

QUARTERLY STATEMENT

OF THE

of _____

in the state of _____

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

June 30, 2016

PROPERTY AND CASUALTY

2016



24017201620100102

QUARTERLY STATEMENT

AS OF JUNE 30, 2016
OF THE CONDITION AND AFFAIRS OF THE

The Beacon Mutual Insurance Company

NAIC Group Code 3490 , 3490 **NAIC Company Code** 24017 **Employer's ID Number** 05-0458697
(Current Period) (Prior Period)

Organized under the Laws of Rhode Island , **State of Domicile or Port of Entry** Rhode Island
Country of Domicile US

Incorporated/Organized July 11, 1990 **Commenced Business** August 12, 1992

Statutory Home Office One Beacon Centre , Warwick, RI US 02886-1378
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office One Beacon Centre
(Street and Number)
Warwick, RI US 02886-1378 401-825-2667
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address One Beacon Centre , Warwick, RI US 02886-1378
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records One Beacon Centre Warwick, RI US 02886-1378 401-825-2667
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.beaconmutual.com

Statutory Statement Contact Ann Lazzareschi 401-825-2621
(Name) (Area Code) (Telephone Number) (Extension)
alazzareschi@beaconmutual.com 401-825-2659
(E-Mail Address) (Fax Number)

OFFICERS

	Name	Title
1.	<u>James Vincent Rosati</u>	<u>President & CEO</u>
2.	<u>Brian Joseph Spero</u>	<u>EVP, COO, General Counsel, Assistant Secretary</u>
3.	<u>Cynthia Lee Lawlor</u>	<u>Chief Financial Officer</u>

VICE-PRESIDENTS

Name	Title	Name	Title
<u>Pamela Lee Alarie</u>	<u>Vice President</u>	<u>Timothy Francis Benson</u>	<u>Vice President</u>
<u>Robert Glenn DeOrsey</u>	<u>Vice President</u>	<u>Michael Dennis Lynch</u>	<u>Vice President</u>
<u>Rajani Mahadevan</u>	<u>Vice President</u>		

DIRECTORS OR TRUSTEES

<u>Harry Robert Bacon</u>	<u>Raymond Christopher Coia</u>	<u>Richard James DeRienzo</u>	<u>James Vincent Rosati</u>
<u>Carol Elaine Saccucci</u>	<u>Robert A. Walsh Jr.</u>	<u>Myrth York</u>	<u>Jerald C. Adams</u>
<u>Linda D'Amaro Rossi</u>			

State of Rhode Island

County of Kent ss

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

<u>(Signature)</u>	<u>(Signature)</u>	<u>(Signature)</u>
<u>James Vincent Rosati</u>	<u>Brian Joseph Spero</u>	<u>Cynthia Lee Lawlor</u>
<u>(Printed Name)</u>	<u>(Printed Name)</u>	<u>(Printed Name)</u>
<u>1.</u>	<u>2.</u>	<u>3.</u>
<u>President & CEO</u>	<u>EVP, COO, General Counsel, Assistant Secretary</u>	<u>Chief Financial Officer</u>
<u>(Title)</u>	<u>(Title)</u>	<u>(Title)</u>

Subscribed and sworn to before me this _____ day of _____, 2016

- a. Is this an original filing? Yes No
- b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	318,856,899		318,856,899	308,023,932
2. Stocks:				
2.1 Preferred stocks	861,800		861,800	861,800
2.2 Common stocks	15,662,584		15,662,584	14,199,049
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	11,365,345		11,365,345	11,558,043
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 3,118,736), cash equivalents (\$ 0), and short-term investments (\$ 1,343,456)	4,462,192		4,462,192	10,691,883
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	66,866		66,866	82,849
9. Receivables for securities	69,412		69,412	
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	351,345,098		351,345,098	345,417,556
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	3,057,602		3,057,602	3,045,069
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,036,545	192,785	1,843,760	2,160,200
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 1,520,765 earned but unbilled premiums)	33,710,273	43,566	33,666,707	37,668,365
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	329,056		329,056	339,099
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	1,302,513	1,076,259	226,254	242,876
21. Furniture and equipment, including health care delivery assets (\$ 0)	152,881	152,881		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	2,727		2,727	18,562
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	3,928,351	2,938,681	989,670	1,073,921
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	395,865,046	4,404,172	391,460,874	389,965,648
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	395,865,046	4,404,172	391,460,874	389,965,648

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses	2,870,000	2,870,000		
2502. SERP Accounts	981,847		981,847	1,036,845
2503. Miscellaneous Receivables	76,504	68,681	7,823	37,076
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,928,351	2,938,681	989,670	1,073,921

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 28,829,801)	119,445,016	116,685,842
2. Reinsurance payable on paid losses and loss adjustment expenses		9,984
3. Loss adjustment expenses	21,455,045	21,714,300
4. Commissions payable, contingent commissions and other similar charges	5,704,848	5,378,282
5. Other expenses (excluding taxes, licenses and fees)	5,854,675	6,886,712
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	13,130,237	9,149,082
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 120,624 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)	62,268,006	64,223,166
10. Advance premium	228,968	3,176,310
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders	2,321,636	3,401,812
12. Ceded reinsurance premiums payable (net of ceding commissions)	206,783	119,739
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	134,164	219,508
15. Remittances and items not allocated	37,632	120,400
16. Provision for reinsurance (including \$ 0 certified)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities	227,609	
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	643,279	664,185
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	231,657,898	231,749,322
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	231,657,898	231,749,322
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	20,758,685	20,758,685
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	139,044,291	137,457,641
36. Less treasury stock, at cost:		
36.1. 0 shares common (value included in Line 30 \$ 0)		
36.2. 0 shares preferred (value included in Line 31 \$ 0)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	159,802,976	158,216,326
38. Totals (Page 2, Line 28, Col. 3)	391,460,874	389,965,648

DETAILS OF WRITE-IN LINES		
2501. Deferred Gain - CH Investments	591,286	600,658
2502. Retroactive Reinsurance Reserve Assumed	38,127	48,099
2503. Miscellaneous Liabilities	13,866	15,428
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	643,279	664,185
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. Capital assessment by RI Dept of Labor to provide residual market	20,758,685	20,758,685
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)	20,758,685	20,758,685

NONE

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 65,118,415)	66,579,561	63,537,886	128,810,913
1.2 Assumed (written \$ 2,711,361)	3,205,374	3,321,680	6,438,776
1.3 Ceded (written \$ 3,974,301)	3,974,301	4,242,213	8,032,672
1.4 Net (written \$ 63,855,475)	65,810,634	62,617,353	127,217,017
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 34,962,139):			
2.1 Direct	34,829,824	40,464,931	77,076,149
2.2 Assumed	3,279,368	2,988,099	
2.3 Ceded	(1,693,903)	6,655	
2.4 Net	39,803,095	43,446,375	77,076,149
3. Loss adjustment expenses incurred	11,374,812	11,203,735	20,672,615
4. Other underwriting expenses incurred	20,714,451	20,636,763	39,664,383
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	71,892,358	75,286,873	137,413,147
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(6,081,724)	(12,669,520)	(10,196,130)
INVESTMENT INCOME			
9. Net investment income earned	5,920,148	5,852,429	11,713,175
10. Net realized capital gains (losses) less capital gains tax of \$ 0	2,398,714	1,811,767	2,397,640
11. Net investment gain (loss) (Lines 9 + 10)	8,318,862	7,664,196	14,110,815
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 148,794 amount charged off \$ (556,492))	(407,698)	(260,842)	(602,984)
13. Finance and service charges not included in premiums	80,650	83,210	151,650
14. Aggregate write-ins for miscellaneous income	6,985	(15,037)	135,768
15. Total other income (Lines 12 through 14)	(320,063)	(192,669)	(315,566)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,917,075	(5,197,993)	3,599,119
17. Dividends to policyholders			2,637,740
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)	1,917,075	(5,197,993)	961,379
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	1,917,075	(5,197,993)	961,379
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	158,216,326	158,074,765	158,074,765
22. Net income (from Line 20)	1,917,075	(5,197,993)	961,379
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	330,589	(1,474,246)	(659,577)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	(661,014)	(1,141,420)	(160,241)
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,586,650	(7,813,659)	141,561
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	159,802,976	150,261,106	158,216,326

DETAILS OF WRITE-IN LINES			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Miscellaneous Income (Loss)	5,165	(15,307)	(53,132)
1402. Gain (Loss) on Disposal of Assets	1,820	270	270
1403. Impaired Loss - Subsidiary			150,000
1498. Summary of remaining write-ins for Line 14 from overflow page			38,630
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	6,985	(15,037)	135,768
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	65,383,749	61,157,284	124,646,489
2. Net investment income	6,733,526	6,570,795	13,355,955
3. Miscellaneous income	(320,062)	(192,669)	(315,567)
4. Total (Lines 1 to 3)	71,797,213	67,535,410	137,686,877
5. Benefit and loss related payments	37,049,666	38,277,212	80,425,511
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	29,058,340	28,476,852	60,199,784
8. Dividends paid to policyholders	1,080,177	1,125,570	2,169,669
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	67,188,183	67,879,634	142,794,964
11. Net cash from operations (Line 4 minus Line 10)	4,609,030	(344,224)	(5,108,087)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	35,299,818	29,218,557	65,305,450
12.2 Stocks	19,484,441	12,945,106	20,663,463
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets		123,771	123,771
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	158,196	511,739	13,709
12.8 Total investment proceeds (Lines 12.1 to 12.7)	54,942,455	42,799,173	86,106,393
13. Cost of investments acquired (long-term only):			
13.1 Bonds	45,812,220	29,347,362	54,359,118
13.2 Stocks	19,183,798	12,855,597	20,195,687
13.3 Mortgage loans			
13.4 Real estate		13,714	66,628
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	64,996,018	42,216,673	74,621,433
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(10,053,563)	582,500	11,484,960
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)	(785,158)	(1,315,252)	32,674
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(785,158)	(1,315,252)	32,674
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)	(6,229,691)	(1,076,976)	6,409,547
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	10,691,883	4,282,336	4,282,336
19.2 End of period (Line 18 plus Line 19.1)	4,462,192	3,205,360	10,691,883

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

20.0001			
20.0002			
20.0003			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of The Beacon Mutual Insurance Company (the "Company") have been prepared in conformity with insurance accounting practices prescribed or permitted by the Rhode Island Insurance Department. The State of Rhode Island requires insurance companies domiciled in the State of Rhode Island to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual.

SSAP 97 requires investments in subsidiaries to be carried at the entity's underlying audited statutory equity. As the Castle Hill Insurance subsidiary ("Castle Hill") has been inactive since its inception, the State of Rhode Island has granted the subsidiary an exemption from filing audited financial statements. As such, the State of Rhode Island has also granted a permitted practice to allow Castle Hill to be recorded on the Company's balance sheet as an invested asset at its unaudited statutory equity value.

A summary of the impact of the permitted practices on the Company's net income and surplus as a result of recording Castle Hill as an invested asset is estimated to be as follows:

	June 30, 2016		December 31, 2015	
	Surplus	Net Income	Surplus	Net Income
Rhode Island Basis	\$159,802,976	1,917,075	\$158,216,326	\$961,379
State Permitted Practice :				
Value of Castle Hill subsidiary	(1,340,953)	-	(1,321,062)	-
NAIC SAP	\$158,462,023	1,917,075	\$156,895,264	\$961,379

2. Accounting Changes and Corrections of Errors

Not applicable

3. Business Combinations and Goodwill

Not applicable

4. Discontinued Operations

Not applicable

5. Investments

(A, B, C, E, F & G) No change.

D. Loan-Backed Securities

1. Prepayment assumptions for single class and multi-class mortgage backed/ asset-backed securities were obtained from an external investment manager.
2. The Company did not recognize any other-than-temporary impairments on loan back or structured securities during the second quarter of 2016.
3. Not applicable.
4. The following summarizes gross unrealized investment losses on loan-backed and structured securities by the length of time that securities have continuously been in an unrealized loss position.

a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$ (12,220)
2. 12 Months or Longer	<u>(59,707)</u>
	(71,927)

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	\$ 6,013,174
2. 12 Months or Longer	<u>9,217,317</u>
	15,230,491

NOTES TO FINANCIAL STATEMENTS

5. All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether an other-than-temporary impairment should be recognized. For those securities in an unrealized loss position as of June 30, 2016, the Company has not made a decision to sell any such securities. The Company 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 June 30, 2016, the Company can attest that it has the intent and believes that it has the ability to hold these securities long enough to allow the cost basis of these securities to be recovered. The conclusions are determined by a detailed analysis of the underlying credit and cash flows on each security. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities held at June 30, 2016 if future events, information, and the passage of time cause it to conclude that declines in value are other than temporary.
6. Joint Ventures, Partnerships and Limited Liability Companies
No significant change.
7. Investment Income
No change.
8. Derivative Instruments
Not applicable.
9. Income Taxes
No change.
10. Information Concerning Parent, Subsidiaries and Affiliates
No significant change.
11. Debt
No significant change.
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans
No significant change.
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
No significant change.
14. Contingencies
No significant change.
15. Leases
No significant change.
16. Information About Financial Instruments With Off-Balance Sheet Risk
Not applicable.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
Not applicable.
18. Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans
Not applicable.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators
Not applicable.

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurement

A. Inputs Used for Assets and Liabilities Measured at Fair Value

1) Fair Value Measurements by Levels 1, 2 and 3

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 fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows:

Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, prepayment speeds, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following table provides information about the Company's financial assets and liabilities measured at fair value:

	June 30, 2016			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets at fair value (in 000's)				
Bonds and debt securities	\$ -	\$ 1,305	\$ -	\$ 1,305
Short-term investments	1,343	-	-	1,343
Common stock	14,322	-	-	14,322
Total assets at fair value	<u>\$ 15,665</u>	<u>\$ 1,305</u>	<u>\$ -</u>	<u>\$ 16,970</u>

The following table provides information about the Company's financial assets and liabilities, including those measured at other than fair value in the Statements of Admitted Assets, Liabilities, and Policyholders' Surplus.

	June 30, 2016					
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>Not Practicable (Carrying Value)</u>
Assets at fair value (in 000's)						
Bonds and debt securities	\$ 10,881	\$ 330,502	\$ -	\$ 341,383	\$ 318,857	-
Short-term investments	1,343	-	-	1,343	1,343	-
Preferred stock	-	1,019	-	1,019	862	-
Common stock	14,322	-	-	14,322	14,322	-
Total assets at fair value	<u>\$ 26,546</u>	<u>\$ 331,521</u>	<u>\$ -</u>	<u>\$ 358,067</u>	<u>\$ 335,384</u>	<u>-</u>

The Company had no transfers into or out of Level 3.

2) Rollforward of Level 3 Items

The Company has no material assets or liabilities measured at fair value in the Level 3 category.

3) Policy on Transfers Into and Out of Level 3

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.

NOTES TO FINANCIAL STATEMENTS

4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value in the Level 3 category.

The Company's investments in bond and debt securities and preferred stock reported at fair value are classified in Level 2. Fair values of the investments reported in this category are provided by independent pricing services. Where independent pricing services provide fair values, the Company has obtained an understanding of the methods, models and inputs used in pricing and has controls in place to validate that the amounts provided represent current fair values.

Typical inputs to models used by independent pricing services include but are not limited to benchmark yields, reported trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers, reference data, and industry and economic events. Because some preferred and common stocks do not trade daily, independent pricing services regularly derive fair values using recent trades of securities with similar features. When recent trades are not available, pricing models are used to estimate the fair values of securities by discounting future cash flows at estimated market interest rates.

B. Other Fair Value Disclosures

Not applicable.

C. Reasons Not Practical to Estimate Fair Values

Not applicable.

21. Other Items

No significant changes.

22. Events Subsequent

No change.

23. Reinsurance

A. Reinsurance Assumed and Ceded and Protected Cells

All reinsurance premiums are paid on earned premium; therefore return commission is zero. At June 30, 2016, the unearned premium reserves for direct and assumed premiums were \$57,922,168 and \$2,357,392, respectively. The unearned premium reserve for ceded premiums was \$120,624 at June 30, 2016.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No significant change.

25. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years increased by \$6.1M during 2016. Increases (or decreases) of this nature take place as the result of ongoing claims activity and the review of claim reserves as additional information becomes available.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

No change.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

NOTES TO FINANCIAL STATEMENTS

30. Premium Deficiency Reserves

No change.

31. High Deductibles

Not applicable.

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

Not applicable.

33. Asbestos/Environmental Reserves

No change.

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

36. Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []

If yes, complete Schedule Y, Parts 1, and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] N/A [X]
 If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2015 _____

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____ 12/31/2011 _____

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). _____ 12/04/2012 _____

6.4 By what department or departments?
 Department of Business Regulation, Rhode Island

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]

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

GENERAL INTERROGATORIES

7.2 If yes, give full information

.....

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

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

.....

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

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

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

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

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes [X] No []

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

.....

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

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

.....

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

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

.....

FINANCIAL

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

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

INVESTMENT

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

GENERAL INTERROGATORIES

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

.....

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

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

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

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ <u>1,321,062</u>	\$ <u>1,340,953</u>
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ <u>1,321,062</u>	\$ <u>1,340,953</u>
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

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

15.2 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

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

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.3 Total payable for securities lending reported on the liability page	\$ _____

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

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

1 Name of Custodian(s)	2 Custodian Address
Bank of America	100 Federal Street, Boston, MA 02210
.....

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

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

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

GENERAL INTERROGATORIES

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

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

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
105900	New England Asset Management	76 Batterson Park Road, Farmington, CT 06032
.....

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

Yes [X] No []

18.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] N/A [X]
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
 If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:
 5.1. A&H loss percent _____ %
 5.2. A&H cost containment percent _____ %
 5.3. A&H expense percent excluding cost containment expenses _____ %

6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

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

6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

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

NONE Schedule F

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year To Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2	3	4	5	6	7	
		Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	
1. Alabama	AL	N						
2. Alaska	AK	N						
3. Arizona	AZ	N						
4. Arkansas	AR	N						
5. California	CA	N						
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	N						
9. District of Columbia	DC	N						
10. Florida	FL	N						
11. Georgia	GA	N						
12. Hawaii	HI	N						
13. Idaho	ID	N						
14. Illinois	IL	N						
15. Indiana	IN	N						
16. Iowa	IA	N						
17. Kansas	KS	N						
18. Kentucky	KY	N						
19. Louisiana	LA	N						
20. Maine	ME	N						
21. Maryland	MD	N						
22. Massachusetts	MA	L						
23. Michigan	MI	N						
24. Minnesota	MN	N						
25. Mississippi	MS	N						
26. Missouri	MO	N						
27. Montana	MT	N						
28. Nebraska	NE	N						
29. Nevada	NV	N						
30. New Hampshire	NH	N						
31. New Jersey	NJ	N						
32. New Mexico	NM	N						
33. New York	NY	N						
34. North Carolina	NC	N						
35. North Dakota	ND	N						
36. Ohio	OH	N						
37. Oklahoma	OK	N						
38. Oregon	OR	N						
39. Pennsylvania	PA	N						
40. Rhode Island	RI	L	65,118,415	62,864,380	34,807,930	36,011,293	143,350,766	153,559,956
41. South Carolina	SC	N						
42. South Dakota	SD	N						
43. Tennessee	TN	N						
44. Texas	TX	N						
45. Utah	UT	N						
46. Vermont	VT	N						
47. Virginia	VA	N						
48. Washington	WA	N						
49. West Virginia	WV	N						
50. Wisconsin	WI	N						
51. Wyoming	WY	N						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CAN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals	(a) 2		65,118,415	62,864,380	34,807,930	36,011,293	143,350,766	153,559,956

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

NONE

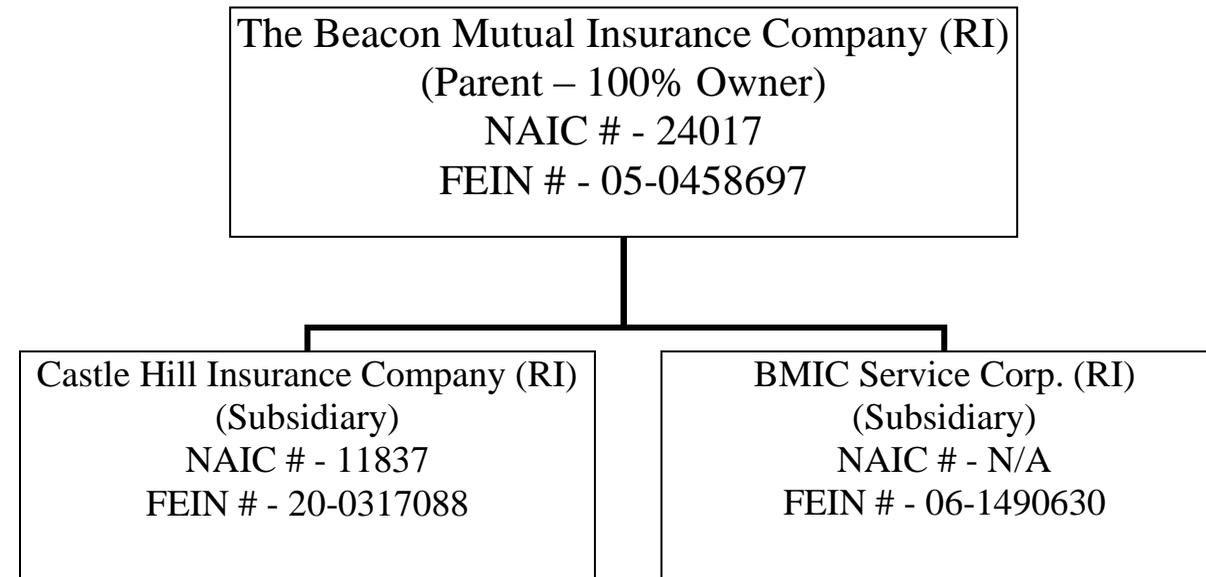
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer;

(E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

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

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
3490	Beacon Mutual Insurance Company	24017	05-0458697				Beacon Mutual Insurance Company	RI						0
3490	Beacon Mutual Insurance Company	11837	20-0317088				Castle Hill Insurance Company	RI	DS	Beacon Mutual Insurance Company	Ownership	100.0	Beacon Mutual Insurance Company	0
		00000	06-1490630				BMIC Service Corp	RI	DS	Beacon Mutual Insurance Company	Ownership	100.0	Beacon Mutual Insurance Company	0

12

Asterik	Explanation
	NONE

PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation	66,579,562	34,829,824	52.3	63.7
17.1 Other liability-occurrence				
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	66,579,562	34,829,824	52.3	63.7

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

PART 2 – DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation	27,629,401	65,118,415	62,864,380
17.1 Other liability-occurrence			
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	27,629,401	65,118,415	62,864,380

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

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2016 Loss and LAE Payments on Claims Reported as of Prior Year-End	2016 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2016 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2013 + prior	42,602	11,725	54,327	10,568		10,568	36,632	1	9,367	46,000	4,598	(2,357)	2,241
2. 2014	17,474	10,093	27,567	9,149	13	9,162	14,268	33	6,182	20,483	5,943	(3,865)	2,078
3. Subtotals 2014 + prior	60,076	21,818	81,894	19,717	13	19,730	50,900	34	15,549	66,483	10,541	(6,222)	4,319
4. 2015	23,964	32,542	56,506	17,085	444	17,529	19,107	785	20,888	40,780	12,228	(10,425)	1,803
5. Subtotals 2015 + prior	84,040	54,360	138,400	36,802	457	37,259	70,007	819	36,437	107,263	22,769	(16,647)	6,122
6. 2016	X X X	X X X	X X X	X X X	11,421	11,421	X X X	13,413	20,225	33,638	X X X	X X X	X X X
7. Totals	84,040	54,360	138,400	36,802	11,878	48,680	70,007	14,232	56,662	140,901	22,769	(16,647)	6,122

8. Prior Year-End Surplus As Regards Policyholders

158,216

Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
As % of Col. 1,	As % of Col. 2,	As % of Col. 3,
Line 7	Line 7	Line 7
1. 27.093	2. -30.624	3. 4.423
		Col. 13, Line 7
		Line 8
		4. 3.869

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

- Question 1: Not applicable
.....
.....
.....
- Question 2: Not applicable
.....
.....
.....
- Question 3: Not applicable
.....
.....
.....
- Question 4: Not applicable
.....
.....
.....

Bar Code:



24017201649000020



24017201645500020



24017201636500020



24017201650500020

OVERFLOW PAGE FOR WRITE-INS

Page 4 - Continuation

STATEMENT OF INCOME

	1	2	3
	Current Year	Prior Year	Prior Year Ended December 31
REMAINING WRITE-INS AGGREGATED AT LINE 14 FOR MISCELLANEOUS INCOME			
1404. Retroactive Reinsurance Gain (Loss)			38,630
1497. Totals (Lines 1404 through 1496) (Page 4, Line 1498)			38,630

SCHEDULE A - VERIFICATION**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	11,558,043	11,870,073
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		66,629
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation	192,698	378,659
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	11,365,345	11,558,043
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	11,365,345	11,558,043

SCHEDULE B - VERIFICATION**Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE**SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	82,849	150,850
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	(15,983)	55,770
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		123,771
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	66,866	82,849
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	66,866	82,849

SCHEDULE D - VERIFICATION**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	323,084,781	334,078,656
2. Cost of bonds and stocks acquired	64,996,021	74,554,806
3. Accrual of discount	41,954	64,622
4. Unrealized valuation increase (decrease)	328,269	(698,825)
5. Total gain (loss) on disposals	2,430,501	3,227,303
6. Deduct consideration for bonds and stocks disposed of	54,784,265	85,968,916
7. Deduct amortization of premium	674,798	1,299,779
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	41,180	873,086
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	335,381,283	323,084,781
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	335,381,283	323,084,781

SCHEDULE D - PART 1B

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	271,632,412	38,666,820	35,201,257	(1,222,347)	271,632,412	273,875,628		275,194,598
2. NAIC 2 (a)	44,980,957		500,000	(745,149)	44,980,957	43,735,808		44,018,844
3. NAIC 3 (a)				1,617,057		1,617,057		
4. NAIC 4 (a)	1,027,500		484,062	428,425	1,027,500	971,863		
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	317,640,869	38,666,820	36,185,319	77,986	317,640,869	320,200,356		319,213,442
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3	861,800			(361,800)	861,800	500,000		861,800
11. NAIC 4				361,800		361,800		
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	861,800				861,800	861,800		861,800
15. Total Bonds & Preferred Stock	318,502,669	38,666,820	36,185,319	77,986	318,502,669	321,062,156		320,075,242

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$ 0; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	1,343,456	X X X	1,343,456		

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	11,189,510	1,016,397
2. Cost of short-term investments acquired	28,722,515	22,331,763
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	38,568,569	12,158,650
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	1,343,456	11,189,510
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	1,343,456	11,189,510

- NONE Schedule DB - Part A and B Verification**
- NONE Schedule DB - Part C - Section 1**
- NONE Schedule DB - Part C - Section 2**
- NONE Schedule DB - Verification**
- NONE Schedule E Verification**
- NONE Schedule A - Part 2 and 3**
- NONE Schedule B - Part 2 and 3**
- NONE Schedule BA - Part 2 and 3**

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
3138ET-DZ-6	FEDERAL NATIONAL MTG ASSOC #AL8219		06/28/2016	WELLS FARGO FINANCIAL		4,199,153	3,895,148.00	12,551	1FE
3138WE-C5-6	FEDERAL NATIONAL MTG ASSOC #AS4591		06/21/2016	SUNTRUST CAPITAL MARKETS		1,931,390	1,785,095.00	4,562	1FE
3138WG-6E-9	FEDERAL NATIONAL MTG ASSOC #AS7168		06/07/2016	GOLDMAN SACHS		7,580,276	7,190,421.00	8,389	1FE
31418B-6G-6	FEDERAL NATIONAL MTG ASSOC #MA2670		06/29/2016	SUNTRUST CAPITAL MARKETS		4,144,688	4,000,000.00	9,667	1FE
3199999	U.S. Total Bonds Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	17,855,507	16,870,664.00	35,169	X X X
06054M-AE-3	BANC OF AMERICA COMM MOR 16-UB10 A4		05/20/2016	BANK OF AMERICA		1,287,415	1,250,000.00	660	1FE
46625H-QW-3	JPMORGAN CHASE & CO		04/28/2016	BARCLAYS CAPITAL		1,010,080	1,000,000.00	3,667	1FE
61766E-BD-6	MORGAN STANLEY BAML TRUST 16 C29 A3		04/22/2016	MORGAN STANLEY & CO		757,482	750,000.00	255	1FE
61766E-BE-4	MORGAN STANLEY BAML TRUST 16 C29 A4		05/04/2016	MORGAN STANLEY & CO		2,343,723	2,250,000.00	1,478	1FE
87020P-AG-2	SWEDBANK AB	F	04/05/2016	VARIOUS		507,843	500,000.00	1,012	1FE
907818-DT-2	UNION PACIFIC CORP		04/13/2016	CITIGROUP GLOBAL MARKETS		773,681	665,000.00	6,857	1FE
94989C-AW-1	WELLS FARGO COMMERCIAL MORT 15 C26 A3		06/08/2016	GOLDMAN SACHS		511,953	500,000.00	485	1FM
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	7,192,177	6,915,000.00	14,414	X X X
8399997	Total Bonds Part 3				X X X	25,047,684	23,785,664.00	49,583	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	25,047,684	23,785,664.00	49,583	X X X
88579Y-10-1	3M COMPANY		06/02/2016	MORGAN STANLEY & CO	1,200.000	201,568			L
018802-10-8	ALLIANT ENERGY CORP		06/02/2016	MORGAN STANLEY & CO	11,800.000	437,112			L
110122-10-8	BRISTOL-MYERS SQUIBB CO		06/02/2016	MORGAN STANLEY & CO	5,300.000	384,159			L
166764-10-0	CHEVRON CORP		06/02/2016	MORGAN STANLEY & CO	3,000.000	300,209			L
22822V-10-1	CROWN CASTLE INTL CORP		06/02/2016	MORGAN STANLEY & CO	4,500.000	410,099			L
237194-10-5	DARDEN RESTAURANTS INC		06/02/2016	MORGAN STANLEY & CO	5,600.000	378,362			L
370334-10-4	GENERAL MILLS INC		06/02/2016	MORGAN STANLEY & CO	5,800.000	365,253			L
478160-10-4	JOHNSON & JOHNSON		06/02/2016	MORGAN STANLEY & CO	3,100.000	352,899			L
49456B-10-1	KINDER MORGAN INC		06/02/2016	MORGAN STANLEY & CO	14,000.000	251,832			L
500754-10-6	KRAFT HEINZ COMPANY		06/02/2016	MORGAN STANLEY & CO	4,800.000	404,210			L
539830-10-9	LOCKHEED MARTIN CORPORATION		06/02/2016	MORGAN STANLEY & CO	1,700.000	403,591			L
69007J-10-6	OUTFRONT MEDIA INC		06/02/2016	MORGAN STANLEY & CO	15,268.000	346,405			L
713448-10-8	PEPSICO INC		06/02/2016	MORGAN STANLEY & CO	3,700.000	376,621			L
717081-10-3	PFIZER INC		06/02/2016	MORGAN STANLEY & CO	13,100.000	456,877			L
723484-10-1	PINNACLE WEST CAPITAL CORP		06/02/2016	MORGAN STANLEY & CO	5,300.000	390,637			L
69351T-10-6	PPL CORPORATION		06/02/2016	MORGAN STANLEY & CO	9,600.000	367,990			L
744573-10-6	PUBLIC SERVICE ENTERPRISE GP		06/02/2016	MORGAN STANLEY & CO	8,300.000	370,154			L
871829-10-7	SYSCO CORP		06/02/2016	MORGAN STANLEY & CO	8,500.000	413,942			L

E4

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
38373A-L2-0	GOVERNMENT NATIONAL MORTGAG		06/01/2016	PAYDOWN		28,597	28,597.00	30,055	28,816		(219)		(219)		28,597				536	07/20/2038	1FE
38376F-J3-7	GOVERNMENT NATIONAL MORTGAG		06/01/2016	PAYDOWN		2,230	2,230.00	2,462	2,268		(38)		(38)		2,230				42	08/20/2038	1FE
38378K-RR-2	GOVERNMENT NATIONAL MORTGAG		06/01/2016	PAYDOWN		12,433	12,433.00	12,782	12,458		(25)		(25)		12,433				126	03/16/2048	1FE
36296H-Q6-9	GOVERNMENT NATL MTG ASSOC #6		06/01/2016	PAYDOWN		9,683	9,683.00	9,877	9,685		(2)		(2)		9,683				239	07/15/2038	1FE
36296Q-LY-3	GOVERNMENT NATL MTG ASSOC #6		06/01/2016	PAYDOWN		411	411.00	420	414		(3)		(3)		411				9	03/15/2039	1FE
36296W-WP-7	GOVERNMENT NATL MTG ASSOC #7		06/01/2016	PAYDOWN		118,748	118,748.00	121,420	118,783		(35)		(35)		118,748				1,982	02/15/2039	1FE
3620C6-EG-6	GOVERNMENT NATL MTG ASSOC #7		06/01/2016	PAYDOWN		86,503	86,503.00	90,260	86,675		(172)		(172)		86,503				1,587	11/15/2040	1FE
36241K-YZ-5	GOVERNMENT NATL MTG ASSOC #7		06/01/2016	PAYDOWN		14,862	14,862.00	15,159	14,892		(30)		(30)		14,862				311	01/15/2039	1FE
912810-PX-0	UNITED STATES TREASURY BOND		06/24/2016	RBC CAPITAL MARKET		3,582,998	2,500,000.00	3,525,781	3,344,324		(13,820)		(13,820)		3,330,504		252,494	252,494	69,395	05/15/2038	1FE
912810-QK-7	UNITED STATES TREASURY BOND		06/24/2016	BANK OF AMERICA		1,570,261	1,200,000.00	1,143,333	1,148,947		590		590		1,149,538		420,723	420,723	40,240	08/15/2040	1
912810-RJ-9	UNITED STATES TREASURY BOND		06/24/2016	VARIOUS		3,369,832	3,000,000.00	3,322,746	3,316,212		(3,531)		(3,531)		3,312,681		57,151	57,151	53,723	11/15/2044	1
0599999	Total - Bonds - U.S. Governments				X X X	8,796,558	6,973,467.00	8,274,295	8,083,474		(17,285)		(17,285)		8,066,190		730,368	730,368	168,190	X X X	X X X
31396V-4B-1	FANNIE MAE 07 58 FG		06/25/2016	PAYDOWN		1,572	1,572.00	1,572	1,572						1,572				5	06/25/2037	1FE
3136A5-TB-2	FANNIE MAE 12 33 GV		06/01/2016	PAYDOWN		26,559	26,559.00	28,368	26,641		(82)		(82)		26,559				387	07/25/2028	1FE
312943-7E-7	FEDERAL HOME LN MTG CORP #A95		06/01/2016	PAYDOWN		35,008	35,008.00	35,025	35,009		(1)		(1)		35,008				633	12/01/2040	1FE
312944-FE-6	FEDERAL HOME LN MTG CORP #A95		06/01/2016	PAYDOWN		90,635	90,635.00	88,786	90,536		98		98		90,635				1,504	12/01/2040	1FE
312962-VW-0	FEDERAL HOME LN MTG CORP #B10		06/01/2016	PAYDOWN		2,548	2,548.00	2,755	2,578		(30)		(30)		2,548				53	11/01/2018	1FE
312962-ZK-2	FEDERAL HOME LN MTG CORP #B10		06/01/2016	PAYDOWN		1,929	1,929.00	2,085	1,953		(25)		(25)		1,929				37	11/01/2018	1FE
312962-3G-6	FEDERAL HOME LN MTG CORP #B10		06/01/2016	PAYDOWN		4,580	4,580.00	4,951	4,631		(52)		(52)		4,580				92	12/01/2018	1FE
312963-PY-1	FEDERAL HOME LN MTG CORP #B11		06/01/2016	PAYDOWN		3,691	3,691.00	3,990	3,746		(55)		(55)		3,691				73	12/01/2018	1FE
31292S-AN-0	FEDERAL HOME LN MTG CORP #C09		06/01/2016	PAYDOWN		10,557	10,557.00	10,761	10,564		(7)		(7)		10,557				133	09/01/2042	1FE
3128H8-CB-4	FEDERAL HOME LN MTG CORP #E99		06/01/2016	PAYDOWN		1,748	1,748.00	1,889	1,771		(23)		(23)		1,748				36	10/01/2018	1FE
3128M4-CP-6	FEDERAL HOME LN MTG CORP #G02		06/01/2016	PAYDOWN		2,222	2,222.00	2,189	2,217		4		4		2,222				49	12/01/2036	1FE
3128MJ-Q7-8	FEDERAL HOME LN MTG CORP #G08		06/01/2016	PAYDOWN		29,677	29,677.00	31,022	29,730		(54)		(54)		29,677				436	02/01/2042	1FE
3128MJ-Q9-4	FEDERAL HOME LN MTG CORP #G08		06/01/2016	PAYDOWN		9,540	9,540.00	10,148	9,564		(25)		(25)		9,540				141	03/01/2042	1FE
3128MJ-RV-4	FEDERAL HOME LN MTG CORP #G08		06/01/2016	PAYDOWN		10,708	10,708.00	10,919	10,715		(7)		(7)		10,708				138	07/01/2042	1FE
3128MJ-R5-1	FEDERAL HOME LN MTG CORP #G08		06/01/2016	PAYDOWN		4,880	4,880.00	5,118	4,889		(9)		(9)		4,880				62	10/01/2042	1FE
3128MM-K7-7	FEDERAL HOME LN MTG CORP #G18		06/01/2016	PAYDOWN		8,271	8,271.00	8,623	8,308		(37)		(37)		8,271				151	07/01/2024	1FE
3128PP-YY-3	FEDERAL HOME LN MTG CORP #J10		06/01/2016	PAYDOWN		1,282	1,282.00	1,370	1,292		(10)		(10)		1,282				23	10/01/2024	1FE
3128PP-4D-2	FEDERAL HOME LN MTG CORP #J10		06/01/2016	PAYDOWN		2,036	2,036.00	2,091	2,040		(3)		(3)		2,036				38	10/01/2024	1FE
3128PR-FA-2	FEDERAL HOME LN MTG CORP #J11		06/01/2016	PAYDOWN		32,418	32,418.00	33,734	32,505		(87)		(87)		32,418				640	04/01/2025	1FE
3128PR-M7-1	FEDERAL HOME LN MTG CORP #J12		06/01/2016	PAYDOWN		78,148	78,148.00	80,939	78,310		(162)		(162)		78,148				1,243	05/01/2025	1FE
3128PT-7B-5	FEDERAL HOME LN MTG CORP #J14		06/01/2016	PAYDOWN		26,742	26,742.00	26,788	26,746		(4)		(4)		26,742				389	02/01/2026	1FE
3128PV-BD-1	FEDERAL HOME LN MTG CORP #J15		06/01/2016	PAYDOWN		11,248	11,248.00	11,729	11,296		(48)		(48)		11,248				195	05/01/2026	1FE
3128PV-5E-6	FEDERAL HOME LN MTG CORP #J16		06/01/2016	PAYDOWN		4,426	4,426.00	4,652	4,454		(27)		(27)		4,426				74	08/01/2026	1FE

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Forfeiture	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
E05.1																					
3128Q0-VW-4	FEDERAL HOME LN MTG CORP #J19		06/01/2016	PAYDOWN		28,462	28,462.00	29,849	28,613		(151)		(151)		28,462				349	07/01/2027	1FE
31306X-2A-0	FEDERAL HOME LN MTG CORP #J20		06/01/2016	PAYDOWN		79,996	79,996.00	83,536	80,224		(228)		(228)		79,996				825	10/01/2027	1FE
31306Y-KF-7	FEDERAL HOME LN MTG CORP #J21		06/01/2016	PAYDOWN		265,368	265,368.00	277,102	266,505		(1,137)		(1,137)		265,368				2,606	11/01/2027	1FE
31307B-UU-2	FEDERAL HOME LN MTG CORP #J23		06/01/2016	PAYDOWN		113,871	113,871.00	117,874	114,212		(341)		(341)		113,871				1,221	04/01/2028	1FE
3132GM-KJ-0	FEDERAL HOME LN MTG CORP #Q05		06/01/2016	PAYDOWN		139,726	139,726.00	145,074	139,814		(88)		(88)		139,726				2,037	02/01/2042	1FE
3132GT-DJ-3	FEDERAL HOME LN MTG CORP #Q07		06/01/2016	PAYDOWN		264,150	264,150.00	274,634	264,726		(576)		(576)		264,150				4,251	05/01/2042	1FE
3132HL-A2-9	FEDERAL HOME LN MTG CORP #Q10		06/01/2016	PAYDOWN		8,190	8,190.00	8,713	8,219		(28)		(28)		8,190				123	08/01/2042	1FE
3132QU-AK-9	FEDERAL HOME LN MTG CORP #Q37		06/01/2016	PAYDOWN		20,883	20,883.00	21,608	20,901		(18)		(18)		20,883				318	11/01/2045	1FE
31371L-PL-7	FEDERAL NATIONAL MTG ASSOC #2		06/01/2016	PAYDOWN		14,784	14,784.00	15,251	14,839		(55)		(55)		14,784				277	05/01/2019	1FE
31400S-BR-9	FEDERAL NATIONAL MTG ASSOC #6		06/01/2016	PAYDOWN		1,764	1,764.00	1,922	1,797		(33)		(33)		1,764				36	05/01/2018	1FE
31400S-CF-4	FEDERAL NATIONAL MTG ASSOC #6		06/01/2016	PAYDOWN		2,344	2,344.00	2,555	2,390		(46)		(46)		2,344				49	04/01/2018	1FE
31401C-LJ-0	FEDERAL NATIONAL MTG ASSOC #7		06/01/2016	PAYDOWN		2,427	2,427.00	2,645	2,463		(36)		(36)		2,427				49	05/01/2018	1FE
31401X-L4-7	FEDERAL NATIONAL MTG ASSOC #7		06/01/2016	PAYDOWN		2,026	2,026.00	2,208	2,062		(36)		(36)		2,026				42	06/01/2018	1FE
31405D-KC-0	FEDERAL NATIONAL MTG ASSOC #7		06/01/2016	PAYDOWN		893	893.00	973	909		(16)		(16)		893				19	07/01/2019	1FE
31407B-WY-1	FEDERAL NATIONAL MTG ASSOC #8		06/01/2016	PAYDOWN		9,653	9,653.00	9,251	9,638		15		15		9,653				190	07/01/2035	1FE
31410G-ME-0	FEDERAL NATIONAL MTG ASSOC #8		06/01/2016	PAYDOWN		1,804	1,804.00	1,822	1,805		(1)		(1)		1,804				18	09/01/2037	1FE
31410G-RJ-4	FEDERAL NATIONAL MTG ASSOC #8		06/01/2016	PAYDOWN		2,705	2,705.00	2,923	2,747		(42)		(42)		2,705				51	12/01/2018	1FE
31410K-3R-3	FEDERAL NATIONAL MTG ASSOC #8		06/01/2016	PAYDOWN		8,089	8,089.00	8,310	8,120		(31)		(31)		8,089				151	03/01/2018	1FE
31412U-AJ-9	FEDERAL NATIONAL MTG ASSOC #9		06/01/2016	PAYDOWN		2,469	2,469.00	2,557	2,475		(6)		(6)		2,469				46	03/01/2024	1FE
31412U-L7-3	FEDERAL NATIONAL MTG ASSOC #9		06/01/2016	PAYDOWN		7,806	7,806.00	8,077	7,824		(18)		(18)		7,806				146	04/01/2024	1FE
31413J-FD-1	FEDERAL NATIONAL MTG ASSOC #9		06/01/2016	PAYDOWN		2,993	2,993.00	3,007	2,993						2,993				89	09/01/2027	1FE
31417M-KJ-1	FEDERAL NATIONAL MTG ASSOC #A		06/01/2016	PAYDOWN		4,525	4,525.00	4,684	4,537		(12)		(12)		4,525				84	09/01/2024	1FE
3138ED-2V-2	FEDERAL NATIONAL MTG ASSOC #A		06/01/2016	PAYDOWN		12,184	12,184.00	13,011	12,199		(15)		(15)		12,184				178	04/01/2042	1FE
3138EK-H9-9	FEDERAL NATIONAL MTG ASSOC #A		06/01/2016	PAYDOWN		21,978	21,978.00	23,051	22,042		(64)		(64)		21,978				226	01/01/2028	1FE
3138M6-R2-5	FEDERAL NATIONAL MTG ASSOC #A		06/01/2016	PAYDOWN		14,071	14,071.00	14,607	14,102		(31)		(31)		14,071				138	08/01/2027	1FE
3138W0-RB-7	FEDERAL NATIONAL MTG ASSOC #A		06/01/2016	PAYDOWN		1,103	1,103.00	1,151	1,116		(12)		(12)		1,103				14	03/01/2043	1FE
3138W0-TZ-2	FEDERAL NATIONAL MTG ASSOC #A		06/01/2016	PAYDOWN		6,257	6,257.00	6,527	6,274		(17)		(17)		6,257				79	02/01/2043	1FE
3138W1-YJ-0	FEDERAL NATIONAL MTG ASSOC #A		06/01/2016	PAYDOWN		7,349	7,349.00	7,662	7,380		(32)		(32)		7,349				92	02/01/2043	1FE
3138W1-3L-9	FEDERAL NATIONAL MTG ASSOC #A		06/01/2016	PAYDOWN		8,730	8,730.00	9,079	8,748		(17)		(17)		8,730				88	02/01/2028	1FE
3138W7-KH-6	FEDERAL NATIONAL MTG ASSOC #A		06/01/2016	PAYDOWN		200,680	200,680.00	209,146	201,087		(406)		(406)		200,680				2,507	03/01/2043	1FE
31418A-HX-9	FEDERAL NATIONAL MTG ASSOC #M		06/01/2016	PAYDOWN		20,820	20,820.00	21,930	20,894		(74)		(74)		20,820				264	08/01/2027	1FE
31396H-J8-3	FREDDIE MAC 3114 PF		06/15/2016	PAYDOWN		13,083	13,083.00	13,150	13,087		(4)		(4)		13,083				44	02/15/2036	1FE
3137A4-ZH-3	FREDDIE MAC 3794 JH		06/01/2016	PAYDOWN		7,052	7,052.00	7,342	7,108		(56)		(56)		7,052				103	12/15/2023	1FE
3137AJ-RJ-5	FREDDIE MAC 3976 AE		06/01/2016	PAYDOWN		27,121	27,121.00	27,824	27,201		(80)		(80)		27,121				283	08/15/2029	1FE
762315-HS-1	RHODE ISLAND ST STUDENT LOAN		06/01/2016	SINK FUND PAYMENT		95,000	95,000.00	93,112	94,948		52		52		95,000				2,494	12/01/2018	1FE
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Oblig				XXX	1,820,781	1,820,781.00	1,881,671	1,825,066		(4,286)		(4,286)		1,820,781				26,019	XXX	XXX

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
17119Y-AC-1	CHRYSLER CAPITAL AUTO RECV 14		06/15/2016	PAYDOWN		160,547	160,547.00	160,517	160,479		69		69		160,547				840	05/15/2019	1FE
233050-AN-3	DBUBS MORTGAGE TRUST 11 LC1A		06/01/2016	PAYDOWN		84,607	84,607.00	85,450	84,615		(8)		(8)		84,607				1,081	11/10/2046	1FM
41284A-AD-0	HARLEY-DAVIDSON MOTORCYCLE T		06/15/2016	PAYDOWN		11,641	11,641.00	11,638	11,636		5		5		11,641				64	09/15/2019	1FE
46630E-AC-4	JP MORGAN CHASE COMMERCIAL 0		06/01/2016	PAYDOWN		343,977	343,977.00	373,142	347,304		(3,327)		(3,327)		343,977				8,363	12/12/2043	1FM
50179M-AE-1	LB-UBS COMMERCIAL MORTGAGE T		06/11/2016	PAYDOWN		893,398	893,398.00	996,290	903,976		(10,578)		(10,578)		893,398				20,438	09/15/2039	1FM
69121P-DE-0	OWNIT MORTGAGE LOAN ASSET-BA		05/01/2016	PAYDOWN		2,922	2,922.00	2,147	2,879		43		43		2,922				49	01/25/2037	1FM
69353U-AB-7	PPL WEM LTD/WESTERN PWR	F	05/01/2016	MATURITY		500,000	500,000.00	499,475	499,962		38		38		500,000				9,750	05/01/2016	2FE
75970N-BD-8	RENAISSANCE HOME EQUITY LOAN		06/01/2016	PAYDOWN		16,208	16,208.00	16,208	16,209						16,208				339	11/25/2035	1FM
82651Y-AA-3	SIERRA RECEIVABLES FUNDING CO		06/20/2016	PAYDOWN		11,423	11,423.00	11,421	11,415		9		9		11,423				75	11/20/2029	1FE
82652B-AA-2	SIERRA RECEIVABLES FUNDING CO		06/20/2016	PAYDOWN		44,667	44,667.00	44,666	44,623		44		44		44,667				415	11/20/2025	1FE
82652D-AA-8	SIERRA RECEIVABLES FUNDING CO		06/20/2016	PAYDOWN		13,475	13,475.00	13,473	13,463		12		12		13,475				114	06/20/2031	1FE
82652J-AA-5	SIERRA RECEIVABLES FUNDING CO		06/20/2016	PAYDOWN		83,510	83,510.00	83,494	83,417		93		93		83,510				882	09/20/2032	1FE
845467-AL-3	SOUTHWESTERN ENERGY CO		06/29/2016	VARIOUS		461,450	485,000.00	483,943	484,021		41		41		484,062		(22,612)	(22,612)	21,824	01/23/2025	4FE
92903P-AA-7	VORNADO DP LLC 10 VNO A1		06/10/2016	PAYDOWN		38,201	38,201.00	38,201	38,184		17		17		38,201				473	09/13/2028	1FM
25468P-DK-9	WALT DISNEY COMPANY/THE		04/21/2016	VARIOUS		1,584,153	1,500,000.00	1,508,430			(172)		(172)		1,508,258		75,895	75,895	13,479	02/13/2026	1FE
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	4,250,179	4,189,576.00	4,328,495	2,702,183		(13,714)		(13,714)		4,196,896		53,283	53,283	78,186	X X X	X X X
8399997	Total - Bonds - Part 4				X X X	14,867,518	12,983,824.00	14,484,461	12,610,723		(35,285)		(35,285)		14,083,867		783,651	783,651	272,395	X X X	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	14,867,518	12,983,824.00	14,484,461	12,610,723		(35,285)		(35,285)		14,083,867		783,651	783,651	272,395	X X X	X X X
88579Y-10-1	3M COMPANY		06/02/2016	CLSA CALYON SECURI	1,200.00	201,468		197,192						197,192		4,275	4,275	1,332			L
018802-10-8	ALLIANT ENERGY CORP		06/02/2016	CLSA CALYON SECURI	11,800.00	435,964		427,215						427,215		8,748	8,748	3,466			L
110122-10-8	BRISTOL-MYERS SQUIBB CO		06/02/2016	CLSA CALYON SECURI	5,300.00	383,469		349,012	364,587	(15,575)			(15,575)	349,012		34,456	34,456	4,028			L
166764-10-0	CHEVRON CORP		06/02/2016	CLSA CALYON SECURI	3,000.00	300,106		280,844						280,844		19,262	19,262	3,210			L
191216-10-0	COCA-COLA CO/THE		04/01/2016	PRIOR PERIOD INCOME														2,975			L
22822V-10-1	CROWN CASTLE INTL CORP		06/02/2016	CLSA CALYON SECURI	4,500.00	409,183		377,604	389,025	(11,421)			(11,421)	377,604		31,579	31,579	3,983			L
237194-10-5	DARDEN RESTAURANTS INC		06/02/2016	CLSA CALYON SECURI	5,600.00	377,597		369,093						369,093		8,504	8,504	2,800			L
35086T-10-9	FOUR CORNERS PROPERTY TRUST		04/25/2016	MORGAN STANLEY & C	684.00	12,152		11,108						11,108		1,044	1,044	166			L
369604-10-3	GENERAL ELECTRIC CO		04/25/2016	PRIOR PERIOD INCOME														3,082			L
370334-10-4	GENERAL MILLS INC		06/02/2016	CLSA CALYON SECURI	5,800.00	364,477		358,504						358,504		5,973	5,973	2,668			L
40434L-10-5	HP INC		04/06/2016	PRIOR PERIOD INCOME														1,178			L

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SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
478160-10-4	JOHNSON & JOHNSON		06/02/2016	CLSA CALYON SECURI	3,100.00	352,181		334,959							334,959		17,222	17,222	2,480		L	
49456B-10-1	KINDER MORGAN INC		06/02/2016	CLSA CALYON SECURI	14,000.00	250,632		247,117							247,117		3,516	3,516	1,750		L	
500754-10-6	KRAFT HEINZ COMPANY		06/02/2016	VARIOUS	4,800.00	403,394		366,552							366,552		36,843	36,843	2,760		L	
539830-10-9	LOCKHEED MARTIN CORPORATION		06/02/2016	CLSA CALYON SECURI	1,700.00	403,200		371,991							371,991		31,209	31,209	2,805		L	
69007J-10-6	OUTFRONT MEDIA INC		06/02/2016	CLSA CALYON SECURI	15,268.00	344,585		333,300	333,300						333,300		11,285	11,285	5,191		L	
713448-10-8	PEPSICO INC		06/02/2016	CLSA CALYON SECURI	3,700.00	375,709		371,499							371,499		4,210	4,210	2,784		L	
717081-10-3	PFIZER INC		06/02/2016	CLSA CALYON SECURI	13,100.00	455,037		444,913							444,913		10,124	10,124	690		L	
723484-10-1	PINNACLE WEST CAPITAL CORP		06/02/2016	CLSA CALYON SECURI	5,300.00	389,073		387,587							387,587		1,486	1,486	3,313		L	
69351T-10-6	PPL CORPORATION		06/02/2016	VARIOUS	9,600.00	366,811		355,323							355,323		11,488	11,488	3,648		L	
744573-10-6	PUBLIC SERVICE ENTERPRISE GP		06/02/2016	CLSA CALYON SECURI	8,300.00	369,137		354,187	321,127	33,060			33,060		354,187		14,950	14,950	3,403		L	
871829-10-7	SYSCO CORP		06/02/2016	CLSA CALYON SECURI	8,500.00	412,438		393,631							393,631		18,807	18,807	2,635		L	
931142-10-3	WAL-MART STORES INC		06/02/2016	CLSA CALYON SECURI	5,300.00	372,654		353,685	128,730	(453)			(453)		353,685		18,969	18,969	3,129		L	
9099999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	6,979,267		6,685,316	1,536,769	5,611			5,611		6,685,316		293,950	293,950	63,476	X X X	X X X	
78462F-10-3	SPDR S&P 500 ETF TRUST		04/29/2016	PRIOR PERIOD INCOME															22,252		L	
9299999	Total - Common Stock - Mutual Funds				X X X		X X X												22,252	X X X	X X X	
9799997	Total - Common Stock - Part 4				X X X	6,979,267	X X X	6,685,316	1,536,769	5,611			5,611		6,685,316		293,950	293,950	85,728	X X X	X X X	
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stocks				X X X	6,979,267	X X X	6,685,316	1,536,769	5,611			5,611		6,685,316		293,950	293,950	85,728	X X X	X X X	
9899999	Total Preferred and Common Stocks				X X X	6,979,267	X X X	6,685,316	1,536,769	5,611			5,611		6,685,316		293,950	293,950	85,728	X X X	X X X	
9999999	Totals					21,846,785	X X X	21,169,777	14,147,492	5,611	(35,285)		(29,674)		20,769,183		1,077,601	1,077,601	358,123	X X X	X X X	

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

NONE Schedule E - Part 2