

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1. Bonds (Schedule D)	53,282,238		53,282,238	57,134,808
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common Stocks	5,022,971		5,022,971	8,715,247
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)	3,432,681		3,432,681	3,537,395
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....1,810,651, Schedule E Part 1), cash equivalents (\$.....800,539, Schedule E Part 2) and short-term investments (\$.....490,672, Schedule DA)	3,101,862		3,101,862	3,016,375
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	3,408,099		3,408,099	2,955,331
9. Receivables for securities	23,841		23,841	1,116
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	68,271,692		68,271,692	75,360,272
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	382,183		382,183	398,745
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	411,439		411,439	777,198
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)	12,089,653		12,089,653	11,612,595
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	61,416		61,416	22,829
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$.....0)	86,776		86,776	80,601
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$.....0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets				
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	81,303,159		81,303,159	88,252,240
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	81,303,159		81,303,159	88,252,240
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses				
2502. Receivable - Other				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	27,617,790	27,602,895
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	6,935,020	7,624,209
4. Commissions payable, contingent commissions and other similar charges	820,037	883,242
5. Other expenses (excluding taxes, licenses and fees)	386,872	185,560
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
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 \$.....4,818,466 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)	20,931,126	19,937,126
10. Advance premiums		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including (\$.....0 certified)) (Schedule F, Part 3 Column 78)	8,003,000	798,000
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$.....0 and interest thereon \$.....0		
25. Aggregate write-ins for liabilities		
26. TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25)	64,693,845	57,031,032
27. Protected cell liabilities		
28. TOTAL Liabilities (Lines 26 and 27)	64,693,845	57,031,032
29. Aggregate write-ins for special surplus funds		
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	16,609,314	31,221,208
36. Less treasury stock, at cost:		
36.10 shares common (value included in Line 30 \$.....0)		
36.20 shares preferred (value included in Line 31 \$.....0)		
37. Surplus as regards policyholders (Lines 29 to 35, minus 36) (Page 4, Line 39)	16,609,314	31,221,208
38. TOTALS (Page 2, Line 28, Column 3)	81,303,159	88,252,240
DETAILS OF WRITE-INS		
2501. 0		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201. 0		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	28,727,180	28,134,808
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7)	22,710,268	14,542,789
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	4,899,348	6,367,539
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	7,278,958	7,015,662
5. Aggregate write-ins for underwriting deductions		
6. TOTAL Underwriting Deductions (Lines 2 through 5)	34,888,574	27,925,990
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(6,161,394)	208,818
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,071,912	1,090,885
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses))	589,431	10,226
11. Net investment gain (loss) (Lines 9 + 10)	1,661,343	1,101,111
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income		
15. TOTAL Other Income (Lines 12 through 14)		
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(4,500,051)	1,309,929
17. Dividends to policyholders	300,000	300,000
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)	(4,800,051)	1,009,929
19. Federal and foreign income taxes incurred		
20. Net income (Line 18 minus Line 19) (to Line 22)	(4,800,051)	1,009,929
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	31,221,208	28,670,213
22. Net income (from Line 20)	(4,800,051)	1,009,929
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0	(2,606,845)	1,573,067
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3)		
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(7,205,000)	(32,000)
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, Line 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	(14,611,896)	2,550,996
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	16,609,313	31,221,208
DETAILS OF WRITE-INS		
0501. MISCELLANEOUS EXPENSE		
0502. 0		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401.		
1402. MISCELLANEOUS INCOME		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		
3701. Adjustment		
3702. Correction for Miscalculation in Prior Non-admitted Asset amount		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	29,609,880	28,098,609
2.	Net investment income	1,794,658	1,518,782
3.	Miscellaneous income		
4.	TOTAL (Lines 1 through 3)	31,404,538	29,617,391
5.	Benefit and loss related payments	22,733,960	10,297,018
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	12,930,700	13,149,302
8.	Dividends paid to policyholders	300,000	300,000
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10.	TOTAL (Lines 5 through 9)	35,964,659	23,746,319
11.	Net cash from operations (Line 4 minus Line 10)	(4,560,122)	5,871,071
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	11,668,278	7,992,901
12.2	Stocks	8,238,873	
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets	4,459,677	4,550,000
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		1,447
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	24,366,828	12,544,349
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	8,293,989	20,727,305
13.2	Stocks	6,247,899	1,646,474
13.3	Mortgage loans		
13.4	Real estate	140,473	34,556
13.5	Other invested assets	5,009,959	3,597,039
13.6	Miscellaneous applications	22,725	
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	19,715,045	26,005,374
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	4,651,783	(13,461,025)
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)	(6,175)	425
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(6,175)	425
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)	85,487	(7,589,528)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	3,016,375	10,605,903
19.2	End of year (Line 18 plus Line 19.1)	3,101,862	3,016,375

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

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