
| 11. 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 2,596 | 2,596 |
| 12. Total | | | | | | | | | | | 2,596 |
| 13. Earned | | | | | | | | | | | |
| Premiums | 4 040 | 4 400 | 0.540 | 5 707 | 7 400 | 7 704 | 5 0 40 | 0 440 | 4 074 | 0.500 | |
| (Sch P. Part 1) | 1,646 | 1,480 | 3,513 | 5,737 | 7,466 | 7,731 | 5.042 | 3,413 | 4,071 | 2,596 | XXX |

SCHEDULE P - PART 6R - PRODUCTS LIABILITY - CLAIMS-MADE

| | | | | | SECTION | 1B | | | | | |
|---|------|------|-------------|------------|-------------|-----------|-------------|--------------|--------|------|----------------------------|
| 1 | | CUMU | LATIVE PREM | IIUMS EARN | ED DIRECT A | ND ASSUME | O AT YEAR E | ND (\$000 OM | ITTED) | | 12 |
| Years in Which | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | Current |
| Premiums Were Earned and Losses Were Incurred | 1989 | 1990 | 1991 | Q | 19 | 99 | 1995 | 1996 | 1997 | 1998 | Year Premiums Earned |
| 1. Prior | | | | | <i></i> | | | | | | |
| 2. 1989 | | | | | | | | | | | |
| 3. 1990 | XXX | | | | | | | | | | |
| 4. 1991 | XXX | XXX | | | | | | | | | |
| 5. 1992 | XXX | XXX | XXX | | | | | | | | |
| 6. 1993 | XXX | XXX | XXX | XXX | | | | | | | |
| 7. 1994 | XXX | XXX | XXX | XXX | XXX | | | | | | |
| 8. 1995 | XXX | XXX | XXX | XXX | XXX | XXX | | | | | |
| 9. 1996 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | | |
| 10. 1997 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | |
| 11. 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | |
| 12. Total | | | | | | | | | | | |
| 13. Earned Premiums | | | | | | | | | | | |
| (Sch P, Part 1) | | | | | | | | | | | XXX |

| | | | | | SECTION | 2B | | | | | |
|------------------------------------|------|------|----------|------------|------------|-------------|---------------|----------|------|------|--------------------|
| 1 | | | CUMULATI | VE PREMIUM | S EARNED C | EDED AT YEA | AR END (\$000 | OMITTED) | | | 12 |
| Years in Which Premiums Were | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | Current Year |
| Earned and Losses Were Incurred | 1989 | 1990 | 1991 | 793 | 19 3 | 99 | 1995 | 1996 | 1997 | 1998 | Premiums Earned |
| 1. Prior | | | | | \ <i>.</i> | | <u> </u> | | ļ | | |
| | | | | | | | | | | | |
| 3. 1990 | XXX | | | | | | | | | - | |
| 4. 1991 | | | | | | | | | | | |
| 5. 1992 | XXX | XXX | XXX | | | | | | | | |
| 6. 1993 | XXX | XXX | XXX | XXX | | | | | | | |
| 7. 1994 | XXX | XXX | XXX | XXX | XXX | | | | | | |
| 8. 1995 | XXX | XXX | XXX | XXX | XXX | XXX | | | | | |
| 9. 1996 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | | |
| | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | | | |
| 11. 1998 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |] |
| 12. Total | | | | | | | | | | | |
| 13. Earned Premiums | | | | | | | | | | | |
| (Sch P, Part 1) | | | | | | | | | | | XXX |

Schedule P - Part 7A - Section 1

NONE

Schedule P - Part 7A - Section 2

NONE

Schedule P - Part 7A - Section 3

NONE

Schedule P - Part 7A - Section 4

NONE

Schedule P - Part 7A - Section 5

NONE

Schedule P - Part 7B - Section 1

NONE

Schedule P - Part 7B - Section 2

NONE

Schedule P - Part 7B - Section 3

NONE

Schedule P - Part 7B - Section 4

NONE

Schedule P - Part 7B - Section 5

NONE

Schedule P - Part 7B - Section 6

NONE

Schedule P - Part 7B - Section 7 NONE

ANNUAL STATEMENT FOR THE YEAR 1998 OF THE HOW INSURANCE COMPANY, A RISK RETENTION GROUP, In Receivership

SCHEDULE P INTERROGATORIES

| 1. | Computation of excess st | tatutory reserves ov | er stateme | ent reserves. | | | | |
|----|---|--|---------------------------|--|-----------------------------------|--------------------------|-----------------|---|
| | a. Auto Liability (priv | vate passenger and | commerci | al) | | | | |
| | 1998 | | %) | 1997 | (60.0 ' | %) 1996 | (| 60.0 %) |
| | | | | | | | Total \$ | |
| | b. Other Liability an | d Products Liability | | | | | | |
| | 1998 | , | %) | 1997 | 0 (673 9 | %) 1996 | 1 | 67.3 %) |
| | | (| , • , | | , | , | • | 0 |
| | o Modical Malars | ico | | | | | ι υιαι φ | |
| | c. Medical Malpract | | 0/\ | 4007 | , , , , , , , | 2/) 4000 | , | 60.0.00 |
| | 1998 | | %) | 1997 | ()0.0 ` | %) 1996 | • | , |
| | | | | | | | Total \$ | |
| | d. Workers' Compe | | | | | | | |
| | 1998 | 65.0 | %) | 1997 | (65.0 • | %) 1996 | (| 65.0 %) |
| | | | | | | | Total \$ | |
| | e. Credit | | | | | | Total \$ | |
| | f. All Lines Total (R | eport here and Pag | e 3) | | | | Total \$ | 0 |
| 2. | | | | and assumed - for the follogentility or setimenant in ma | | | | |
| | | | | sability or retirement in mo ed as a liability item on Pa | | | | rted here even if it was not ing the current year. |
| | | Years in which pre | | | | 1 | 2 | 3 |
| | | | | | | | | |
| C. | 1990 | | | | | | | |
| | | | | | | | | |
| f. | 1993 | | | | | | | |
| ĥ. | 1995 | | | | | | | |
| j. | 1997 | | | | | | | |
| | 1998 Totals | | | | | | | |
| 3. | The definition of allocated | d loss adjustment ex | penses (A | LAE) and, therefore, unallo | ocated loss adjus | tment expenses (ULAE |) was changed | |
| | | . This change in de | finition app | plies to both paid and unpa | | | | Yes [X] No [] |
| 4. | | | | should be allocated to the y | years in which the | e losses were incurred | based on the | |
| | number of claims reported | d, closed and outsta | anding in th | nose years. When allocating of the loss amounts and | ng ULAE betweer | n companies in a group | or a pool, the | |
| | should be reported accor- | ding to the reinsura | nce contra | ct. For ULAE incurred by reated by a reasonable met | reinsurers, or in tl | hose situations where s | suitable claim | |
| | Interrogatory 8, below. A | | | | nou usterrillieu l | , are company and de | oonbou III | Yes [X] No [] |
| 5. | | | which are | reported gross of any disc | count to present v | alue of future payment | s, but are | Vac I 1 Ma I V 1 |
| | reported net of such disco | · · | . | " | | and the second second | | Yes [] No [X] |
| | If Yes, proper reporting m reported in Schedule P - | | | inancial Statements, as sp | ecified in the Ins | tructions. Also, the dis | counts must be | |
| | Schedule P must be com examination upon reques | | -tabular dis | scounting. Work papers re | lating to discount | calculations must be a | vailable for | |
| | Discounting is allowed on | nly if expressly perm | itted by the | e state insurance departme | ent to which this A | Annual Statement is be | ing filed. | |
| 6. | What were the net premiu | ums in force at the e | end of the y | year for: | | | | |
| | (in thousands of dollars) | | | | | | a. Fidelity | 0 |
| | | | | | | | b. Surety | 0 |
| 7. | Claim count information is | | | | | | | |
| | If not the same in all year | s, explain in Interro | gatory 8. | | | | a. per claim | Χ |
| | | | | | | | b. per claimant | |
| 0 | The information with the | in Cohestate D | a us sill | | the ed | | · | |
| გ. | among other things. Are must be considered wher | there any especially making such analy | / significar /ses? (An | many persons to estimate it events, coverage, retenti extended statement may b R reserves (see Notes to | on or accounting be attached.) | changes which have o | ccurred which | |
| | | | | | | | | |

120

SCHEDULE Y (continued) PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

| 1 | 2 | 3 | 4 | 5 | 6 | 7 Income/ (Disbursements) | 8 | 9 | 10 | 11 | 12 |
|-------------------------|----------------------|--|--------------------------|--------------------------|--|--|--|---|--|--------|--|
| NAIC Company Code | Federal ID Number | Names of Insurers and Parent, Subsidiaries or Affiliates | Shareholder Dividends | Capital Contributions | Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments | Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s) | Management Agreements, Service Contracts and Non-GAAP Cost Sharing Agreements | Income/ (Disbursements) Incurred Under Reinsurance Agreements | Any Other Material Activity Not in the Ordinary Course of the Insurer's Business | Totals | Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability) |
| | | | | | | | | | | | |
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| | | | | | | | | | | | |
| 0000000 0 | ontrol Totals | • | | | | | | | | | |

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

| | | | | | | y States and Te | erritories | | | | |
|----------------|--|---------|---------------|--|---|---------------------------------|-------------------|-----------------------|---------------------|------------------------|---------------------------------------|
| | 1 | | 1a | Gross Premiu Policy and Mer Less Return P Premiums on | nbership Fees Premiums and Policies Not | 4 Dividends | 5 | 6 | 7 | 8 | 9 Direct Premium Written for |
| | | | lo. | Tak 2 | en 3 | Paid | Direct Losses | | | Finance and | Federal |
| | | | ls Insurer | ∠ Direct | 3 Direct | or Credited to Policyholders | Paid | | | Service Charges Not | Purchasing Groups |
| | | | Licensed? | Premiums | Premiums | on Direct | (Deducting | Direct Losses | Direct Losses | Included in | (Included in |
| | States, etc. | | (Yes or No) | Written | Earned | Business | Salvage) | Incurred | Unpaid | Premiums | Col. 2) |
| | Alabama | | No | | | | | (26,812) | | | |
| | Alaska | | No | | | | /0.000\ | 4 000 454 | 0.040.004 | | |
| | ArizonaArkansas | | No No | | | | (3,238) 23,016 | 1,986,151 (40,931) | 2,016,201 77,773 | | |
| | California | | No | | | | 23,016 | 6,118,434 | 26,430,536 | | |
| | Colorado | | No | | | | 3,609,173 | 3.799.176 | 3,220,381 | | |
| 7. | Connecticut | | No | | | | | 283,458 | 474,971 | | |
| | Delaware | | No | | | | (1,830) | (70 , 192) | 38,887 | | |
| | District of Columbia Florida | | No No | | | | 72,392 | (480,541) | 1, 123, 266 | | |
| | Georgia | | No | | | | 156,812 | (572,859) | 1, 123, 200 | | |
| | Hawaii | | No | | | | 107,949 | (710,051) | 38,887 | | |
| _ | Idaho | | No | | | | | | | | |
| | Illinois | | No | | | | 243,068 | (403,226) | 492,026 | | |
| | IndianaIowa | | No No | | | | 88,070 | (299,946) | 446 , 095 | | |
| | Kansas | | No No | | | | | | | | |
| | Kentucky | | No | | | | | 309,725 | 438,863 | | |
| 19. | Louisiana | LA | No | | | | 766,931 | (6,717,348) | 333,324 | | |
| | Maine | | No | | | | 400,000 | (26,812) | 440 040 | | |
| | Maryland Massachusetts | | No No | | | | 126,082 | (347,403) 12,075 | 446,640 38,887 | | |
| | Michigan | | No | | | | 5,887 | (20,925) | | | |
| | Minnesota | | No | | | | 89.243 | 943,741 | 1,594,860 | | |
| | Mississippi | | No | | | | 6,026 | 10,879 | 31,665 | | |
| | Missouri | | No | | | | 141,343 | 362,826 | 760,808 | | |
| | Montana | | No | | | | 70 160 | 555,522 | 555,522 427,752 | | |
| | Nebraska Nevada | | No No | | | | 79,162 4,015 | 475,314 (939,728) | 427 ,732 | | |
| | New Hampshire | | No | | | | (1,457) | (1,457) | | | |
| | New Jersey | | No | | | | 430 , 455 | 2,918,736 | 6,467,664 | | |
| | New Mexico | | No | | | | 47,014 | 103,117 | 116,660 | | |
| | New York | | No | | | | 28,350 41.341 | 9,199 7.076.001 | 14,659,509 | | |
| | North Carolina North Dakota | | No No | | | | 41,341 | | 14,009,009 | | |
| | Ohio | | No | | | | | 217 , 192 | 872,170 | | |
| 37. | Oklahoma | OK | No | | | | 32,634 | 629,708 | 849,949 | | |
| 38. | Oregon | OR | No | | | | 9,080 | 72,116 | 116,660 | | |
| | Pennsylvania | | No | | | | 49,972 | (2,644,031) | 416 , 644 | | |
| | Rhode Island South Carolina | | No No | | | | 38,305 | 236,669 | 605,530 | | |
| | South Dakota | | No | | | | | 200,000 | | | |
| | Tennessee | | No | | | | 175,950 | (52,697) | | | |
| | Texas | TX | No | | | | 799,609 | (9,990,008) | 21,659,877 | | |
| | Utah | | No | | | | 2,039 | (12,699) | 38 , 887 | | |
| | Vermont Virginia | | No Yes | | | | 149,872 | 964,421 | 1,711,064 | | |
| | Washington | | No | | | | 85,807 | (102,547) | 194,444 | | |
| 49. | West Virginia | WV | No | | | | | (114,908) | | | |
| | Wisconsin | | No | | | | 15,018 | 38,636 | 261,095 | | |
| | Wyoming | | No | | | | | | | | |
| | American Samoa | | No No | | | | | | | | |
| | Puerto Rico | | No | | | | | | | | |
| 55. | U.S. Virgin Islands | VI | No | | | | | | | | |
| | Canada | CN | No | | | | | | | | |
| 57. | Aggregate Other Aliens | O^{T} | xxx | | | | | | | | |
| 98 | Totals | 0 1 | (a) 1 | | | | 7,476,917 | 3,547,975 | 88,595,031 | | |
| | DETAILS OF WRITE-II | NS | , , | | | | ., | 0,0 11,010 | 00,000,00. | | |
| 5701. 5702. | | | XXX | | | | | | | | |
| 5702. | | | XXX | | | | | | | | |
| | Summary of remaining write-ins for Line 57 fro | | | | | | | | | | |
| 5799. | overflow page Totals (Lines 5701 thru | | XXX | | | | | | | • | |
| | plus 5798)(Line 57 abo | | XXX | | | | | | | | |

⁽a) Insert the number of yes responses except for Canada and Other Alien.

Explanation of basis of allocation of premiums by states, etc.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your annual 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 to the specific interrogatory will be accepted in lieu of filing a "NONE" report.

| 1. | a. Does your company write Medical Malpractice Insurance? b. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed by March 1? If first response is yes and second response is no, please explain: | Yes [Yes [|] | No No | [X] |
|----|---|----------------|-----|----------|----------------------|
| | If second response is no and the form is "None", affix bar code (Document Identifier 450) here: | | | | |
| | | | | | |
| 2. | a. Does your company have 100 or more stockholders? b. Will Schedule SIS (Stockholder Information Supplement) be filed March 1? If first response is yes and second response is no, please explain: | Yes Yes | [|] N | No [X] No [X] |
| | If second response is no and the form is "None", affix bar code (Document Identifier 420) here: | | | | |
| | | | | | |
| 3. | a. Does your company write financial guaranty insurance? b. Will the Financial Guaranty Insurance Exhibit be filed March 1? If first response is yes and second response is no, please explain: | Yes Yes | [|] N | No [X] No [X] |
| | If second response is no and the form is "None", affix bar code (Document Identifier 240) here: | | | | |
| | | | | | |
| 4. | a. Does your company write Medicare Supplement Insurance? b. Will the Medicare Supplement Insurance Experience Exhibit be filed by March 1? If first response is yes and second response is no, please explain: | Yes Yes | [|] N | Vo [X] Vo [X] |
| | If second response is no and the form is "None", affix bar code (Document Identifier 360) here: | | | | |
| | | | | | |
| 5. | An actuarial opinion is a required filing for all companies. Will the actuarial opinion be filed with this statement by March 1? If no, please explain: | Yes | [X |] N | √o [] |
| | If response is no and the form is "None", affix bar code (Document Identifier 440) here: | | | | |
| | | | | | |
| 6. | The officers and directors information is a required filing for all companies. Will the officers and directors information be filed with the NAIC by March 1? If response is no, please explain: The Company is in Receivership and has no officers or directors | Yes | [|] N | No [X] |
| | If response is no and the form is "None", affix bar code (Document Identifier 380) here: | | | | |

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

| 7. | The SVO Compliance Certification is a required filing for all companies. Will the SVO Compliance Certification be filed by March 1? If no, please explain: | Yes [X] No [] |
|-----|---|--------------------------------------|
| | If response is no and the form is "None", affix bar code (Document Identifier 470) here: | |
| 8. | a. Is your company a U.S. Branch of an alien insurer? b. Will the Trusteed Surplus Statement be filed by March 1? If first response is yes and second response is no, please explain: | Yes [] No [X] Yes [] No [X] |
| | If second response is no and the form is "None", affix bar code (Document Identifier 490) here: | |
| | | |
| 9. | The Supplemental Compensation Exhibit is a required filing, with the domiciliary Department, for all companies. Will the Supplemental Compensation Exhibit be filed with this domiciliary Department by March 1? If no, please explain: Not Applicable | Yes [] No [X] |
| | If response is no and the form is "None", affix bar code (Document Identifier 460) here: | |
| | | |
| 10. | a. Will the Risk-based Capital Report be filed with the NAIC by March 1? If no, please explain: | Yes [X] No [] |
| | If response is no and the form is "None", affix bar code (Document Identifier 390) here: | |
| | b. Will the Risk-based Capital Report be filed with the domiciliary Department, if required, by March 1? If no, please explain: | Yes [X] No [] |
| | If response is no and the form is "None", affix bar code (Document Identifier 390) here: | |
| 11. | a. Does your company have investments in insurance futures reportable on Schedule DC? b. Will the Schedule DC be filed by March 1? If first response is yes and second response is no, please explain: | Yes [] No [X] Yes [] No [X] |
| | If second response is no and the form is "None", affix bar code (Document Identifier 400) here: | |
| | | |
| 12. | The Insurance Expense Exhibit is a required filing for all companies. Will the Insurance Expense Exhibit be filed by April 1? If no, please explain: The Company is in Receivership and is not required to file the Insurance Expense Exhibit If response is no and the form is "None", affix bar code (Document Identifier 270) here: | Yes [] No [X] |
| | | |
| 13. | Management's Discussion and Analysis is a required filing for all companies. Will Management's Discussion and Analysis be filed by April 1? | Yes [X] No [] |
| | If no, please explain: | .55 [N] NO [] |
| | If response is no and the form is "None", affix bar code (Document Identifier 350) here: | |

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

| 14. | a. Does your company write credit insurance?b. Will the Credit Insurance Experience Exhibit be filed by April 1?If first response is yes and second response is no, please explain: | Yes Yes | |] | No No | [X] |
|-----|---|------------|-----|-----|----------|-------|
| | If second response is no and the form is "None", affix bar code (Document Identifier 230) here: | | | | | |
| | | | | | | |
| 15. | a. Does your company write long-term care insurance?b. Will the Long-term Care Experience Reporting Forms be filed by April 1?If first response is yes and second response is no, please explain: | Yes Yes | |] | No No | [X] |
| | If second response is no and the form is "None", affix bar code (Document Identifier 330) here: | | | | | |
| | | | | | | |
| 16. | a. Does your company write accident and health insurance (other than credit)? b. Will the Accident and Health Policy Experience Exhibit be filed by May 1? If first response is yes and second response is no, please explain: | Yes Yes | |] | No No | [X] |
| | If second response is no and the form is "None", affix bar code (Document Identifier 210) here: | | | | | |
| | | | | | | |
| 17. | a. Will this company be included in a combined annual statement which is filed with the NAIC by May 1? (A company should be included in only one group filing a combined annual statement. If a company will be included in a combined annual statement on other than a consolidated basis, e.g., equity basis, answer Item C "no.") b. If yes, indicate NAIC group code. | Yes | ; [|] | No | [X] |
| | c. If the company is included in a combined annual statement, will the basis of inclusion be consolidation? If the answer to 17a is no and the form is "None", affix bar code (Document Identifier 201) here: | Yes | [|] | No | [] |
| | | | | | | |
| 18. | An audited financial report is a required filing for all companies. Will an audited financial report be filed by June 1? If no, please explain: | Yes | [X |] 1 | No [|] |
| | If response is no and the form is "None", affix bar code (Document Identifier 220) here: | | | | | |

OVERFLOW PAGE FOR WRITE-INS

| LIAB | | |
|--|-----------|-------------|
| 2204. Deferred LAE | | 1,288,85 |
| 2205. Reinsurance liability adjustment | | 743,68 |
| 2206. Unclaimed property drafts | 41 , 150 | 56 , 19 |
| 2207. Lease liability | 500,000 | 500,0 |
| 2208. Notices of claim determination | 1,063,038 | 1,060,8 |
| 2209. Ceded reinsurance - Amounts due reinsurers | | 1,424,1 |
| 2210. Suspense | 404 | |
| 2297. Summary of remaining write-ins for Line 22 from page 3 | 5,040,162 | 5,074,9 |
| Deferred Indirect Losses | | 30 , 8 |
| EX2 04F04 | | |
| Deferred Indirect Losses | | 30 , 8 |
| 04F05 . Deferred Loss Adjustment Expenses | | 1 1 |
| Deferred Loss Adjustment Expenses | | 4 , I |
| | | 1 665 3 |
| Increase in Funds Heid Under Keinsurance Treatiles | | , , 000 , 0 |
| . Increase in Funds Held Under Reinsurance Treaties | | |
| 04F07 | | |
| 04F07 Litigation Settlements | 9,500,000 | |
| 04F07 | | 1,700,3 |
| D4F07 Litigation Settlements | 9,500,000 | 1,700,3 |
| 04F07 Litigation Settlements 04F97 | 9,500,000 | 1,700,3 |
| 14F07 Litigation Settlements | 9,500,000 | 1,700,3 |
| 14F07 Litigation Settlements | 9,500,000 | 1,700,3 |