



ANNUAL STATEMENT

For the Year Ended December 31, 2018
of the Condition and Affairs of the

Capitol Indemnity Corporation

NAIC Group Code..... 0501, 0501 NAIC Company Code..... 10472 Employer's ID Number..... 39-0971527
(Current Period) (Prior Period)

Organized under the Laws of WI State of Domicile or Port of Entry WI Country of Domicile US
Incorporated/Organized..... September 23, 1959 Commenced Business..... June 6, 1960

Statutory Home Office 1600 Aspen Commons .. Middleton .. WI .. US .. 53562-4718
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1600 Aspen Commons .. Middleton .. WI .. US .. 53562-4718
(Street and Number) (City or Town, State, Country and Zip Code) 608-829-4200
(Area Code) (Telephone Number)

Mail Address P.O. Box 5900 .. Madison .. WI .. US .. 53705-0900
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1600 Aspen Commons .. Middleton .. WI .. US .. 53562-4718
(Street and Number) (City or Town, State, Country and Zip Code) 608-829-4200
(Area Code) (Telephone Number)

Internet Web Site Address

Statutory Statement Contact Victoria L. Olsen 608-829-4853
(Name) (Area Code) (Telephone Number)
 financialfilings@capspecialty.com (Extension)
 (E-Mail Address) 608-829-7414
 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Stephen Jay Sills	CEO, President	2. Antonio Celi	General Counsel, V.P., Secretary
3. John Ervin Rzepinski	Vice President, Treasurer, CFO	4. Daniel Matthew McGinnis	President - Property & Casualty and Professional Lines

OTHER

Suzanne Michele Broadbent	Assistant Secretary	Todd Steven Burrick	Vice President, Head of Actuarial
Mark Steven Dalaklis	Controller	Joshua Christopher Deno	Assistant Treasurer
Seth Howard Fischer	Vice President	Doron David Hai	Vice President
John Langton Sennott Jr	Vice President	Julianne Splain	Vice President
Melanie Fiona Wilhelm	Chief Compliance Officer	Brian Andrew Wert	Chief Technology and Information Security Officer

DIRECTORS OR TRUSTEES

Stephen Jay Sills Daniel Matthew McGinnis John Langton Sennott Jr

State of..... Wisconsin
County of..... Dane

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

(Signature) Stephen Jay Sills	(Signature) Antonio Celi	(Signature) John Ervin Rzepinski
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
CEO, President	General Counsel, V.P., Secretary	Vice President, Treasurer, CFO
(Title)	(Title)	(Title)

Subscribed and sworn to before me a. Is this an original filing? Yes [X] No []
This _____ day of _____ 2019 b. if no 1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

Maria M. Anderson
My commission expires 05-17-19.

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	271,421,755		271,421,755	228,435,632
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	254,301,991		254,301,991	284,574,830
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(4,551,000), Schedule E-Part 1), cash equivalents (\$.....50,051,695, Schedule E-Part 2) and short-term investments (\$.....4,380,782, Schedule DA).....	49,881,477		49,881,477	29,134,430
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	185,468		185,468	856,044
9. Receivables for securities.....	426,740		426,740	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	576,217,431	0	576,217,431	543,000,936
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	1,986,001		1,986,001	1,545,112
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	32,624,694	1,814,222	30,810,472	27,984,657
15.2 Deferred premiums, agents' balances and instalments booked but deferred and not yet due (including \$.....149,795 earned but unbilled premiums).....	9,991,590	14,980	9,976,610	9,606,035
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	4,298,433		4,298,433	2,794,984
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....				23,193
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	551,107		551,107	3,830,871
18.2 Net deferred tax asset.....	7,356,587		7,356,587	2,330,236
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	8,071,131	7,294,004	777,127	517,147
21. Furniture and equipment, including health care delivery assets (\$.....0).....	2,065,390	2,065,390	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	782,109		782,109	703,460
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	6,219,743	6,061,795	157,948	504,445
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	650,164,216	17,250,391	632,913,825	592,841,076
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	650,164,216	17,250,391	632,913,825	592,841,076

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Other assets.....	1,338,152	1,217,852	120,300	504,445
2502. Other intangibles.....	4,843,943	4,843,943	0	
2503. State income taxes recoverable.....	33,143		33,143	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	4,505	0	4,505	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	6,219,743	6,061,795	157,948	504,445

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	180,143,207	158,044,414
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....	17,605,989	11,471,755
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	36,843,741	33,055,116
4. Commissions payable, contingent commissions and other similar charges.....	606,760	762,210
5. Other expenses (excluding taxes, licenses and fees).....	9,199,268	7,293,471
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	498,247	585,367
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....47,003,864 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	104,684,993	93,382,600
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	2,614,399	(389,264)
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20).....		
14. Amounts withheld or retained by company for account of others.....	6,379,709	7,354,209
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 3, Column 78).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	5,253,893	12,235,315
20. Derivatives.....		
21. Payable for securities.....		2,500,000
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	680,540	1,278,335
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	364,510,746	327,573,428
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	364,510,746	327,573,428
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	4,201,416	4,201,416
31. Preferred capital stock.....		
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	103,923,753	103,923,753
35. Unassigned funds (surplus).....	160,277,910	157,142,479
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	268,403,079	265,267,648
38. TOTAL (Page 2, Line 28, Col. 3).....	632,913,825	582,841,076

DETAILS OF WRITE-INS

2501. Funds held - unclaimed property.....	680,540	236,632
2502. Miscellaneous liabilities.....		1,041,703
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	680,540	1,278,335
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

Annual Statement for the year 2018 of the **Capitol Indemnity Corporation**
STATEMENT OF INCOME

	1	2
	Current Year	Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	202,897,436	182,587,592
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7).....	78,968,372	73,175,193
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	32,997,536	28,395,647
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	89,779,930	81,581,870
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	201,745,838	183,152,710
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	1,151,598	(565,118)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	8,448,237	6,599,677
10. Net realized capital gains (losses) less capital gains tax of \$.....(37,761) (Exhibit of Capital Gains (Losses)).....	(142,055)	5,866,422
11. Net investment gain (loss) (Lines 9 + 10).....	8,307,182	12,466,099
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....337,176).....	(337,176)	(471,916)
13. Finance and service charges not included in premiums.....	173,845	249,025
14. Aggregate write-ins for miscellaneous income.....	(533,165)	(491,745)
15. Total other income (Lines 12 through 14).....	(696,496)	(714,636)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	8,762,284	11,186,345
17. Dividends to policyholders.....		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	8,762,284	11,186,345
19. Federal and foreign income taxes incurred.....	3,012,040	(59,314)
20. Net income (Line 18 minus Line 19) (to Line 22).....	5,750,244	11,245,659
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	265,267,648	234,240,428
22. Net income (from Line 20).....	5,750,244	11,245,659
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(1,744,608).....	(3,335,687)	31,460,310
25. Change in net unrealized foreign exchange capital gain (loss).....		
26. Change in net deferred income tax.....	3,281,745	(7,497,694)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(2,560,871)	(4,388,055)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		207,000
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from Protected Cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3 Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	3,135,431	31,027,220
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	268,403,079	265,267,648
DETAILS OF WRITE-INS		
0501.....		
0502.....		
0503.....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0
1401. Miscellaneous expense.....	(533,165)	(491,745)
1402.....		
1403.....		
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	(533,165)	(491,745)
3701.....		
3702.....		
3703.....		
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	213,758,184	184,458,128
2. Net investment income.....	8,946,975	7,491,253
3. Miscellaneous income.....	(696,496)	(714,636)
4. Total (Lines 1 through 3).....	222,008,663	191,234,745
5. Benefit and loss related payments.....	52,215,601	52,883,763
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	117,317,066	106,481,436
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....(46,288) tax on capital gains (losses).....	(305,485)	6,630,736
10. Total (Lines 5 through 9).....	169,227,182	165,995,935
11. Net cash from operations (Line 4 minus Line 10).....	52,781,481	25,238,810
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	57,796,358	116,008,995
12.2 Stocks.....	76,978,821	162,269,047
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	363,461	2,801,479
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	173	(22)
12.7 Miscellaneous proceeds.....		2,500,000
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	135,138,613	283,579,499
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	101,971,860	151,036,169
13.2 Stocks.....	51,416,950	156,362,737
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	2,926,740	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	156,315,550	307,398,906
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(21,176,737)	(23,819,407)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(10,857,697)	5,132,831
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(10,857,697)	5,132,831
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	20,747,047	6,552,234
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	29,134,431	22,582,197
19.2 End of year (Line 18 plus Line 19.1).....	49,881,478	29,134,431
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		

Annual Statement for the year 2018 of the **Capitol Indemnity Corporation**
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	201,635	133,951	76,732	258,854
2. Allied lines.....	67,823	64,582	33,227	119,178
3. Farmowners multiple peril.....	0	0	0	0
4. Homeowners multiple peril.....	0	0	0	0
5. Commercial multiple peril.....	35,995,058	21,665,892	18,132,434	39,528,516
6. Mortgage guaranty.....	0	0	0	0
8. Ocean marine.....	0	0	0	0
9. Inland marine.....	356,814	201,594	148,411	409,997
10. Financial guaranty.....	0	0	0	0
11.1 Medical professional liability - occurrence.....	4,330,981	1,778,720	2,116,197	3,993,504
11.2 Medical professional liability - claims-made.....	14,737,327	5,935,743	6,741,180	13,931,890
12. Earthquake.....	0	0	0	0
13. Group accident and health.....	110,808	91,989	25,689	177,128
14. Credit accident and health (group and individual).....	0	0	0	0
15. Other accident and health.....	0	(2)	0	(2)
16. Workers' compensation.....	402	552	547	407
17.1 Other liability - occurrence.....	72,042,313	25,531,894	33,586,930	63,987,277
17.2 Other liability - claims-made.....	40,298,935	14,019,955	18,127,308	36,192,582
17.3 Excess workers' compensation.....	0	0	0	0
18.1 Products liability - occurrence.....	8,677,594	3,051,847	4,255,991	7,473,450
18.2 Products liability - claims-made.....	0	0	0	0
19.1, 19.2 Private passenger auto liability.....	0	0	0	0
19.3, 19.4 Commercial auto liability.....	3,134,743	1,500,134	1,715,189	2,919,688
21. Auto physical damage.....	865,069	427,516	504,090	788,495
22. Aircraft (all perils).....	0	0	0	0
23. Fidelity.....	524,474	414,255	399,572	539,157
24. Surety.....	32,842,679	18,538,700	18,817,110	32,564,269
26. Burglary and theft.....	12,174	5,278	4,408	13,046
27. Boiler and machinery.....	0	0	0	0
28. Credit.....	0	0	0	0
29. International.....	0	0	0	0
30. Warranty.....	0	0	0	0
31. Reinsurance - nonproportional assumed property.....	0	0	0	0
32. Reinsurance - nonproportional assumed liability.....	0	0	0	0
33. Reinsurance - nonproportional assumed financial lines.....	0	0	0	0
34. Aggregate write-ins for other lines of business.....	0	0	0	0
35. TOTALS.....	214,199,829	93,382,600	104,684,993	202,897,436

DETAILS OF WRITE-INS

3401.	0	0	0	0
3402.	0	0	0	0
3403.	0	0	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0

Annual Statement for the year 2018 of the **Capitol Indemnity Corporation**
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	76,732				76,732
2. Allied lines.....	33,227				33,227
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....					0
5. Commercial multiple peril.....	18,072,680	59,754			18,132,434
6. Mortgage guaranty.....					0
8. Ocean marine.....					0
9. Inland marine.....	148,411				148,411
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....	2,105,882	10,315			2,116,197
11.2 Medical professional liability - claims-made.....	6,465,987	275,193			6,741,180
12. Earthquake.....					0
13. Group accident and health.....	25,669				25,669
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....					0
16. Workers' compensation.....	547				547
17.1 Other liability - occurrence.....	32,001,132	1,585,798			33,586,930
17.2 Other liability - claims-made.....	17,161,102	966,206			18,127,308
17.3 Excess workers' compensation.....					0
18.1 Products liability - occurrence.....	3,505,852	750,139			4,255,991
18.2 Products liability - claims-made.....					0
19.1, 19.2 Private passenger auto liability.....					0
19.3, 19.4 Commercial auto liability.....	1,715,189				1,715,189
21. Auto physical damage.....	504,090				504,090
22. Aircraft (all perils).....					0
23. Fidelity.....	160,595	238,977			399,572
24. Surety.....	14,601,431	4,215,679			18,817,110
26. Burglary and theft.....	4,406				4,406
27. Boiler and machinery.....					0
28. Credit.....					0
29. International.....					0
30. Warranty.....					0
31. Reinsurance - nonproportional assumed property.....					0
32. Reinsurance - nonproportional assumed liability.....					0
33. Reinsurance - nonproportional assumed financial lines.....					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0
35. TOTALS.....	96,582,932	8,102,061	0	0	104,684,993
36. Accrued retrospective premiums based on experience.....					0
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					104,684,993

DETAILS OF WRITE-INS

3401.					0
3402.					0
3403.					0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0

(a) State here basis of computation used in each case: Daily pro rata and 24th Method

Annual Statement for the year 2018 of the **Capitol Indemnity Corporation**
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	44,645	247,187		86,416	3,781	201,635
2. Allied lines.....	78,345	27,000		29,515	8,007	67,823
3. Farmowners multiple peril.....						0
4. Homeowners multiple peril.....						0
5. Commercial multiple peril.....	28,791,352	24,861,022		15,688,334	1,967,982	35,995,058
6. Mortgage guaranty.....						0
8. Ocean marine.....						0
9. Inland marine.....	329,694	198,925		154,547	17,258	356,814
10. Financial guaranty.....						0
11.1 Medical professional liability - occurrence.....	129,140	6,066,738		1,856,135	8,762	4,330,981
11.2 Medical professional liability - claims-made.....	289,380	20,783,331		6,315,997	19,387	14,737,327
12. Earthquake.....						0
13. Group accident and health.....	162,297			47,489	4,000	110,808
14. Credit accident and health (group and individual).....						0
15. Other accident and health.....						0
16. Workers' compensation.....			575	173		402
17.1 Other liability - occurrence.....	17,824,397	85,999,851		30,875,277	906,458	72,042,313
17.2 Other liability - claims-made.....	6,702,403	51,686,134		17,271,401	817,201	40,299,935
17.3 Excess workers' compensation.....						0
18.1 Products liability - occurrence.....	267,767	12,135,287		3,718,969	6,491	8,677,594
18.2 Products liability - claims-made.....						0
19.1, 19.2 Private passenger auto liability.....						0
19.3, 19.4 Commercial auto liability.....	4,786,800			1,343,462	308,595	3,134,743
21. Auto physical damage.....	1,299,200			380,441	53,690	865,069
22. Aircraft (all perils).....						0
23. Fidelity.....	109,863	644,649		224,774	5,264	524,474
24. Surety.....	7,123,174	40,720,249		14,075,434	925,310	32,842,679
26. Burglary and theft.....	12,726	5,304		5,217	639	12,174
27. Boiler and machinery.....						0
28. Credit.....						0
29. International.....						0
30. Warranty.....						0
31. Reinsurance - nonproportional assumed property.....	XXX					0
32. Reinsurance - nonproportional assumed liability.....	XXX					0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
35. TOTALS.....	67,951,183	243,375,477	575	92,074,581	5,052,825	214,199,829

DETAILS OF WRITE-INS

3401.						0
3402.						0
3403.						0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

Annual Statement for the year 2016 of the **Capitol Indemnity Corporation**

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - LOSSES PAID AND INCURRED

Line	Line of Business	Losses Paid Less Salvage			Net Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)			
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered				
1.	Fire.....	31,988	86,308	23,892	245,971	213	0.1	
2.	Allied lines.....	0	0	0	0	0	0.0	
3.	Farmowners multiple peril.....	0	87,869	19,827	0	0	43.8	
4.	Homeowners multiple peril.....	0	0	0	0	0	0.0	
5.	Commercial multiple peril.....	12,800,522	20,575,138	10,361,363	0	0	468	
6.	Mortgage guaranty.....	0	0	0	0	0	0.0	
7.	Ocean marine.....	0	0	0	0	0	0.0	
8.	Inland marine.....	163,333	85,884	76,283	0	0	(8.7)	
9.	Financial guaranty.....	0	0	0	0	0	0.0	
10.	Medical professional liability - occurrence.....	0	744,112	223,241	0	0	73.1	
11.	Medical professional liability - claims-made.....	0	4,885,773	1,450,782	0	0	36.7	
12.	Earthquake.....	0	0	0	0	0	0.0	
13.	Group accident and health.....	53,597	0	17,892	0	0	17.0	
14.	Credit accident and health (group and individual).....	0	0	0	0	0	0.0	
15.	Other accident and health.....	0	0	0	0	0	0.0	
16.	Workers' compensation.....	1,001,433	18,864	302,785	0	0	1,580.0	
17.	Other liability - occurrence.....	5,437,381	22,415,822	8,665,939	0	0	(8,962.6)	
18.	Other liability - claims-made.....	811,200	6,354,088	2,149,587	0	0	28.8	
19.	Excess workers' compensation.....	0	0	0	0	0	0.0	
20.	Products liability - occurrence.....	46,724	324,983	111,512	0	0	32.6	
21.	Products liability - claims-made.....	0	0	0	0	0	0.0	
22.	Private passenger auto liability.....	0	0	0	0	0	0.0	
23.	Commercial auto liability.....	1,810,428	0	453,228	0	0	57.8	
24.	Auto physical damage.....	738,884	0	224,888	0	0	86.9	
25.	Fidelity.....	0	0	0	0	0	0.0	
26.	Surety.....	76,300	0	26,347	0	0	0.0	
27.	Burglary and theft.....	2,663,900	0	1,673,669	0	0	83	
28.	Boiler and machinery.....	0	0	2,429	0	0	74.8	
29.	Credit.....	0	0	0	0	0	0.0	
30.	International.....	0	0	0	0	0	0.0	
31.	Warrenty.....	0	0	0	0	0	0.0	
32.	Reinsurance - nonproportional assumed property.....	0	0	0	0	0	0.0	
33.	Reinsurance - nonproportional assumed liability.....	0	0	0	0	0	0.0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0.0	
35.	TOTALS.....	25,607,558	57,166,582	25,904,557	180,143,205	155,044,415	78,988,372	38.9
3401.				DETAILS OF WRITE-INS				
3402.								
3403.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0.0
3499.	Totals (Lines 3401 through 3403 plus 3489) (Line 34 above).....	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT**PART 3 - EXPENSES**

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	5,742,665			5,742,665
1.2 Reinsurance assumed.....	30,717,741			30,717,741
1.3 Reinsurance ceded.....	11,450,527			11,450,527
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	25,009,879	.0	.0	25,009,879
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		14,352,330		14,352,330
2.2 Reinsurance assumed, excluding contingent.....		58,009,835		58,009,835
2.3 Reinsurance ceded, excluding contingent.....		21,992,857		21,992,857
2.4 Contingent - direct.....		422,417		422,417
2.5 Contingent - reinsurance assumed.....		1,825,070		1,825,070
2.6 Contingent - reinsurance ceded.....		674,246		674,246
2.7 Policy and membership fees.....				.0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	.0	51,942,549	.0	51,942,549
3. Allowances to manager and agents.....	58	173,425		173,483
4. Advertising.....	162	85,344		85,506
5. Boards, bureaus and associations.....	97,073	1,428,384		1,525,457
6. Surveys and underwriting reports.....		519,627		519,627
7. Audit of assureds' records.....	44,925	227,348		272,273
8. Salary and related items:				
8.1 Salaries.....	4,202,538	22,063,192	337,996	26,623,726
8.2 Payroll taxes.....	259,796	1,174,070		1,433,866
9. Employee relations and welfare.....	1,622,484	1,798,605	96,490	3,518,579
10. Insurance.....	55,270	171,212		226,482
11. Directors' fees.....	1,050	2,268		3,318
12. Travel and travel items.....	58,273	1,036,363		1,094,636
13. Rent and rent items.....	416,918	1,890,903		2,307,821
14. Equipment.....	381,052	1,458,896		1,839,948
15. Cost or depreciation of EDP equipment and software.....	285,248	1,285,714		1,570,962
16. Printing and stationery.....	84,243	325,652	4,559	414,454
17. Postage, telephone and telegraph, exchange and express.....	111,373	509,080		620,453
18. Legal and auditing.....	356,588	1,209,306	1,774,572	3,340,466
19. Totals (Lines 3 to 18).....	7,977,031	35,380,191	2,213,617	45,570,839
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....		1,480,672		1,480,672
20.2 Insurance department licenses and fees.....		767,731		767,731
20.3 Gross guaranty association assessments.....		8,852		8,852
20.4 All other (excluding federal and foreign income and real estate).....		69,455	28,257	97,712
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	.0	2,326,710	28,257	2,354,967
21. Real estate expenses.....				.0
22. Real estate taxes.....				.0
23. Reimbursements by uninsured plans.....				.0
24. Aggregate write-ins for miscellaneous expenses.....	10,625	130,479	.0	141,104
25. Total expenses incurred.....	32,997,535	88,778,929	2,241,874 (a)	125,019,338
26. Less unpaid expenses - current year.....	36,843,741	15,966,862	(117,726)	52,682,877
27. Add unpaid expenses - prior year.....	33,055,116	21,226,223	(109,178)	54,172,161
28. Amounts receivable relating to uninsured plans, prior year.....				.0
29. Amounts receivable relating to uninsured plans, current year.....				.0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	29,208,910	95,038,290	2,250,422	126,498,622

DETAILS OF WRITE-INS

2401. Contract labor.....	1,924	11,973		13,897
2402. Miscellaneous expense.....	8,701	57,562		66,263
2403. Underwriting support data.....		60,944		60,944
2498. Summary of remaining write-ins for Line 24 from overflow page.....	.0	.0	.0	.0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	10,625	130,479	.0	141,104

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....169,715	.....178,538
1.1 Bonds exempt from U.S. tax.....	(a).....2,382,717	.....2,280,825
1.2 Other bonds (unaffiliated).....	(a).....5,254,472	.....5,624,024
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....1,881,603	.....2,046,009
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....562,040	.....562,040
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....10,250,547	.....10,691,436
11. Investment expenses.....	.....	(g).....2,213,617
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....28,257
13. Interest expense.....	.....	(h).....325
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....2,242,199
17. Net investment income (Line 10 minus Line 16).....	.....	.....8,449,237

DETAILS OF WRITE-INS

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....49,284 accrual of discount less \$.....996,457 amortization of premium and less \$.....195,254 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....47,449 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	(88,837)	.....	(88,837)	.....	.....
1.1 Bonds exempt from U.S. tax.....	448,927	.....	448,927	.....	.....
1.2 Other bonds (unaffiliated).....	(608,179)	.....	(608,179)	.....5,888	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	(295,362)	.....	(295,362)	.....(7,642,967)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....3,227,360	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	173	.....	173	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	363,461	.....	363,461	.....(670,576)	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	(179,816)	.....0	(179,816)	(5,080,295)	.....0

DETAILS OF WRITE-INS

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.0
3.2 Other than first liens.....			.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....			.0
4.3 Properties held for sale.....			.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.0
6. Contract loans.....			.0
7. Derivatives (Schedule DB).....			.0
8. Other invested assets (Schedule BA).....			.0
9. Receivables for securities.....			.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0
11. Aggregate write-ins for invested assets.....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.0	.0	.0
13. Title plants (for Title insurers only).....			.0
14. Investment income due and accrued.....			.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	1,814,222	1,562,162	(252,040)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	14,980	18,002	3,022
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			.0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.0
16.2 Funds held by or deposited with reinsured companies.....			.0
16.3 Other amounts receivable under reinsurance contracts.....			.0
17. Amounts receivable relating to uninsured plans.....			.0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
18.2 Net deferred tax asset.....			.0
19. Guaranty funds receivable or on deposit.....			.0
20. Electronic data processing equipment and software.....	7,294,004	6,080,622	(1,213,382)
21. Furniture and equipment, including health care delivery assets.....	2,065,390	2,137,289	71,899
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
23. Receivables from parent, subsidiaries and affiliates.....			.0
24. Health care and other amounts receivable.....			.0
25. Aggregate write-ins for other-than-invested assets.....	6,061,795	4,891,424	(1,170,371)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	17,250,391	14,689,519	(2,560,872)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	17,250,391	14,689,519	(2,560,872)

DETAILS OF WRITE-INS

1101.....			.0
1102.....			.0
1103.....			.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0
1198. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	.0	.0	.0
2501. Other assets.....	1,217,852	1,027,842	(190,010)
2502. Other intangibles.....	4,843,943	3,863,582	(980,361)
2503.....			.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0
2598. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	6,061,795	4,891,424	(1,170,371)

NOTES TO FINANCIAL STATEMENTS**Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

Capitol Indemnity Corporation's (the Company's) statutory-basis financial statements are prepared in accordance with accounting practices prescribed or permitted by the State of Wisconsin Office of the Commissioner of Insurance (OCI). The state of Wisconsin requires insurance companies domiciled in the state of Wisconsin to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the Wisconsin Insurance Department.

Currently, "prescribed" statutory accounting practices are interspersed throughout state insurance laws and regulations, the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures Manual and a variety of other NAIC publications. "Permitted" statutory accounting practices encompass all accounting practices that are not prescribed; such practices may differ from state to state, may differ from company to company within a state, and may change in the future. The Company did not utilize any permitted practices in 2018 or 2017.

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 5,750,244	\$ 11,245,659
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	\$ 5,750,244	\$ 11,245,659
SURPLUS					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 268,403,079	\$ 265,267,648
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	\$ 268,403,079	\$ 265,267,648

B. Use of Estimates in the Preparation of the Financial Statement

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

C. Accounting Policy

Certain assets designated as "non-admitted," principally deferred tax assets, electronic data processing equipment and software, and past-due agents' balances, are excluded from the assets and charged directly to unassigned surplus.

Premiums are recognized as revenue on a pro-rata basis over the term of the contracts, except that premium adjustments on retrospectively rated policies are recognized when billed. The reserve for unearned premiums is determined on a monthly pro-rata basis.

The costs of acquiring and renewing business (policy acquisition costs) are expensed when incurred.

Recoverables from contract bondholders are estimated using the "case-basis" method for large recoverables and historical statistics for smaller recoverables.

Deferred tax assets are limited to 1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with IRS tax loss carryback provisions not to exceed three years, plus 2) the lesser of the remaining gross deferred tax assets expected to be realized within three years of the balance sheet date or 15% of capital and surplus excluding any deferred tax assets, EDP equipment and operating software and any net positive goodwill, plus 3) the amount of remaining gross deferred tax assets that can be offset against existing gross deferred tax liabilities. The remaining deferred tax assets are non-admitted. Deferred taxes do not include amounts for state taxes.

Policyholder dividends are recognized when declared.

A liability for guaranty fund assessments is accrued after insolvency has occurred regardless of whether the assessment is based on premiums written before or after the insolvency.

Cash and short-term investments in the statement of cash flow represent cash balances and investments with initial maturities of one year or less.

Reinsurance premiums, losses and loss adjustment expenses are accounted for on basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. In accordance with industry practice, the Company treats risks, to the extent reinsured, as though they were for which the Company is not liable. In other words, reserves for losses, loss adjustment expense and unearned premiums ceded to reinsurers are reported as reductions of the related reserves. Insurance ceded by the Company does not relieve it of its primary liability as the originating insurer.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments include investments with maturities of less than one year at the date of acquisition. Applicable bonds are reported at amortized cost and other investments are reported at cost, both of which approximate fair value.
- (2) Bonds not backed by other loans are principally stated at amortized cost using the interest method.
- (3) Common stocks, other than investments in subsidiaries and affiliates, are stated at fair value. There are no restrictions on common stock.
- (4) The Company does not currently invest in investment grade perpetual preferred stocks.
- (5) The Company does not currently invest in mortgage loans.

NOTES TO FINANCIAL STATEMENTS

- (6) Single-class and multi-class mortgage-backed/asset-backed securities are valued at amortized cost using the interest method, including anticipated pre-payments. Pre-payment assumptions are obtained from dealer surveys or internal estimates and are based on the current interest rate and economic environment. The retrospective adjustment method is used to value all such securities.
- (7) Insurance subsidiaries, Capitol Specialty Insurance Corporation and Platte River Insurance Company, are stated at statutory equity value. The Company has a pooling arrangement with its affiliates as discussed in Note 26.
- (8) The Company does not currently invest in joint ventures, partnerships and limited liability entities
- (9) The Company does not currently invest in derivative instruments.
- (10) The Company does not use anticipated investment income in the premium deficiency calculation.
- (11) Loss and loss adjustment expense reserves represent management's best estimate of the ultimate net cost of all reported and unreported losses incurred through December 31. The Company does not discount loss and loss adjustment expense reserves. The reserves for unpaid losses and loss adjustment expenses are estimated using individual case-basis valuations and statistical analyses. Estimates received from other insurers are used with respect to reinsurance assumed. Those estimates are subject to the effects of trends in loss severity and frequency. Although considerable variability is inherent in such estimates, management believes the reserves for losses and loss adjustment expenses are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known. Such adjustments are included in current operations.

The Company reinsured other insurers for asbestos and environmental exposures from 1969 to 1976, but, similar to the industry in general, continues to have loss exposures related to this discontinued business. The Company has a small retro-cession treaty in place for this business.
- (12) The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, furniture, vehicles, other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
- (13) The Company does not write major medical insurance with prescription drug coverage.

D. Going Concern

Management has evaluated recent conditions and events and does not have substantial doubt about the Company's ability to continue as a going concern.

Note 2 – Accounting Changes and Correction of Errors

Not applicable

Note 3 – Business Combinations and Goodwill

- A. **Statutory Purchase Method**
Not applicable
- B. **Statutory Merger**
Not applicable
- C. **Impairment Loss**
Not applicable

Note 4 – Discontinued Operations

- A. **Discontinued Operation Disposed of or Classified as Held for Sale**

The Company did not discontinue any of its lines of business in 2018 nor 2017. The Company, however, provided reinsurance coverage from 1969 to 1976 by assuming a portion of risks underwritten by other insurance companies and risk pools. While the Company withdrew from this business in 1976, liability remains for losses on policies written during the period the Company participated as a reinsurer. The Company participated on treaties that covered certain risks, namely asbestos and environmental, that had significant development industry-wide over the past several years. The loss reserves on this reinsurance assumed business are based on the most current information available from ceding companies and are continually reviewed for accuracy and reasonableness. Management believes that the net reserves of \$5,590,742 are adequate, but recognizes the uncertainty industry-wide concerning these exposures.

- B. **Change in Plan of Sale of Discontinued Operation**
Not applicable
- C. **Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal**
Not applicable
- D. **Equity Interest Retained in the Discontinued Operation After Disposal**
Not applicable

Note 5 – Investments

- A. **Mortgage Loans, including Mezzanine Real Estate Loans**
Not applicable
- B. **Debt Restructuring**
Not applicable

NOTES TO FINANCIAL STATEMENTS**C. Reverse Mortgages**

Not applicable

D. Loan-Backed Securities**(1) Description of Sources Used to Determined Prepayment Assumptions**

Prepayment assumptions for Mortgage-Backed Securities, Collateralized Mortgage Obligations and Other Structured Securities were generated using a purchased prepayment model. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels or interest rates (refinancing incentive), economic activity (including housing turnover) and term and age of the underlying collateral (burnout, seasoning).

(2) Other-Than-Temporary Impairments

There were no other-than-temporary impairments recorded during the year.

(3) Recognized OTTI securities

There were no other-than-temporary impairments (OTTI) for loan-backed securities held at the end of the year.

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$ 846,464
	2. 12 Months or Longer	\$ 390,683
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$ 66,373,375
	2. 12 Months or Longer	\$ 17,171,600

(5) All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether other-than-temporary impairment should be recognized. For those securities in an unrealized loss position as of December 31, 2018, the Company has not made a decision to sell any such securities. The Company has evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their cost basis. As of December 31, 2018, the Company believes that it has the ability to hold these securities long enough to allow the cost basis of these securities to be recovered. Management's assessment of a decline in value includes, among other things: (i) the duration of time and the relative magnitude to which fair value of the investment has been below cost; (ii) the financial condition and near-term prospects of the issuer of the investment; (iii) extraordinary events, including negative news releases and rating agency downgrades, with respect to the issuer of the investment; and (iv) the Company's ability and intent to hold a security for a period of time sufficient to allow for any anticipated recovery. Unrealized losses are due to a combination of credit and interest rate factors. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities held at December 31, 2018 if future events, information and the passage of time cause it to conclude that declines in value are other-than-temporary.**E. Dollar Repurchase Agreements and/or Securities Lending Transactions**

Not applicable

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

Not applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not applicable

J. Real Estate

Not applicable

K. Low-Income Housing Tax Credits (LIHTC)

Not applicable

L. Restricted Assets**(1) Restricted Assets (Including Pledged)**

Restricted Asset Category	Gross (Admitted & Nonadmitted)					Restricted					Current Year	
	Current Year					Current Year					Percentage	
	1	2	3	4	5	6	7	8	9	10	11	
Total General Account (GIA)	GIA Supporting Protected Call Account Activity (a)	Total Protected Call Account Restricted Assets	Protected Call Account Assets Supporting GIA Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)		
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	
b. Collateral held under security lending	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	

NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	Gross		(Admitted & Nonadmitted)		Restricted	6	7	8	Current Year			
	1	2	Current Year						9	10	11	
			Total General Account (GIA)	GIA Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting GIA Activity (b)	Total (1 plus 3)	Total From Prior Year				Increase/ (Decrease) (\$ minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted ($ minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
c. Subject to repurchase agreements											%	%
d. Subject to reverse repurchase agreements											%	%
e. Subject to dollar repurchase agreements											%	%
f. Subject to dollar reverse repurchase agreements											%	%
g. Placed under option contracts											%	%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock											%	%
i. FHLB capital stock											%	%
j. On deposit with states	4,884,387				4,884,387	4,863,090	1,288		4,884,387		0.8%	0.8%
k. On deposit with other regulatory bodies											%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)											%	%
m. Pledged as collateral not captured in other categories											%	%
n. Other restricted assets											%	%
o. Total Restricted Assets	\$ 4,884,387	\$	\$	\$	\$ 4,884,387	\$ 4,863,090	\$ 1,288	\$	\$ 4,884,387		0.8%	0.8%

- (a) Subset of column 1
- (b) Subset of column 3
- (c) Column 5 divided by Asset Page, Column 1, Line 28
- (d) Column 9 divided by Asset Page, Column 3, Line 28

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)

Not applicable

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

Not applicable

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Not applicable

M. Working Capital Finance Investments

Not applicable

N. Offsetting and Netting of Assets and Liabilities

Not applicable

O. Structured Notes

Not applicable

P. SGI Securities

Not applicable

Q. Short Sales

Not applicable

R. Prepayment Penalty and Acceleration Fees

Not applicable

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership

Not applicable

B. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

NOTES TO FINANCIAL STATEMENTS**Note 7 – Investment Income**

A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:

The Company does not admit investment income due and accrued if the amounts are over 90 days past due.

B. The total amount excluded:

There was no amount excluded at December 31, 2018 or 2017.

Note 8 – Derivative Instruments

The Company does not invest in derivative instruments.

Note 9 – Income Taxes

A. Deferred Tax Assets/(Liabilities)

1. Components of Net Deferred Tax Asset/(Liability)

	2018			2017			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 16,247,628	\$ 722,448	\$ 16,970,076	\$ 12,827,620	\$ 793,372	\$ 13,620,992	\$ 3,420,008	\$ (70,924)	\$ 3,349,084
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 16,247,628	\$ 722,448	\$ 16,970,076	\$ 12,827,620	\$ 793,372	\$ 13,620,992	\$ 3,420,008	\$ (70,924)	\$ 3,349,084
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 16,247,628	\$ 722,448	\$ 16,970,076	\$ 12,827,620	\$ 793,372	\$ 13,620,992	\$ 3,420,008	\$ (70,924)	\$ 3,349,084
f. Deferred tax liabilities	2,251,790	7,361,899	9,613,489	2,184,450	9,106,307	11,290,757	67,340	(1,744,608)	(1,677,268)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 13,995,838	\$ (6,639,251)	\$ 7,356,587	\$ 10,643,170	\$ (8,312,935)	\$ 2,330,235	\$ 3,352,668	\$ 1,673,684	\$ 5,026,352

2. Admission Calculation Components SSAP No. 101

	2018			2017			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 5,181,472	\$ 62,936	\$ 5,244,408	\$ 7,670,702	\$	\$ 7,670,702	\$ (2,489,230)	\$ 62,936	\$ (2,426,294)
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	5,899,920		5,899,920	2,186,165		2,186,165	3,713,755		3,713,755
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	5,899,920		5,899,920	2,186,165		2,186,165	3,713,755		3,713,755
2. Adjusted gross deferred tax assets allowed per limitation threshold			39,741,717			39,071,230			670,487
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	5,103,300	722,448	5,825,748	2,970,753	793,373	3,764,126	2,132,547	(70,925)	2,061,622
d. Deferred tax assets admitted as the result of application of SSAP 101.	\$ 16,184,692	\$ 785,384	\$ 16,970,076	\$ 12,827,619	\$ 793,373	\$ 13,620,992	\$ 3,357,073	\$ (7,989)	\$ 3,349,084

NOTES TO FINANCIAL STATEMENTS

	1	2018	3	4	2017	6	7	Change	9
	Ordinary	Capital	(Col 1+2)	Ordinary	Capital	(Col 4+5)	(Col 1-4)	(Col 2-5)	(Col 7+8)
Total (2)(e)+2(b)+2(c)									

3. Other Admissibility Criteria

	2018	2017
a. Ratio percentage used to determine recovery period and threshold limitation amount	470.1%	523.6%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 265,721,907	\$ 260,992,016

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	2018		2017		Change	
	1	2	3	4	5	6
	Ordinary	Capital	Ordinary	Capital	(Col. 1-3)	(Col. 2-4)
					Ordinary	Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 16,247,628	\$ 722,448	\$ 12,827,620	\$ 793,372	\$ 3,420,008	\$ (70,924)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 16,247,628	\$ 722,448	\$ 12,827,620	\$ 793,372	\$ 3,420,008	\$ (70,924)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

(b) Does the company's tax planning strategies include the use of reinsurance? NO

B. Deferred Tax Liabilities Not Recognized

There are no temporary differences for which deferred tax liabilities are not recognized.

C. Current and Deferred Income Taxes

1. Current Income Tax

	1	2	3
	2018	2017	(Col 1-2)
			Change
a. Federal	\$ 3,012,040	\$ (59,314)	\$ 3,071,354
b. Foreign	\$	\$	\$
c. Subtotal	\$ 3,012,040	\$ (59,314)	\$ 3,071,354
d. Federal income tax on net capital gains	\$ (37,761)	\$ 1,970,672	\$ (2,008,433)
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$	\$	\$
g. Federal and Foreign income taxes incurred	\$ 2,974,279	\$ 1,911,358	\$ 1,062,921

2. Deferred Tax Assets

	1	2	3
	2018	2017	(Col 1-2)
			Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 3,839,142	\$ 3,521,981	\$ 317,161
2. Unearned premium reserve	4,396,770	3,922,069	474,701
3. Policyholder reserves			
4. Investments	119,027	246,159	(127,132)
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual	2,246,784	2,048,937	197,847
9. Pension accrual			
10. Receivables - nonadmitted	380,987	328,058	52,929
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (items <=5% and >5% of total ordinary tax assets)	5,264,918	2,760,416	2,504,502
Other (items listed individually >5% of total ordinary tax assets)			
	5,207,068	2,756,741	2,450,327
99. Subtotal	16,247,628	12,827,620	3,420,008

NOTES TO FINANCIAL STATEMENTS

b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	16,247,628	12,827,620	3,420,008
e. Capital:			
1. Investments	\$ 722,448	\$ 793,372	\$ (70,924)
2. Net capital loss carry-forward			
3. Real estate			
4. Other (Items <=5% and >5% of total capital tax assets)			
Other (Items listed individually >5% of total capital tax assets)			
99. Subtotal	\$ 722,448	\$ 793,372	\$ (70,924)
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	722,448	793,372	(70,924)
i. Admitted deferred tax assets (2d+2h)	\$ 16,970,076	\$ 13,620,992	\$ 3,349,084

3. **Deferred Tax Liabilities**

	1	2	3
	2018	2017	(Col 1-2) Change
a. Ordinary:			
1. Investments	\$ 69,393	\$ 30,342	\$ 39,051
2. Fixed assets	1,049,211	731,727	317,484
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (Items <=5% and >5% of total ordinary tax liabilities)	1,133,186	1,422,381	(289,195)
Other (Items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	2,251,790	2,184,450	67,340
b. Capital:			
1. Investments	7,361,699	9,106,307	(1,744,608)
2. Real estate			
3. Other (Items <=5% and >5% of total capital tax liabilities)			
Other (Items listed individually >5% of total capital tax liabilities)			
99. Subtotal	7,361,699	9,106,307	(1,744,608)
c. Deferred tax liabilities (3a99+3b99)	\$ 9,613,489	\$ 11,290,757	\$ (1,677,268)
4. Net Deferred Tax Assets (2i - 3c)	\$ 7,356,587	\$ 2,330,235	\$ 5,026,352

D. **Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:**

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	\$ 1,832,150	21.0%
Proration of tax exempt investment income	(2,503,256)	(28.7)%
Tax exempt income deduction	(359,140)	(4.1)%
Dividends received deduction	(135,240)	(1.6)%
Disallowed travel and entertainment	99,211	1.1%
Other permanent differences		%
Temporary Differences:		
Total ordinary DTAs		%
Total ordinary DTLs		%
Total capital DTAs		%
Total capital DTLs		%
Other:		
Statutory valuation allowance adjustment		%
Accrual adjustment - prior year	758,810	8.7%
Other		%
Totals	(307,465)	(3.5)%
Federal and foreign income taxes incurred	3,012,040	34.5%
Realized capital gains (losses) tax	(37,761)	(0.4)%
Change in net deferred income taxes	(3,281,743)	(37.6)%
Total statutory income taxes	\$ (307,464)	(3.5)%

E. **Operating Loss Carryforwards and Income Taxes Available for Recoupment**

- At December 31, 2018 the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- The following is income tax expense for current year and preceding years that is available for recoupment in the event of future net losses:

Year	Amounts
2018	\$2,341,893
2017	\$3,050,565

- The Company did not have any protective deposits under Section 6603 of the Internal Revenue Code.

NOTES TO FINANCIAL STATEMENTS**F. Consolidated Federal Income Tax Return****1. The Company's federal income tax return is consolidated with the following entities:**

Alleghany Corporation (ultimate parent)
 AIHL Reinsurance, LLC (AIHL Re)
 Alleghany Capital Corporation
 Alleghany Properties Holdings LLC
 BKH Holdings Inc
 Boum & Koch Inc
 CAC LLC
 CapSpecialty, Inc
 Capitol Facilities Corporation
 Capitol Specialty Insurance Corporation
 CATA Services Company
 Covington Specialty Insurance Company
 Fair American Insurance and Reinsurance Company
 Fair American Select Insurance Company
 Landmark American Insurance Company
 Orien Risk Analyst, Inc.
 Platte River Insurance Company (Platte River)
 Professional Risk Management Services, Inc.
 Resurgens Specialty Underwriting, Inc.
 RSU Surplus Lines Insurance Services, Inc.
 RSUI Group, Inc.
 RSUI Indemnity Company
 Stranded Oil Resources Corporation
 Transatlantic Holdings Corporation
 Transatlantic Reinsurance Company
 TransRe London Limited
 TransRe Underwriting Managers Ltd.
 Treimco Ltd.

2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:

The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity that is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses which it may incur. The Company may also recoup taxes paid by offsetting future net income subject to federal income taxes.

G. Federal or Foreign Federal Income Tax Loss Contingencies:

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA

Not applicable

I. Alternative Minimum Tax (AMT Credit)

Not applicable

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**A. Nature of the Relationship Involved**

The Company is domiciled in Wisconsin and is a wholly owned subsidiary of CapSpecialty, Inc. (formally known as Capitol Transamerica Corporation), which, in turn, is owned 75.1% by Alleghany Insurance Holdings LLC ("Alleghany") and 24.9% by Transatlantic Holdings, Inc.. Additionally, the Company owns 100% of the outstanding stock of Capitol Specialty Insurance Corporation ("CSIC"), a Wisconsin domiciled insurance company and 100% of the outstanding stock of Platte River Insurance Company ("Platte"), a Nebraska domiciled insurance company.

Effective January 1, 2014, Alleghany Corporation contributed all its shares in Platte to the CapSpecialty, Inc. CapSpecialty, Inc., then contributed all its shares to the Company.

The Company participates in a pooling agreement with CSIC and Platte. As a member of the pool, the Company cedes its direct business to the pool, and then assumes a proportionate share of the premium, losses, and expenses of all the business written by the pool members. Under the pooling agreement, the Company retains 70% of the pool, CSIC retains 15%, and Platte retains 15%.

B. Transactions

Not applicable

C. Dollar Amounts of Transactions

Not applicable

D. Amounts Due From or To Related Parties

These arrangements are subject to written agreements and are settled according to the terms of the agreements.

Receivable from CapSpecialty	\$	3,222
Receivable from Professional Risk Management Services, Inc		778,861
Payable to Roundwood Asset Management LLC		524,021
Payable to CSIC		4,593,963
Payable to Platte		135,908

NOTES TO FINANCIAL STATEMENTS

- E. **Guarantees or Undertakings**
Not applicable
- F. **Material Management or Service Contracts and Cost-Sharing Arrangements**
The Company is a participant in several intercompany agreements covering various aspects of the Company's operations including a federal income tax allocation agreement and an investment management agreement. The Company provides administrative services and office space and equipment usage in conjunction with the pooling agreement to CSIC and Platte. The Company provides administrative services to Professional Risk Management Services, Inc., CATA Services Company, and Capitol Facilities Corporation, subsidiaries of CapSpecialty. In addition, the Company provides administrative services to CapSpecialty, Inc.
- G. **Nature of the Control Relationship**
All outstanding shares of the Company are owned by its parent company.
- H. **Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned**
Not applicable
- I. **Investments in SCA that Exceed 10% of Admitted Assets**
The Company owns 100% of CSIC and Platte. As of December 31, 2018 the investment in subsidiaries does not exceed 10% of admitted assets.
- J. **Investments in Impaired SCAs**
Not applicable
- K. **Investment in Foreign Insurance Subsidiary**
Not applicable
- L. **Investment in Downstream Noninsurance Holding Company**
Not applicable
- M. **All SCA Investments**
Not applicable
- N. **Investment in Insurance SCAs**
Not applicable
- O. **SCA Loss Tracking**
Not applicable

Note 11 – Debt

- A. **Debt, Including Capital Notes**
Not applicable
- B. **FHLB (Federal Home Loan Bank) Agreements**
Not applicable

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. **Defined Benefit Plan**
Not applicable
- B. **Investment Policies and Strategies**
Not applicable
- C. **Fair Value of Plan Assets**
Not applicable
- D. **Basis Used to Determine Expected Long-Term Rate-of-Return**
Not applicable
- E. **Defined Contribution Plans**

The Company has an employer sponsored defined contribution plan (401k) in which all eligible employees are eligible to participate. For all participants, the Company matches the employee contributions to the plan 100% up to 5% of participant's annual wages. Both the Company's and the individual participant's contributions are non-forfeitable, with no reversion to the Company. Plan costs allocated to the Company through the intercompany pooling agreement were \$1,595,926 and \$1,008,856 for the years ended December 31, 2018 and 2017, respectively.

NOTES TO FINANCIAL STATEMENTS

The Company also provides a non-qualified defined contribution retirement plan which is available to certain highly-compensated employees. Certain highly-compensated employees may also make unlimited individual contributions to the plan. Such contributions are not currently taxable to the participants. In addition, the Company makes contributions to the plan equal to 100% of the employee contribution up to 5% of the participant's annual wage that would be otherwise limited by the qualified plan. The trust assets remain subject to the Company's creditors in the event of insolvency. Plan costs allocated to the Company through the intercompany pooling agreement were \$208,667 and \$128,134 for the years ended December 31, 2018 and 2017, respectively.

- F. Multiemployer Plans
Not applicable
- G. Consolidated/Holding Company Plans
Not applicable
- H. Postemployment Benefits and Compensated Absences
Not applicable
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)
Not applicable

Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

- (1) Number of Share and Par or State Value of Each Class

The Company has 1,431 shares of \$2,936 par value common stock authorized and 1,431 shares issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.
- (2) Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues
Not applicable
- (3) Dividend Restrictions

Dividends on common stock are paid as declared by the Board of Directors of the Company. Under the insurance regulations of Wisconsin, the maximum amount of dividends that the Company may pay to shareholders is limited to the lesser of: (a) 10% of the most recent year-end policyholders surplus or (b) the greater of (i) the aggregate of net income for the three most recent years, less realized capital gains for the three most recent years less any dividends paid in the two most recent years or (ii) net income for the calendar year less realized capital gains for the calendar year

Accordingly, the maximum amount of dividend payout to shareholders that may be made without prior approval is \$14,123,213.
- (4) Dates and Amounts of Dividends Paid
No dividend payments were made in 2018 or 2017.
- (5) Profits that may be Paid as Ordinary Dividends to Stockholders
Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (6) Restrictions Plans on Unassigned Funds (Surplus)
There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (7) Amount of Advances to Surplus not Repaid
Not applicable
- (8) Amount of Stock Held for Special Purposes
Not applicable
- (9) Reasons for Changes in Balance of Special Surplus Funds from Prior Period
Not applicable
- (10) Change in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized gains was \$62,668,240 less applicable deferred taxes of \$7,361,699 for a net balance of \$55,306,541.
- (11) The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations
Not applicable
- (12) and (13) Impact and Dates of Quasi-Reorganizations
Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

Not applicable

B. Assessments

(1) Nature of Any Assets That Could Have a Material Financial Effect

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Most assessments are recorded at the time the assessments are levied or at the time premiums are written. Assessments are levied on the Company by guaranty associations in most states in which the Company is licensed to cover losses of policyholders of insolvent or rehabilitated companies. In some states, these assessments can be partially recovered through a reduction in future premium taxes.

The Company recognized a liability for guaranty fund assessments of \$4,456 and \$15,000 at December 31, 2018 and 2017, respectively. The Company did not recognize an asset for premium tax offsets or policy surcharges. The amounts recorded represent management's best estimate based on assessment rate information received from the states in which the Company writes business and the direct premiums written in those states.

(2) Assets Recognized From Paid and Accrued Premium Tax Offsets and Policy Surcharges

Not applicable

(3) Undiscounted and Discounted Guaranty Fund Assessments

Not applicable

C. Gain Contingencies

Not applicable

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

Not applicable

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. All Other Contingencies

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes, and other matters are not considered material in relation to the financial position of the Company.

Note 15 – Leases

A. Lessee Operating Lease

(1) Lessee's Leasing Arrangements

a. Rental Expense

The Company leases office facilities under various non-cancelable operating leases that expire through May, 2026. Rental expenses allocated to the Company through the Intercompany pooling agreement for the current year and the prior year were \$2,058,860 and \$2,128,015, respectively. There are no contingent rental payments or unusual renewal options, escalation clauses or restrictions. There have been no early terminations of existing leases

b. Basis on Which Contingent Rental Payments are Determined

Not applicable

c. Existence and Terms of Renewal or Purchase Options and Escalation Clauses

Not applicable

d. Restrictions Imposed by Lease Agreements

Not applicable

e. Identification of Lease Agreements that have been Terminated Early

Not applicable

(2) Leases with Initial or Remaining Noncancelable Lease Terms in Excess of One Year

NOTES TO FINANCIAL STATEMENTS

- a. At December 31, 2018 the minimum aggregate rental commitments are as follows (in thousands):

	Year Ending December 31		Operating Lease
1.	2019	\$	2,972
2.	2020		2,505
3.	2021		2,303
4.	2022		1,410
5.	2023		1,227
6.	Thereafter		1,863
7.	Total	\$	12,280

- b. Total of Minimum Rentals to be Received in the Future under Noncancelable Subleases

Not applicable

- (3) For Sale-Leaseback Transactions

The Company has not entered into any sale and leaseback arrangements.

- B. Lessor Leases

Not applicable

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

1. Face or Contract Amounts

Not applicable

2. Nature and Terms of Off-Balance Sheet Risk

Not applicable

3. Amount of Loss if any Party to the Financial Instrument Failed

Not applicable

4. Collateral or Other Security Required to Support Financial Instrument

Not applicable

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales

Not applicable

- B. Transfer and Servicing of Financial Assets

Not applicable

- C. Wash Sales

The Company had no wash sales.

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

- A. ASO Plans

Not applicable

- B. ASC Plans

Not applicable

- C. Medicare or Similarly Structured Cost Based Reimbursement Contract

Not applicable

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

Not applicable

Note 20 – Fair Value Measurements

- A. Fair Value Measurements

- (1) Fair Value Measurements at Reporting Date

The Company has categorized its assets and liabilities that are measured at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level hierarchy is based on the degree of subjectivity in the valuation method by which fair value was determined. The three levels are defined as follows:

NOTES TO FINANCIAL STATEMENTS**Level 1**

The Company's valuations are based on unadjusted quoted prices in active markets for identical, unrestricted assets. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets does not involve any meaningful degree of judgment. An active market is defined as a market where transactions for the financial instrument occur with sufficient frequency and volume to provide pricing information on an ongoing basis. For the Company, assets utilizing Level 1 inputs generally include common stocks, short-term money market funds and certain other invested assets, where valuations are based on quoted market prices.

Level 2

The Company's valuations are based on quoted markets prices where such markets are not deemed to be sufficiently "active". In such circumstances, additional valuation metrics are used, which involve direct or indirect observable market inputs. The Company's assets utilizing Level 2 inputs generally include short-term debt securities other than debt issued by the U.S. government. Third-party dealer quotes typically constitute a significant input in the determination of the fair value of these types of fixed income securities. In developing such quotes, dealers will use the term as of the security and market-based inputs. Terms of the security include coupon, maturity date, and any special provisions that may, for example, enable the investor, at their election, to redeem the security prior to its scheduled maturity date. Market-based inputs include the level of interest rates applicable to comparable securities in the market place and current credit rating(s) of the security.

Level 3

The Company has no assets or liabilities measured at fair value in this category.

Assets and Liabilities Measured at Fair Value (in thousands):

Description for Each Type of Asset or Liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at Fair Value					
Bonds	\$	\$	\$	\$	\$
Common stock	\$ 143,885	\$	\$	\$	\$ 143,885
Cash equivalents & short-term investments	\$ 4,381	\$ 49,538	\$	\$	\$ 53,919
Other invested assets	\$	\$	\$ 185	\$	\$ 185
Total	\$ 148,266	\$ 49,538	\$ 185	\$	\$ 197,989
Liabilities at Fair Value					
	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

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

Description	Beginning Balance at 1/1/2018	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2018
a. Assets										
Other invested assets	\$ 856	\$	\$	\$ 363	\$ (671)	\$	\$	\$	\$ (363)	\$ 185
Total	\$ 856	\$	\$	\$ 363	\$ (671)	\$	\$	\$	\$ (363)	\$ 185
b. Liabilities										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

(3) Policies when Transfers Between Levels are Recognized

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

(4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

See footnote 20(A) (1) above.

(5) Fair Value Disclosures

Not applicable

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Not applicable

C. Fair Value Level

The tables below (in thousands) reflect the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounting for under equity method (subsidiaries, joint ventures and ventures). The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20A.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 271,505	\$ 271,422	\$	\$ 239,535	\$ 31,970	\$	\$
Common stock	\$ 143,885	\$ 143,885	\$ 143,885	\$	\$	\$	\$
Cash, cash equivalents & short-term investments	\$ 49,881	\$ 49,881	\$ (171)	\$ 50,052	\$	\$	\$
Other invested assets	\$ 185	\$ 185	\$	\$	\$ 185	\$	\$

D. Not Practicable to Estimate Fair Value

Not applicable

NOTES TO FINANCIAL STATEMENTS

- E. NAV Practical Expedient Investments
Not applicable

Note 21 – Other Items

- A. Unusual or Infrequent Items
Not applicable
- B. Troubled Debt Restructuring Debtors
Not applicable
- C. Other Disclosures
Not applicable
- D. Business Interruption Insurance Recoveries
Not applicable
- E. State Transferable and Non-Transferable Tax Credits
Not applicable
- F. Subprime Mortgage Related Risk Exposure

(1) Description of the Subprime-Mortgage-Related Exposure and Related Risk Management Policies

The Company's exposure to subprime is limited to investments within the fixed income investment portfolio, which contains securities collateralized by mortgages that have characteristics of subprime lending. Such characteristics include an interest rate above prime to borrowers who do not qualify for prime rate loans, borrowers with low credit ratings (FICO scores), unconventionally high initial loan-to-value ratios, and borrowers with less than conventional documentation of their income and/or net assets.

The Company attempts to minimize risk exposure by holding securities which carry (the highest or higher) credit ratings and by monitoring the underlying collateral performance on an ongoing basis.

(2) Direct Exposure Through Investments in Subprime Mortgage Loans

Not applicable

(3) Direct Exposure Through Other Investments

The following is a summary of the Company's other investments with subprime exposure and other than-temporary impairments (OTTI) recognized.

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage backed securities	\$ 17,141	\$ 14,137	\$ 122,394	\$
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*				
f. Other assets				
g. Total	\$ 17,141	\$ 14,137	\$ 122,394	\$

* These investments comprise % of the company's invested assets.

(4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage

Not applicable

- G. Insurance-Linked Securities (ILS) Contracts
Not applicable

Note 22 – Events Subsequent

Subsequent events have been considered through February 22, 2019, the date of issuance of these statutory financial statements. There were no events occurring subsequent to the end of the year that merited recognition or disclosure in these statements.

	Yes [] No [X]	
	2018	2017
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?		
B. ACA fee assessment payable for the upcoming year	\$	\$
C. ACA fee assessment paid	\$	\$
D. Premium written subject to ACA 9010 assessment	\$	\$
E. Total adjusted capital before surplus adjustment (Five-Year Historical Line 28)	\$ 268,403,079	
F. Total adjusted capital after surplus adjustment (Five-Year Historical Line 28 minus 22B above)	\$ 268,403,079	
G. Authorized control level (Five-Year Historical Line 29)	\$ 61,853,244	

NOTES TO FINANCIAL STATEMENTS

- H. Would reporting the ACA assessment as of December 31, 2018 have triggered an RBC action level (YES/NO)? Yes [] No [X]

Note 23 – ReinsuranceA. **Unsecured Reinsurance Recoverables**

	NAIC Group Code	FEIN	Unsecured Recoverables
Capitol Specialty Insurance Corporation	10328	39-0988659	\$ 87,713,762
Platte River Insurance Company	18619	56-0987453	\$ 71,321,680

B. **Reinsurance Recoverable in Dispute**

The Company does not have any reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus for an individual reinsurer or 10% of policyholders' surplus in aggregate.

C. **Reinsurance Assumed and Ceded**(1) **Maximum Amount of Return Commission**

The following table summarizes ceded and assumed unearned premiums and the related commission equity at the end of the current year.

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 118,210,295	\$	\$ 44,980,340	\$ 36,910	\$ 73,229,955	\$ (36,910)
b. All Other			2,023,524	114,064	(2,023,524)	(114,064)
c. Total	\$ 118,210,295	\$	\$ 47,003,864	\$ 150,974	\$ 71,206,431	\$ (150,974)
d. Direct Unearned Premium Reserves						\$ 33,478,562

(2) **Additional or Return Commission**

	Direct	Assumed	Ceded	Net
a. Contingent commission	\$	\$	\$	\$
b. Sliding scale adjustments			31,546	(31,546)
c. Other profit commission arrangements				
d. Total	\$	\$	\$ 31,546	\$ (31,546)

(3) **Types of Risks Attributed to Protected Cell**

The Company does not use protected cells as an alternative to traditional reinsurance.

D. **Uncollectible Reinsurance**

The Company has not written off any reinsurance balances as uncollectible during 2018 or 2017.

E. **Commutation of Ceded Reinsurance**

Not applicable

F. **Retroactive Reinsurance**

Not applicable

G. **Reinsurance Accounted for as a Deposit**

Not applicable

H. **Disclosures for the Transfer of Property and Casualty Run-off Agreements**

Not applicable

I. **Certified Reinsurer Rating Downgraded or Status Subject to Revocation**

Not applicable

J. **Reinsurance Agreements Qualifying for Reinsurer Aggregation**

Not applicable

Note 24 – Retrospectively Rated Contracts and Contracts Subject to RedeterminationA. **Method Used by Reporting Entity to Estimate Accrued Retrospective Premium Adjustments**

Not applicable

B. **Accrued Retrospective Premiums Recorded Through Written Premium or an Adjustment to Earned Premium**

Not applicable

NOTES TO FINANCIAL STATEMENTS**C. Amount of Net Premiums Written Subject to Retrospective Rating Features and Percentage to Total Net Premiums Written**

Not applicable

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act.

Not applicable

E. Nonadmitted Retrospective Premium

Not applicable

F. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions
Yes [] No [X]

(2) - (5) Not applicable

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**A. Change in Incurred Losses and Loss Adjustment Expenses**

Activity in the liability for unpaid losses and loss adjustment expenses for the periods ending December 31, 2018 and 2017 is summarized as follows (in thousands):

	12/31/2018	12/31/2017
Balance at January 1, net of reinsurance recoverables of \$81,196 and \$77,479, respectively	\$ 191,100	\$ 166,384
Incurred loss and loss adjustment expenses related to:		
Current year	114,871	103,101
Prior years	(2,905)	(1,530)
Total incurred	111,966	101,571
Paid loss and loss adjustment expenses related to:		
Current year	(22,168)	(21,041)
Prior years	(63,911)	(55,814)
Total paid	(86,079)	(76,855)
Balance at period ending net of reinsurance recoverables of \$94,222 and \$81,196, respectively	\$ 216,987	\$ 191,100

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years has decreased by approximately \$2.9 million as a result of re-estimation of losses and loss adjustment expenses principally through the pooling of its business with Capitol Specialty Insurance Corporation and Platte River Insurance Company and the group's overall results primarily in the 2014, 2015, 2016 and 2017 accident years. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. There was no development on retrospectively-rated policies and, hence, no material impact on surplus.

B. Information about Significant Changes in Methodologies and Assumptions

Not applicable

Note 26 – Intercompany Pooling Arrangements**A. Identification of the Lead Entity and all Affiliated Entities Participating in the Intercompany Pool**

Lead Entity and all Affiliated Entities	NAIC Company Code	Pooling Percentage
Capitol Indemnity Corporation (lead insurer)	10472	70.0%
Capitol Specialty Insurance Corporation	10328	15.0%
Platte River Insurance Company	18619	15.0%

B. Description of Lines and Types of Business Subject to the Pooling Agreement

All business lines written by each of the pool participants are subject to pooling except for the run off business underwritten by Darwin Professional Underwriters and RSUI Indemnity Company.

C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement

All cessions to Capitol Indemnity Corporation, the lead company, are after cessions to unaffiliated reinsurers.

D. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers

Platte River Insurance Company, Capitol Specialty Insurance Corporation and Capitol Indemnity Corporation have a contractual right to direct recovery from non-affiliated reinsurers per the terms of the reinsurance agreement.

E. Explanation of Discrepancies Between Entries of Pooled Business

There are no discrepancies between the assumed and ceded reinsurance schedules of the pool participants.

F. Description of Intercompany Sharing

There is no intercompany sharing other than the pooling agreement.

NOTES TO FINANCIAL STATEMENTS**G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool**

As of December 31, 2018 the Company was owed \$12,822,881 by Capitol Specialty Insurance Corporation and \$2,924,061 by Platte River Insurance Company.

Note 27 – Structured Settlements

Not applicable

Note 28 – Health Care Receivables**A. Pharmaceutical Rebate Receivables**

Not applicable

B. Risk Sharing Receivables

Not applicable

Note 29 – Participating Policies

Not applicable

Note 30 – Premium Deficiency Reserves

The Company evaluated the need to record a premium deficiency reserve as of the end of the current year and did not need to record a premium deficiency reserve.

1. Liability carried for premium deficiency reserve: \$0
2. Date of most recent evaluation of this liability: January 8, 2019
3. Was anticipated investment income utilized in the calculation? Yes [] No [X]

Note 31 – High Deductibles

Not applicable

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**A. Tabular Discount**

Not applicable

B. Nontabular Discount

Not applicable

C. Changes in Rate(s) Used to Discount Prior Years' Liabilities

Not applicable

Note 33 – Asbestos/Environmental Reserves

- A. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses?

The Company has exposure to asbestos losses from the reinsurance assumed business that was discontinued in 1976. The Company tries to estimate the full impact of the asbestos exposure by establishing full case-basis reserves on all known losses and computing incurred but not reported losses on previous experiences.

(1) Direct

	2014	2015	2016	2017	2018
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$	\$	\$	\$	\$
b. Incurred losses and loss adjustment expense					
c. Calendar year payments for losses and loss adjustment expenses					
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

(2) Assumed Reinsurance

	2014	2015	2016	2017	2018
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 7,294,690	\$ 7,100,513	\$ 6,693,253	\$ 4,965,217	\$ 4,712,965
b. Incurred losses and loss adjustment expense	(288,183)	(695,921)	(1,804,378)	(3,764)	(200,136)
c. Calendar year payments for losses and loss adjustment expenses	(94,006)	(288,661)	(76,342)	248,488	40,235
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 7,100,513	\$ 6,693,253	\$ 4,965,217	\$ 4,712,965	\$ 4,472,594

(3) Net of Ceded Reinsurance

	2014	2015	2016	2017	2018
a. Beginning reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 7,245,071	\$ 7,024,715	\$ 6,628,336	\$ 4,965,217	\$ 4,712,965
b. Incurred losses and loss adjustment expense	(263,787)	(125,130)	(1,756,535)	(3,764)	(200,136)
c. Calendar year payments for losses and loss adjustment expenses	(43,431)	271,249	(93,416)	248,488	40,235
d. Ending reserves (including Case, Bulk + IBNR Loss & LAE)	\$ 7,024,715	\$ 6,628,336	\$ 4,965,217	\$ 4,712,965	\$ 4,472,594

B. State the amount of the ending reserves for Bulk and IBNR included in A (Loss and LAE)

(1) Direct basis	\$
(2) Assumed reinsurance basis	3,589,977
(3) Net of ceded reinsurance basis	\$ 3,589,977

C. State the amount of the ending reserves for loss adjustment expenses included in A (Case, Bulk and IBNR)

Reserves for future allocated loss adjustment expenses related to asbestos liability are included above. Because the Company is reliant on outside companies, pools and associations for loss-related information, an exact number for these reserves is not determinable. Historically, the amounts paid for these amounts have been minimal (less than 5%).

D. Does the company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses?

The Company has exposure to environmental losses from the reinsurance assumed business that was discontinued in 1976. The Company tries to estimate the full impact of the environmental exposure by establishing full case-basis reserves on all known losses and computing incurred but not reported losses on previous experience.

(1) Direct

	2014	2015	2016	2017	2018
a. Beginning reserves	\$	\$	\$	\$	\$
b. Incurred losses and loss adjustment expense					
c. Calendar year payments for losses and loss adjustment expenses					
d. Ending reserves	\$	\$	\$	\$	\$

(2) Assumed Reinsurance

	2014	2015	2016	2017	2018
a. Beginning reserves	\$ 1,823,673	\$ 1,775,129	\$ 1,673,314	\$ 1,241,305	\$ 1,178,242
b. Incurred losses and loss adjustment expense	(399,904)	(326,039)	(319,293)	3,765	200,134
c. Calendar year payments for losses and loss adjustment expenses	(351,360)	(224,224)	112,716	66,828	260,227
d. Ending reserves	\$ 1,775,129	\$ 1,673,314	\$ 1,241,305	\$ 1,178,242	\$ 1,118,149

(3) Net of Ceded Reinsurance

	2014	2015	2016	2017	2018
a. Beginning reserves	\$ 1,811,268	\$ 1,756,179	\$ 1,657,084	\$ 1,241,304	\$ 1,178,241
b. Incurred losses and loss adjustment expense	263,787	125,129	(303,064)	3,765	200,134
c. Calendar year payments for losses and loss adjustment expenses	318,876	224,224	112,716	66,828	260,227
d. Ending reserves	\$ 1,756,179	\$ 1,657,084	\$ 1,241,304	\$ 1,178,241	\$ 1,118,148

E. State the amount of the ending reserves for Bulk and IBNR included in D (Loss and LAE)

(1) Direct basis	\$
(2) Assumed reinsurance basis	899,994
(3) Net of ceded reinsurance basis	\$ 899,994

F. State the amount of the ending reserves for loss adjustment expenses included in D (Case, Bulk and IBNR)

Reserves for future allocated loss adjustment expenses related to environmental liability are included above. Because the Company is reliant on outside companies, pools and associations for loss-related information, an exact number for these reserves is not determinable. Historically, the amounts paid for these amounts have been minimal (less than 5%).

NOTES TO FINANCIAL STATEMENTS

Note 34 – Subscriber Savings Accounts

Not applicable

Note 35 – Multiple Peril Crop Insurance

Not applicable

Note 36 – Financial Guaranty Insurance

A. Financial Guaranty Insurance Contracts

Not applicable

B. Schedule of Insured Financial Obligations at the End of the Period:

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State regulating? Wisconsin
- 1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes No
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 775368
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014
- 3.2 State as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2014
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/30/2016
- 3.4 By what department or departments?
Wisconsin Office of the Commissioner of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) 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:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, 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:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
 If the answer is YES, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC
Company
Code | 3
State of
Domicile |
|---------------------|------------------------------|---------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
- 7.21 State the percentage of foreign control _____ %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes No
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1
Affiliate Name | 2
Location (City, State) | 3
FRB | 4
OCC | 5
FDIC | 6
SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| | | | | | |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 155 N Upper Wacker Drive, Chicago, IL 60606
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes No
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes No
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes No N/A

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 10.6 If the response to 10.5 is no or n/a, please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Carl Ashenbrenner, FCAS & MAAA, Milliman USA, 15800 Bluemound, Suite 100, Brookfield, WI 53005
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved 0
- 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [X] No []
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
104000854	AMERICAN NATIONAL BANK	Non-renewal by the bank, non-payment of premiums, payment of claims	\$ 7,050
073918384	ATKINS SAVINGS BANK & TRUST	Non-renewal by the bank, non-payment of premiums, payment of claims	\$ 25,000
081222593	BANTERRA BANK	Non-renewal by the bank, non-payment of premiums, payment of claims	\$ 10,000
107001281	CENTINEL BANK OF TAOS	Non-renewal by the bank, non-payment of premiums, payment of claims	\$ 50,000
075905033	DENMARK STATE BANK	Non-renewal by the bank, non-payment of premiums, payment of claims	\$ 5,000
088506256	EMPIRE BANK	Non-renewal by the bank, non-payment of premiums, payment of claims	\$ 35,000
081501227	FIRST MIDWEST BANK	Non-renewal by the bank, non-payment of premiums, payment of claims	\$ 50,000
301170668	GOLDEN BELT BANK	Non-renewal by the bank, non-payment of premiums, payment of claims	\$ 97,500
075908027	WALDO STATE BANK	Non-renewal by the bank, non-payment of premiums, payment of claims	\$ 12,500
125100089	WASHINGTON TRUST BANK	Non-renewal by the bank, non-payment of premiums, payment of claims	\$ 30,000

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 0
- 20.12 To stockholders not officers \$ 0
- 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ 0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

20.22	To stockholders not officers	0
20.23	Trustees, supreme or grand (Fraternal only)	0
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?	Yes [] No [X]
21.2	If yes, state the amount thereof at December 31 of the current year:	
21.21	Rented from others	\$ 0
21.22	Borrowed from others	\$ 0
21.23	Leased from others	\$ 0
21.24	Other	\$ 0
22.1	Does this statement include payments for assessments as described in the <i>Annual Statement Instructions</i> other than guaranty fund or guaranty association assessments?	Yes [] No [X]
22.2	If answer is yes:	
22.21	Amount paid as losses or risk adjustment	\$ 0
22.22	Amount paid as expenses	\$ 0
22.23	Other amounts paid	\$ 0
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes [X] No []
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:	\$ 0

INVESTMENT

24.01	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?	Yes [X] No []						
24.02	If no, give full and complete information, relating thereto:							
24.03	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).							
24.04	Does the company's security lending program meet the requirements for a conforming program as outlined in the <i>Risk-Based Capital Instructions</i> ?	Yes [] No [] N/A [X]						
24.05	If answer to 24.04 is yes, report amount of collateral for conforming programs.	\$ 0						
24.06	If answer to 24.04 is no, report amount of collateral for other programs	\$ 0						
24.07	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?	Yes [] No [] N/A [X]						
24.08	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes [] No [] N/A [X]						
24.09	Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?	Yes [] No [] N/A [X]						
24.10	For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:							
24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:	\$ 0						
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:	\$ 0						
24.103	Total payable for securities lending reported on the liability page:	\$ 0						
25.1	Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)	Yes [X] No []						
25.2	If yes, state the amount thereof at December 31 of the current year:							
25.21	Subject to repurchase agreements	\$ 0						
25.22	Subject to reverse repurchase agreements	\$ 0						
25.23	Subject to dollar repurchase agreements	\$ 0						
25.24	Subject to reverse dollar repurchase agreements	\$ 0						
25.25	Placed under option agreements	\$ 0						
25.26	Letter stock or securities restricted as sale – excluding FHLB Capital Stock	\$ 0						
25.27	FHLB Capital Stock	\$ 0						
25.28	On deposit with states	\$ 4,884,387						
25.29	On deposit with other regulatory bodies	\$ 0						
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	\$ 0						
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	\$ 0						
25.32	Other	\$ 0						
25.3	For category (25.26) provide the following:							
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">1 Nature of Restriction</th> <th style="width: 40%;">2 Description</th> <th style="width: 20%;">3 Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td style="text-align: right;">\$</td> </tr> </tbody> </table>	1 Nature of Restriction	2 Description	3 Amount			\$	
1 Nature of Restriction	2 Description	3 Amount						
		\$						
26.1	Does the reporting entity have any hedging transactions reported on Schedule DB?	Yes [] No [X]						
26.2	If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.	Yes [] No [] N/A [X]						
27.1	Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?	Yes [] No [X]						
27.2	If yes, state the amount thereof at December 31 of the current year:	\$ 0						
28.	Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC <i>Financial Condition Examiners Handbook</i> ?	Yes [X] No []						

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York	One Wall Street, New York, NY 10286

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

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

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

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

1 Name of Firm or Individual	2 Affiliation
Roundwood Asset Management LLC	A
New England Asset Management	U

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes [X] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [X] No []

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
	Roundwood Asset Management LLC			
105900	New England Asset Management	KUR85E5PS4GQFZTFC130	SEC	NO

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		\$
29.2999 TOTAL		\$

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
		\$	

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 271,936,041	\$ 272,019,435	\$ 83,394
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 271,936,041	\$ 272,019,435	\$ 83,394

30.4 Describe the sources or methods utilized in determining the fair values:

Fair values are based on end of period prices provided by independent pricing service vendor such as: ICE Data Services, ICE BofAML indices, Reuters, Bloomberg, Market, Market iBoxx, or PricingDirect. Under certain circumstances, if a vendor price is unavailable, a price may be obtained from a broker. Short term securities are valued at amortized cost. Cash equivalents are valued at amortized cost, including Government (exempt) money market mutual funds. Non-Government money market mutual funds are valued at net present value (NPV).

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

33. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designation 5GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
 - b. Issuer or obligor is current on all contracted interest and principal payments.
 - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5GI securities? Yes [] No [X]
34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
- a. The security was purchased prior to January 1, 2018.
 - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 - c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
 - d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities? Yes [] No [X]

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 1,374,440

35.2 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 and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Insurance Services Office, Inc	\$ 1,374,440

36.1 Amount of payments for legal expenses, if any? \$ 205,734

36.2 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.

1 Name	2 Amount Paid
Hogan Lovells US LLP	\$ 107,242
Godfrey & Kahn SC	\$ 55,407

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 31,735

37.2 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.

1 Name	2 Amount Paid
American Property Casualty Insurance Association	\$ 31,735

GENERAL INTERROGATORIES**PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes []	No [X]	
1.2	If yes, indicate premium earned on U.S. business only.	\$		0	
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$		0	
1.31	Reason for excluding:				
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$		0	
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$		0	
1.6	Individual policies:				
	Most current three years:				
1.61	Total premium earned	\$		0	
1.62	Total incurred claims	\$		0	
1.63	Number of covered lives			0	
	All years prior to most current three years:				
1.64	Total premium earned	\$		0	
1.65	Total incurred claims	\$		0	
1.66	Number of covered lives			0	
1.7	Group policies:				
	Most current three years:				
1.71	Total premium earned	\$		0	
1.72	Total incurred claims	\$		0	
1.73	Number of covered lives			0	
	All years prior to most current three years:				
1.74	Total premium earned	\$		0	
1.75	Total incurred claims	\$		0	
1.76	Number of covered lives			0	
2.	Health Test:				
		1	2		
		Current Year	Prior Year		
2.1	Premium Numerator	\$	0	\$	0
2.2	Premium Denominator	\$	202,897,436	\$	182,587,592
2.3	Premium Ratio (2.1/2.2)		0.0%		0.0%
2.4	Reserve Numerator	\$	83,252	\$	161,680
2.5	Reserve Denominator	\$	339,277,930	\$	295,953,685
2.6	Reserve Ratio (2.4/2.5)		0.0%		0.1%
3.1	Does the reporting entity issue both participating and non-participating policies?		Yes []	No [X]	
3.2	If yes, state the amount of calendar year premiums written on:				
3.21	Participating policies	\$		0	
3.22	Non-participating policies	\$		0	
4.	FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:				
4.1	Does the reporting entity issue assessable policies?		Yes []	No []	
4.2	Does the reporting entity issue non-assessable policies?		Yes []	No []	
4.3	If assessable policies are issued, what is the extent of the contingent liability of the policyholders?			%	
4.4	Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$		0	
5.	FOR RECIPROCAL EXCHANGES ONLY:				
5.1	Does the exchange appoint local agents?		Yes []	No []	
5.2	If yes, is the commission paid:				
5.21	Out of Attorney's-in-fact compensation		Yes []	No []	N/A [X]
5.22	As a direct expense of the exchange		Yes []	No []	N/A [X]
5.3	What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?				
5.4	Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?		Yes []	No []	
5.5	If yes, give full information:				
6.1	What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss? <u>Excess of loss reinsurance coverage is in place to protect the Company from Catastrophic losses.</u>				
6.2	Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: <u>The Company's exposure to losses from natural catastrophes was modeled by Willis, our reinsurance broker, using RMS RiskLink Version 17. Our 1250 aggregate PML is \$11.94 million on a gross basis and \$5.46 million on a net of reinsurance basis. This modeled result is driven primarily by our commercial property exposure to losses from Severe Convective Storms in the Midwest, which accounts for the greatest loss peril in our PML calculation.</u>				
6.3	What provision has this reporting entity made (such as catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss? <u>The Company purchases per occurrence catastrophe reinsurance (\$9.5 million in limit in excess of a \$1.5 million per occurrence retention with two reinstatements), which protects us to beyond the 1250 year per occurrence gross PML for Hurricane, Winter Storm and Severe Convective Storm perils (we do not have gross exposure to Earthquake.) The Company also purchased quota share catastrophe reinsurance as a protection for coastal wind perils.</u>				
6.4	Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?		Yes [X]	No []	

GENERAL INTERROGATORIES
PART 2 – PROPERTY & CASUALTY INTERROGATORIES

6.5	If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:	
7.1	Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	0
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes <input type="checkbox"/> No <input type="checkbox"/>
8.1	Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
8.2	If yes, give full information	
9.1	Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results: (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term; (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer; (c) Aggregate stop loss reinsurance coverage; (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party; (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where: (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
9.3	If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9: (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income; (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.	
9.4	Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, <i>Property and Casualty Reinsurance</i> , has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either: (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
9.5	If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.	
9.6	The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria: (a) The entity does not utilize reinsurance; or (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
10.	If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
11.2	If yes, give full information	
12.1	If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for: 12.11 Unpaid losses 12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$ 0 \$ 0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$ 0
12.3	If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> NA <input type="checkbox"/>
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement: 12.41 From 12.42 To	_____% _____%
12.5	Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
12.6	If yes, state the amount thereof at December 31 of current year: 12.61 Letters of Credit	\$ 0

GENERAL INTERROGATORIES
PART 2 – PROPERTY & CASUALTY INTERROGATORIES

12.62	Collateral and other funds										\$ 0
13.1	Largest net aggregate amount insured in any one risk (excluding workers' compensation):										\$ 1,500,000
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?										Yes [] No [X]
13.3	State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.										2
14.1	Is the reporting entity a cedant in a multiple cedant reinsurance contract?										Yes [X] No []
14.2	If yes, please describe the method of allocating and recording reinsurance among the cedants: <u>Any Loss Occurrence(s), Premium Due or Profit Commission for reinsurance agreement shall be apportioned to each affiliate.</u>										
14.3	If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?										Yes [] No [X]
14.4	If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?										Yes [X] No []
14.5	If the answer to 14.4 is no, please explain:										
15.1	Has the reporting entity guaranteed any financed premium accounts?										Yes [] No [X]
15.2	If yes, give full information										
16.1	Does the reporting entity write any warranty business?										Yes [] No [X]
	If yes, disclose the following information for each of the following types of warranty coverage:										
		1	2	3	4	5					
		Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned					
16.11	Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0					
16.12	Products	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0					
16.13	Automobile	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0					
16.14	Other*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0					
	* Disclose type of coverage:										
17.1	Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that is exempt from the statutory provision for unauthorized reinsurance?										Yes [] No [X]
	Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:										
17.11	Gross amount of unauthorized reinsurance in Schedule F-Part 3 exempt from the statutory provision for unauthorized reinsurance										\$ 0
17.12	Unfunded portion of Interrogatory 17.11										\$ 0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11										\$ 0
17.14	Case reserves portion of Interrogatory 17.11										\$ 0
17.15	Incurred but not reported portion of Interrogatory 17.11										\$ 0
17.16	Unearned premium portion of Interrogatory 17.11										\$ 0
17.17	Contingent commission portion of Interrogatory 17.11										\$ 0
18.1	Do you act as a custodian for health savings accounts?										Yes [] No [X]
18.2	If yes, please provide the amount of custodial funds held as of the reporting date.										\$ 0
18.3	Do you act as an administrator for health savings accounts?										Yes [] No [X]
18.4	If yes, please provide the balance of the funds administered as of the reporting date.										\$ 0
19.	Is the reporting entity licensed or chartered, registered, qualified, eligible, or writing business in at least 2 states?										Yes [X] No []
19.1	If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?										Yes [] No []

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2018	2 2017	3 2016	4 2015	5 2014
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	206,671,603	162,474,051	137,427,048	106,424,279	67,444,162
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,243,026	2,576,726	3,092,702	3,774,170	3,975,220
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	53,652,374	63,919,094	68,078,113	70,558,619	74,234,180
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	48,760,232	47,670,089	46,272,241	45,265,766	54,421,697
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	311,327,235	276,639,960	254,870,104	226,022,834	200,075,259
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	143,223,295	112,638,716	95,459,316	73,684,753	46,086,691
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,503,515	1,717,846	2,112,438	2,589,390	2,730,185
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	35,995,058	42,621,350	45,470,134	47,052,392	48,856,595
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	33,477,961	32,822,999	31,975,549	30,866,383	37,023,674
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	214,198,829	189,800,911	175,017,437	154,192,918	134,697,145
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	1,151,598	(565,118)	843,040	(4,177,377)	(11,777,272)
14. Net investment gain (loss) (Line 11).....	8,307,182	12,466,099	11,148,309	8,761,309	10,606,554
15. Total other income (Line 15).....	(696,496)	(714,636)	(1,335,636)	(1,515,690)	(305,476)
16. Dividends to policyholders (Line 17).....				7,284	20,610
17. Federal and foreign income taxes incurred (Line 19).....	3,012,040	(59,314)	2,181,038	(2,010,787)	(558,788)
18. Net income (Line 20).....	5,750,244	11,245,659	8,474,675	5,071,745	(938,016)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	632,913,825	592,841,076	520,065,597	478,842,403	462,393,090
Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	30,810,472	27,984,657	21,768,432	21,835,099	14,117,879
20.2 Deferred and not yet due (Line 15.2).....	9,976,610	9,606,035	10,846,016	9,381,225	13,958,247
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	364,510,746	327,573,428	285,765,169	253,306,687	240,517,610
22. Losses (Page 3, Line 1).....	180,143,207	158,044,414	137,383,100	122,070,664	119,357,390
23. Loss adjustment expenses (Page 3, Line 3).....	36,843,741	33,055,116	29,000,649	24,219,416	19,305,926
24. Unearned premiums (Page 3, Line 9).....	104,684,993	93,382,600	86,169,282	77,358,386	66,505,808
25. Capital paid up (Page 3, Lines 30 & 31).....	4,201,416	4,201,416	4,201,416	4,201,416	4,201,416
26. Surplus as regards policyholders (Page 3, Line 37).....	268,403,079	265,267,648	234,240,428	225,535,716	221,875,480
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	52,781,481	25,238,810	37,981,036	9,755,025	(4,534,722)
Risk-Based Capital Analysis					
28. Total adjusted capital.....	268,403,079	265,267,648	234,240,428	225,535,716	221,875,480
29. Authorized control level risk-based capital.....	61,853,244	56,519,270	49,847,869	44,503,467	47,820,459
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	47.1	42.1	41.7	37.4	35.8
31. Stocks (Lines 2.1 & 2.2).....	44.1	52.4	52.8	57.0	56.9
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	8.7	5.4	4.8	4.8	6.5
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....	0.0	0.2	0.7	0.8	0.8
38. Receivables for securities (Line 9).....	0.1				
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....	110,416,706	107,189,346	98,810,815	96,041,331	95,024,758
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	110,416,706	107,189,346	98,810,815	96,041,331	95,024,758
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	41.1	40.4	42.2	42.6	42.8

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2018	2017	2016	2015	2014
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	(3,335,687)	31,460,310	(2,647,031)	(277,650)	1,069,944
52. Dividends to stockholders (Line 35).....					
53. Change in surplus as regards policyholders for the year (Line 38).....	3,135,431	31,027,220	8,704,712	3,680,236	48,964,689
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	43,500,318	29,490,759	22,709,421	22,432,731	32,081,534
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,475,303	805,215	2,178,908	2,617,246	3,187,914
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	33,375,660	40,738,112	34,948,743	39,623,730	38,136,731
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	4,122,395	11,633,369	16,816,266	12,658,465	9,208,837
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	300,462	315,317	189,032	507,885	445,366
59. Total (Line 35).....	82,774,136	82,982,772	76,843,370	77,840,057	83,060,382
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	30,123,401	20,645,240	15,682,593	15,662,937	22,859,455
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	1,029,184	539,727	1,525,936	1,832,460	2,213,477
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	23,014,297	25,881,424	24,234,832	26,340,189	25,874,157
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,402,237	5,132,168	6,340,772	7,441,049	4,647,543
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....	300,462	315,317	19,275	490,473	275,445
65. Total (Line 35).....	56,869,581	52,513,876	47,803,408	51,767,108	55,870,077
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	38.9	40.1	38.0	38.0	41.1
68. Loss expenses incurred (Line 3).....	16.3	15.6	15.2	16.8	14.7
69. Other underwriting expenses incurred (Line 4).....	44.2	44.7	46.4	48.1	53.3
70. Net underwriting gain (loss) (Line 8).....	0.6	(0.3)	0.5	(2.9)	(8.1)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	42.2	43.4	44.8	45.7	51.3
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	55.2	55.6	53.1	54.8	55.8
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	79.8	71.6	74.7	68.4	60.7
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(2,905)	(1,530)	(2,238)	2,812	131
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(1.1)	(0.7)	(1.0)	1.3	0.1
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(1,924)	(5,894)	(831)	2,936	15,506
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior-year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(0.8)	(2.6)	(0.4)	1.7	9.5

If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [] No []

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	4 Loss Payments		6 Defense and Cost Containment Payments		8 Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	513	(2)	1,168	859	28	28	293	852	XXX
2. 2009.....	130,177	13,500	116,677	51,890	3,504	15,367	2,174	5,731	12	4,842	67,300	XXX
3. 2010.....	121,412	6,402	115,010	66,464	3,323	17,109	334	7,186	41	6,428	87,061	XXX
4. 2011.....	109,985	5,433	104,551	38,761	381	13,884	662	1,375	6	4,707	52,971	XXX
5. 2012.....	108,011	8,800	101,212	39,493	5,031	9,484	1,615	4,192	3	5,352	46,523	XXX
6. 2013.....	118,008	7,686	110,322	49,681	5,612	11,526	972	4,556	3	5,795	59,175	XXX
7. 2014.....	140,827	11,780	129,048	55,131	8,261	14,056	3,427	5,353	676	7,500	62,176	XXX
8. 2015.....	156,465	13,126	143,338	51,811	8,005	15,058	2,094	5,396	88	3,482	62,067	XXX
9. 2016.....	177,072	10,865	166,207	48,611	5,985	12,628	369	5,733	3	5,712	60,618	XXX
10. 2017.....	195,178	12,590	182,588	32,480	608	8,532	59	5,602	3	2,169	45,948	XXX
11. 2018.....	217,676	14,779	202,897	15,127	1,290	2,909	42	5,465	3	5,792	22,168	XXX
12. Totals.....	XXX	XXX	XXX	449,962	41,998	121,721	12,608	50,607	825	52,072	566,859	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	2,548	264	5,137	60	448	131	91	31	86	5	7,819	XXX	
2. 2009.....	497	215	215	29	201	16	36	15	33	2	919	XXX	
3. 2010.....	574	1,134	3	56	169	4	17	(29)	47	(2)	1,432	XXX	
4. 2011.....	776	16	357	(56)	118	270	104	53	58	4	1,643	XXX	
5. 2012.....	803	142	1,230	97	413	21	170	44	104	3	2,853	XXX	
6. 2013.....	1,245	175	3,019	94	714	177	339	14	212	0	6,176	XXX	
7. 2014.....	7,142	791	6,462	1,214	2,076	128	719	136	482	0	14,611	XXX	
8. 2015.....	9,963	(1,012)	17,115	2,340	4,178	278	1,902	260	1,044	3	32,237	XXX	
9. 2016.....	18,207	2,763	31,686	1,767	4,379	289	3,521	196	1,865	3	54,642	XXX	
10. 2017.....	15,777	354	66,742	4,160	4,712	16	7,416	462	3,049	3	92,704	XXX	
11. 2018.....	59,782	3,492	133,678	9,826	17,616	1,061	14,441	1,185	7,044	12	216,987	XXX	
12. Totals.....	59,782	3,492	133,678	9,826	17,616	1,061	14,441	1,185	7,044	12	216,987	XXX	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	7,360	458
2. 2009.....	73,971	5,751	68,219	56.8	42.6	58.5				683	236
3. 2010.....	92,714	3,702	89,012	76.4	57.8	77.4				1,705	246
4. 2011.....	55,386	982	54,403	50.4	18.1	52.0				1,173	259
5. 2012.....	54,988	6,822	48,166	50.9	100.3	47.6				1,268	376
6. 2013.....	68,923	6,895	62,028	58.4	89.7	56.2				2,235	618
7. 2014.....	81,175	12,823	68,352	57.6	108.9	53.0				5,102	1,074
8. 2015.....	89,135	12,456	76,678	57.0	94.9	53.5				11,599	3,013
9. 2016.....	101,075	8,220	92,855	57.1	75.7	55.9				25,651	6,587
10. 2017.....	106,271	5,681	100,590	54.4	45.1	55.1				45,363	9,279
11. 2018.....	121,196	6,325	114,871	55.7	42.8	56.6				78,005	14,698
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	180,143	36,844

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 32 and 33 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

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	One Year	Two Year
1. Prior.....	97,853	92,956	88,518	91,278	92,985	93,402	94,257	92,397	90,291	90,201	(90)	(2,196)
2. 2009.....	58,073	59,845	57,314	60,989	63,165	63,306	62,538	62,612	62,496	62,469	(27)	(143)
3. 2010.....	XXX	60,098	70,326	75,307	87,131	86,950	83,851	83,419	82,164	81,801	(363)	(1,617)
4. 2011.....	XXX	XXX	50,375	48,422	50,639	52,429	54,171	53,480	53,276	52,986	(290)	(494)
5. 2012.....	XXX	XXX	XXX	46,851	46,035	42,065	43,689	44,546	43,862	43,919	57	(627)
6. 2013.....	XXX	XXX	XXX	XXX	50,410	52,342	54,993	54,414	56,398	57,374	976	2,980
7. 2014.....	XXX	XXX	XXX	XXX	XXX	66,335	66,341	65,130	64,595	63,463	(1,132)	(1,668)
8. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	69,928	71,333	70,593	70,899	306	(433)
9. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	83,784	85,910	86,078	168	2,294
10. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	95,634	93,123	(2,511)	XXX
11. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	106,358	XXX	XXX
12. Totals.....											(2,905)	(1,924)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
1. Prior.....	000	31,887	49,955	62,323	68,931	74,302	77,275	80,979	81,640	82,464	XXX	XXX
2. 2009.....	17,007	29,380	38,594	49,078	55,153	59,121	60,251	61,047	61,547	61,580	XXX	XXX
3. 2010.....	XXX	15,128	33,472	47,543	61,579	70,861	76,057	78,081	79,576	79,916	XXX	XXX
4. 2011.....	XXX	XXX	11,968	21,719	30,403	38,941	45,365	47,987	50,378	51,603	XXX	XXX
5. 2012.....	XXX	XXX	XXX	13,337	22,737	29,227	36,346	40,227	41,325	42,331	XXX	XXX
6. 2013.....	XXX	XXX	XXX	XXX	15,115	29,058	38,195	44,478	50,625	54,622	XXX	XXX
7. 2014.....	XXX	XXX	XXX	XXX	XXX	21,682	36,136	45,889	53,066	57,499	XXX	XXX
8. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	19,259	35,686	48,437	56,770	XXX	XXX
9. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,109	39,661	54,885	XXX	XXX
10. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,489	40,345	XXX	XXX
11. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,703	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1. Prior.....	61,292	36,468	22,603	18,247	11,747	10,249	9,193	6,954	6,106	5,136
2. 2009.....	30,720	20,894	8,856	4,295	2,558	2,126	526	514	337	206
3. 2010.....	XXX	31,850	23,764	14,127	9,763	7,225	2,574	2,078	1,673	1,256
4. 2011.....	XXX	XXX	28,564	17,990	9,211	6,194	3,132	1,726	1,258	459
5. 2012.....	XXX	XXX	XXX	26,074	14,280	5,787	3,044	1,909	656	516
6. 2013.....	XXX	XXX	XXX	XXX	22,709	14,351	8,578	3,194	2,111	1,258
7. 2014.....	XXX	XXX	XXX	XXX	XXX	32,526	18,041	10,071	5,935	3,250
8. 2015.....	XXX	XXX	XXX	XXX	XXX	XXX	38,233	22,904	13,507	5,831
9. 2016.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	54,565	31,837	16,417
10. 2017.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	62,912	33,243
11. 2018.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	69,536

Annual Statement for the year 2018 of the **Capitol Indemnity Corporation**
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
 Allocated by States and Territories

1	Active Status (a)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
States, Etc.		Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges not Included in Premiums	Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1. Alabama.....AL.....L.....		1,039,743	1,062,042		(28,705)	(9,014)	569,561	3,745	
2. Alaska.....AK.....L.....		194,020	220,692		628,824	65,370	86,916	545	
3. Arizona.....AZ.....L.....		7,138,258	5,860,190		1,450,912	1,945,624	4,511,294	10,230	
4. Arkansas.....AR.....L.....		475,578	478,527		41,450	55,312	209,062	1,275	
5. California.....CA.....L.....		6,933,853	5,806,264		1,815,544	4,664,761	3,658,739	6,725	
6. Colorado.....CO.....L.....		1,318,584	1,361,591		361,472	47,976	656,959	5,235	
7. Connecticut.....CT.....L.....		399,855	301,957			59,766	191,065	455	
8. Delaware.....DE.....L.....		96,511	79,974			17,747	34,819	20	
9. District of Columbia.....DC.....L.....		273,168	169,433		(500)	86,691	119,916	35	
10. Florida.....FL.....L.....		1,987,867	1,785,283		212,953	321,948	965,928		
11. Georgia.....GA.....L.....		2,301,405	2,587,556		1,084,179	315,038	1,743,969	17,170	
12. Hawaii.....HI.....L.....		71,395	57,215			5,847	102,792	115	
13. Idaho.....ID.....L.....		500,692	517,828		267,812	201,284	275,994	3,910	
14. Illinois.....IL.....L.....		1,831,328	2,039,846		2,548,808	440,833	2,658,988	10,500	
15. Indiana.....IN.....L.....		989,069	862,365		1,167,747	389,729	1,719,726	2,350	
16. Iowa.....IA.....L.....		519,943	600,375		43,919	(43,207)	286,175	1,580	
17. Kansas.....KS.....L.....		831,737	763,319		80,692	129,611	319,116	1,505	
18. Kentucky.....KY.....L.....		837,901	757,260		141,340	280,608	508,505	390	
19. Louisiana.....LA.....L.....		94,098	119,510		27,003	23,043	36,098		
20. Maine.....ME.....L.....		35,741	26,178			11,262	12,198		
21. Maryland.....MD.....L.....		610,837	581,460		112,575	59,754	512,294	540	
22. Massachusetts.....MA.....L.....		1,059,590	859,907		93,791	146,696	491,755	365	
23. Michigan.....MI.....L.....		1,393,075	1,366,609		144,575	76,303	980,288	2,960	
24. Minnesota.....MN.....L.....		2,131,301	2,078,061		1,200,153	665,587	865,239	5,135	
25. Mississippi.....MS.....L.....		284,796	323,855		672,400	(125,418)	208,707	1,205	
26. Missouri.....MO.....L.....		828,082	846,225		239,689	247,385	781,274	3,095	
27. Montana.....MT.....L.....		3,012,204	3,231,727		717,411	2,418,212	3,623,016	21,425	
28. Nebraska.....NE.....L.....		1,003,218	1,009,516		130,223	94,723	672,517	4,450	
29. Nevada.....NV.....L.....		1,579,710	1,659,347		818,007	175,446	1,119,453	9,860	
30. New Hampshire.....NH.....L.....		165,806	142,038		170	7,023	72,023	350	
31. New Jersey.....NJ.....L.....		720,545	542,838		37,682	(97,613)	312,110	105	
32. New Mexico.....NM.....L.....		492,134	511,830		89,281	196,014	442,901	1,425	
33. New York.....NY.....L.....		5,235,031	4,702,073		2,410,627	2,834,721	5,438,531	3,410	
34. North Carolina.....NC.....L.....		544,278	520,135			83,935	456,217	200	
35. North Dakota.....ND.....L.....		593,817	634,853		207,789	47,795	441,563	1,040	
36. Ohio.....OH.....L.....		1,963,143	1,761,300		269,779	545,299	1,445,361	1,690	
37. Oklahoma.....OK.....L.....		1,510,812	1,479,341		339,582	1,089,037	1,579,207	7,085	
38. Oregon.....OR.....L.....		1,439,337	1,458,365		91,310	301,835	1,110,358	3,135	
39. Pennsylvania.....PA.....L.....		3,344,878	3,499,226		1,054,253	1,464,617	3,331,683	2,255	
40. Rhode Island.....RI.....L.....		157,481	146,808		125,000	108,503	152,063	30	
41. South Carolina.....SC.....L.....		376,784	388,848		1,772,304	2,263,458	712,038	600	
42. South Dakota.....SD.....L.....		479,296	566,592		206,465	26,706	636,405	3,140	
43. Tennessee.....TN.....L.....		1,868,222	1,917,607		746,308	386,400	1,165,578	1,210	
44. Texas.....TX.....L.....		1,370,609	1,166,250		88,331	64,065	506,456		
45. Utah.....UT.....L.....		1,347,359	1,274,910		145,906	540,724	1,015,058	3,355	
46. Vermont.....VT.....L.....									
47. Virginia.....VA.....L.....		916,876	901,256		381,922	353,921	627,851	1,495	
48. Washington.....WA.....L.....		1,772,183	1,801,178		1,488,379	1,691,462	1,636,960	7,680	
49. West Virginia.....WV.....L.....		320,135	278,821			18,515	120,990	290	
50. Wisconsin.....WI.....L.....		3,030,233	3,183,902		923,171	(41,854)	2,513,471	18,765	
51. Wyoming.....WY.....L.....		428,964	430,278		1,257,027	1,216,135	201,444	1,785	
52. American Samoa.....AS.....N.....									
53. Guam.....GU.....N.....									
54. Puerto Rico.....PR.....N.....									
55. US Virgin Islands.....VI.....N.....									
56. Northern Mariana Islands.....MP.....N.....									
57. Canada.....CAN.....N.....									
58. Aggregate Other Alien.....OT.....XXX.....		0	0	0	0	0	0	0	0
59. Totals.....XXX.....		67,951,182	64,752,461	0	25,607,560	25,829,645	51,840,651	173,845	0

DETAILS OF WRITE-INS

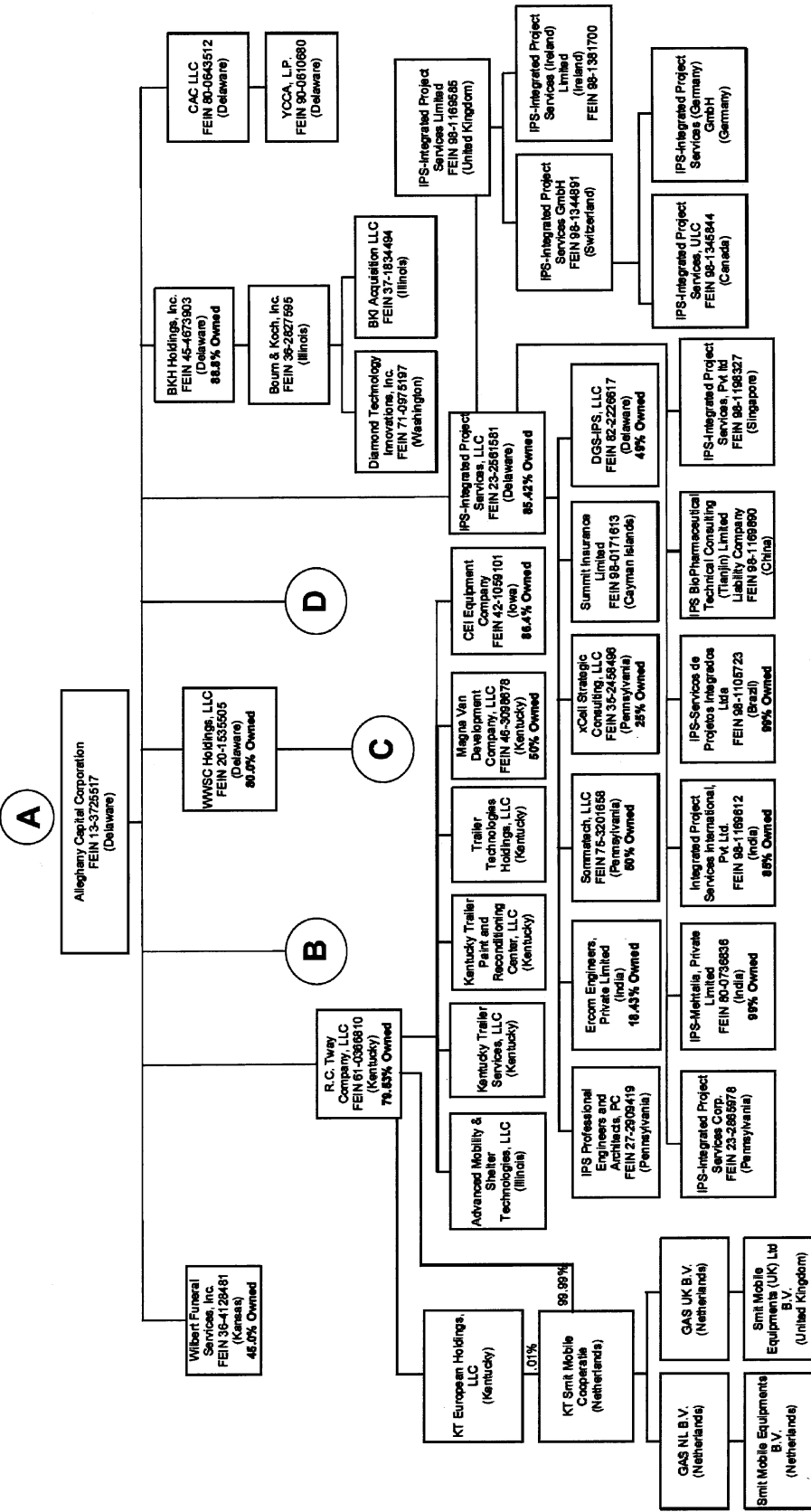
58001.....	XXX								
58002.....	XXX								
58003.....	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

Explanation of Basis of Allocation of Premiums by States, etc.
 Location of Risk

(a) Active Status Counts:
 L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 51
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSL)..... 0
 D - Domestic Surplus Lines Insurer (DSL) - Reporting entities authorized to write surplus lines in the state of domicile..... 0

R - Registered - Non-domiciled RRGs..... 0
 Q - Qualified - Qualified or accredited reinsurer..... 0
 N - None of the above - Not allowed to write business in the state..... 6

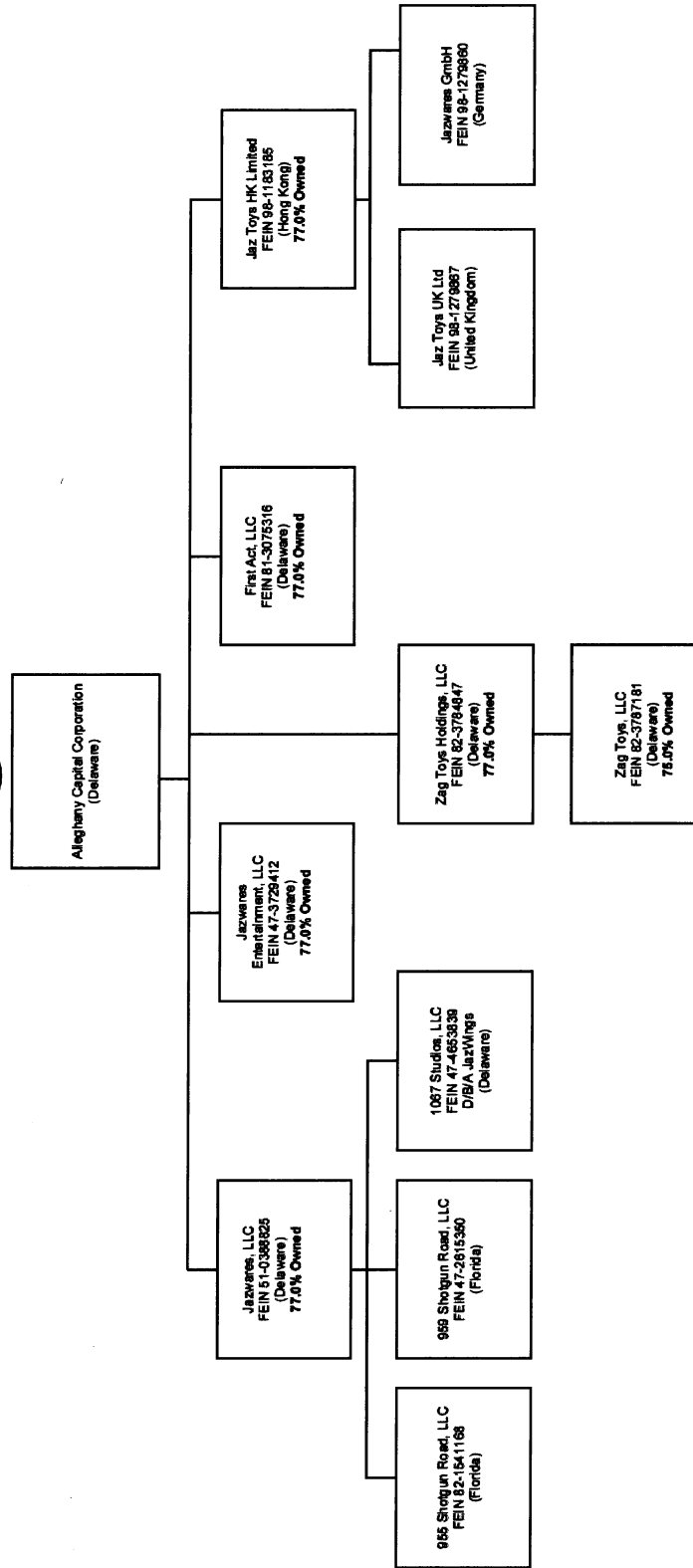
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



NOTE: The organizational chart does not include inactive subsidiaries.

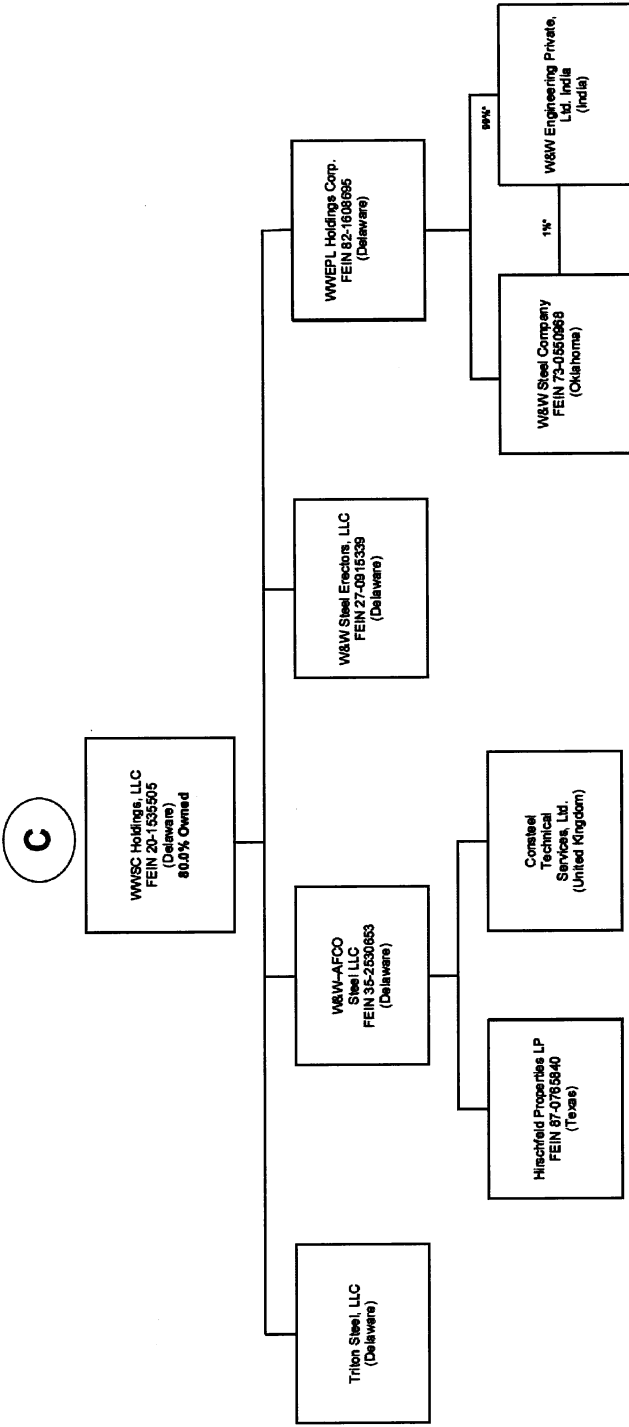
Annual Statement for the year 2018 of the **Capitol Indemnity Corporation**
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

B



NOTE: The organizational chart does not include inactive subsidiaries.

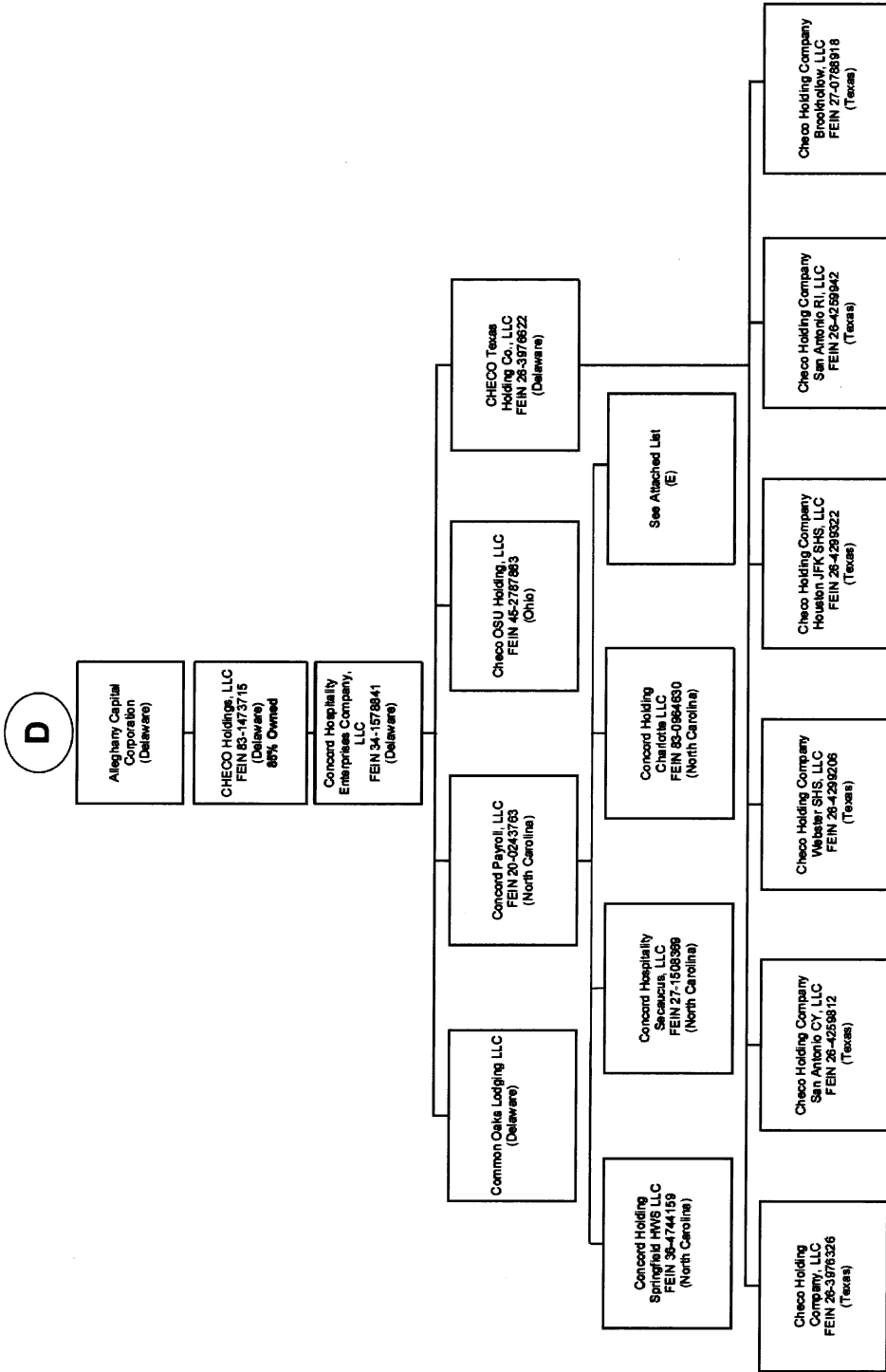
Annual Statement for the year 2018 of the **Capitol Indemnity Corporation**
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



NOTE: The organizational chart does not include inactive subsidiaries.

Annual Statement for the year 2018 of the **Capitol Indemnity Corporation**

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART**



NOTE: The organizational chart does not include inactive subsidiaries.

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART
(E)**

Entity Name	State	Entity Name	State
Concord Payroll - Brighton Ct, LLC	NC	Concord Payroll - Charlotte Vermont, LLC	NC
Concord Payroll - Ch Philly, LLC	NC	Concord Payroll - Cleveland Rtn, LLC	NC
Concord Payroll - Dtn, LLC	NC	Concord Payroll - Columbia Olemangy, LLC	NC
Concord Payroll - Gainesville, LLC	NC	Concord Payroll - Cumberland, LLC	NC
Concord Payroll - Grand Rapids, LLC	NC	Concord Payroll - Dayton, LLC	NC
Concord Payroll - Hh Raleigh, LLC	NC	Concord Payroll - Gain Mills, LLC	NC
Concord Payroll - Hl Almond, LLC	NC	Concord Payroll - Greensburg Cy, LLC	NC
Concord Payroll - Hl Unites, LLC	NC	Concord Payroll - Houston, JFK, LLC	NC
Concord Payroll - Hpx, LLC	NC	Concord Payroll - Newville, LLC	NC
Concord Payroll - Lake Moha, LLC	NC	Concord Payroll - Raleigh Rem, LLC	NC
Concord Payroll - Lakewood, LLC	NC	Concord Payroll - Reading, LLC	NC
Concord Payroll - Lansing Ct, LLC	NC	Concord Payroll - Roanoke, LLC	NC
Concord Payroll - Madison I, LLC	NC	Concord Payroll - Roanoke Cy, LLC	NC
Concord Payroll - Miami Rtn, LLC	NC	Concord Payroll - South Beach, LLC	NC
Concord Payroll - NY 28th, LLC	NC	Concord Payroll - TBDHotel 26, LLC	NC
Concord Payroll - Part Washcom, LLC	NC	Concord Payroll - TBDHotel 30, LLC	NC
Concord Payroll - Pittman, LLC	NC	Concord Payroll - TBDHotel 31, LLC	NC
Concord Payroll - TBDHotel 36, LLC	NC	Concord Payroll - TBDHotel 32, LLC	NC
Concord Payroll - TBDHotel 38, LLC	NC	Concord Payroll - TBDHotel 34, LLC	NC
Concord Payroll - TBDHotel 40, LLC	NC	Concord Payroll - Washington Cy, LLC	NC
Concord Payroll - TBDHotel 42, LLC	NC	CP Atlanta Midtown, LLC	NC
Concord Payroll - TBDHotel 43, LLC	NC	CP Battleground, LLC	NC
Concord Payroll - TBDHotel 45, LLC	NC	CP Beaufort, LLC	NC
Concord Payroll - TBDHotel XIX, LLC	NC	CP Broomfield, LLC	NC
Concord Payroll - Ann A, LLC	NC	CP Edikon II, LLC	NC
Concord Payroll - Ann E, LLC	NC	CP Houston CB, LLC	TX
Concord Payroll - Cjn II, LLC	NC	CP Jersey CNY I, LLC	NC
Concord Payroll - EB, LLC	NC	CP Lovett, LLC	CO
Concord Payroll - Edina, LLC	MN	CP Malvern Lane, LLC	WI
Concord Payroll - Jacksonville, LLC	FL	CP Milwaukee CB, LLC	NC
Concord Payroll - LV, LLC	NC	CP Newark, LLC	NC
Concord Payroll - Moon, LLC	NC	CP Multi, LLC	NC
Concord Payroll - Nye 4th, LLC	NC	CP Sardinia, LLC	NC
Concord Payroll - RLI, LLC	NC	CP Sunside, LLC	NC
Concord Payroll - SHS Airport Pittsburgh PA, LLC	NC	CP Tuckerton, LLC	NY
Concord Payroll - Wharr One, LLC	NC	CP Viduam, LLC	NY
Concord Payroll - Wharr Two, LLC	NC		
Concord Payroll - Wington, LLC	NC		

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