

QUARTERLY STATEMENT
OF THE
THE PARAMOUNT INSURANCE
COMPANY

Of
WINDSOR MILL
in the state of MD

to the Insurance Department
of the State of

For the Period Ended
September 30, 2018

2018



QUARTERLY STATEMENT

As of September 30, 2018
of the Condition and Affairs of the

THE PARAMOUNT INSURANCE COMPANY

NAIC Group Code..... 0, 0 (Current Period) (Prior Period)	NAIC Company Code..... 16128	Employer's ID Number..... 52-0437986
Organized under the Laws of MD	State of Domicile or Port of Entry MD	Country of Domicile US
Incorporated/Organized..... October 10, 1938	Commenced Business..... December 19, 1938	
Statutory Home Office	2520 LORD BALTIMORE DRIVE .. WINDSOR MILL .. MD .. US .. 21244 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	2520 LORD BALTIMORE DRIVE .. WINDSOR MILL .. MD .. US .. 21244 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	410-944-6882 <i>(Area Code) (Telephone Number)</i>
Mail Address	P.O. BOX 47520 .. BALTIMORE .. MD .. US .. 21244 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	2520 LORD BALTIMORE DRIVE .. WINDSOR MILL .. MD .. US .. 21244 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	410-944-6882 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address		
Statutory Statement Contact	WILLIAM ALBERT FITZPATRICK <i>(Name)</i> BILLF@FLSCPAS.COM <i>(E-Mail Address)</i>	410-944-6882 <i>(Area Code) (Telephone Number) (Extension)</i> 410-505-1722 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. WILLIAM WELBY FURR	PRESIDENT	2. BARRY PHILIP BASKIND	TREASURER
3.	RECEIVER	4. CHRISTINE ANNE HEALEY	SECRETARY

OTHER

DIRECTORS OR TRUSTEES

BARRY PHILIP BASKIND	WILLIAM WELBY FURR	STANLEY MARVIN BASKIND	BERNARD MICHAEL NEVIN BROWN
MARTIN RICHARD LEWIS JR	JAMES FERGUSON MCNALLY	CHRISTINE ANNE HEALEY	WILLIAM ALBERT FITZPATRICK

State of.....
County of.....

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

_____ (Signature) WILLIAM WELBY FURR _____ 1. (Printed Name) PRESIDENT _____ (Title)	_____ (Signature) BARRY PHILIP BASKIND _____ 2. (Printed Name) TREASURER _____ (Title)	_____ (Signature) _____ 3. (Printed Name) RECEIVER _____ (Title)
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Subscribed and sworn to before me This _____ day of _____	a. Is this an original filing? Yes [X] No []
_____	b. If no: 1. State the amendment number _____
	2. Date filed _____
	3. Number of pages attached _____

ASSETS

	Current Statement Date			4
	1	2	3	December 31 Prior Year Net Admitted Assets
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	8,847,099		8,847,099	11,585,202
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....193,829), cash equivalents (\$.....0) and short-term investments (\$.....127,589).....	321,418		321,418	1,122,541
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....	1,417	1,417	0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	9,169,934	1,417	9,168,517	12,707,743
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	38,005		38,005	43,053
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	168,259	45,844	122,415	66,886
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	626,323		626,323	230,649
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	900,579	900,579	0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	760,006	743,238	16,768	17,624
21. Furniture and equipment, including health care delivery assets (\$.....0).....	5,855	5,855	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	8,354	8,354	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	11,677,315	1,705,287	9,972,028	13,065,955
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	11,677,315	1,705,287	9,972,028	13,065,955

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Prepaid Expenses.....	3,148	3,148	0	
2502. Miscellaneous Receivables.....	5,206	5,206	0	
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	8,354	8,354	0	0

THE PARAMOUNT INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....2,140,945).....	4,756,882	4,571,000
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	1,139,000	1,052,000
4. Commissions payable, contingent commissions and other similar charges.....	114,092	118,462
5. Other expenses (excluding taxes, licenses and fees).....	141,730	242,610
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	30,042	74,813
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 \$.....2,546,155 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).....	2,608,325	3,560,536
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	785,680	1,621,260
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		4,749
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.....	145,000	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	9,720,751	11,245,430
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	9,720,751	11,245,430
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	750,000	750,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....	2,385,000	2,385,000
34. Gross paid in and contributed surplus.....	619,000	619,000
35. Unassigned funds (surplus).....	(3,502,723)	(1,933,475)
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	251,277	1,820,525
38. Totals (Page 2, Line 28, Col. 3).....	9,972,028	13,065,955

DETAILS OF WRITE-INS

2501. PREMIUM DEFICIENCY RESERVE.....	145,000	
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	145,000	0
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

THE PARAMOUNT INSURANCE COMPANY
STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct..... (written \$.....7,712,139).....	9,640,001	9,650,370	13,311,840
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$.....3,817,507).....	4,765,685	2,177,719	2,999,390
1.4 Net..... (written \$.....3,894,632).....	4,874,316	7,472,651	10,312,450
DEDUCTIONS:			
2. Losses incurred (current accident year \$....2,991,483):			
2.1 Direct.....	6,666,935	5,464,264	7,637,819
2.2 Assumed.....			
2.3 Ceded.....	2,895,623	1,245,602	1,702,875
2.4 Net.....	3,771,312	4,218,662	5,934,944
3. Loss adjustment expenses incurred.....	1,074,252	1,038,289	1,346,046
4. Other underwriting expenses incurred.....	1,738,086	3,057,789	2,868,219
5. Aggregate write-ins for underwriting deductions.....	145,000	0	0
6. Total underwriting deductions (Lines 2 through 5).....	6,728,650	8,314,740	10,149,209
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(1,854,334)	(842,089)	163,241
INVESTMENT INCOME			
9. Net investment income earned.....	179,918	123,352	152,371
10. Net realized capital gains (losses) less capital gains tax of \$.....0.....	(11,707)	5	5
11. Net investment gain (loss) (Lines 9 + 10).....	168,211	123,357	152,376
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$....33,388).....	(33,388)	(24,545)	(26,583)
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	26,982	3,625	(141,383)
15. Total other income (Lines 12 through 14).....	(6,406)	(20,920)	(167,966)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(1,692,529)	(739,652)	147,651
17. Dividends to policyholders.....			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	(1,692,529)	(739,652)	147,651
19. Federal and foreign income taxes incurred.....			
20. Net income (Line 18 minus Line 19) (to Line 22).....	(1,692,529)	(739,652)	147,651
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	1,820,525	1,499,309	1,499,309
22. Net income (from Line 20).....	(1,692,529)	(739,652)	147,651
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....			
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	358,608	251,962	(382,207)
27. Change in nonadmitted assets.....	(235,327)	(245,231)	(194,228)
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....		685,000	750,000
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.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	(1,569,248)	(47,921)	321,216
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	251,277	1,451,388	1,820,525
DETAILS OF WRITE-INS			
0501. Change in premium deficiency reserve.....	145,000		
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	145,000	0	0
1401. Miscellaneous Income.....	26,982	3,625	3,621
1402. Other expense - litigation costs.....			(145,004)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	26,982	3,625	(141,383)
3701. Prior Period Adjustment - reversal of 2011 ceding commission bonus.....			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance.....	2,691,563	9,278,552	11,452,167
2. Net investment income.....	207,164	134,084	170,369
3. Miscellaneous income.....	(6,406)	(20,920)	(167,966)
4. Total (Lines 1 through 3).....	2,892,321	9,391,716	11,454,570
5. Benefit and loss related payments.....	3,836,104	2,859,783	3,994,528
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	2,500,551	3,851,619	4,248,397
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....			
10. Total (Lines 5 through 9).....	6,336,655	6,711,402	8,242,925
11. Net cash from operations (Line 4 minus Line 10).....	(3,444,334)	2,680,314	3,211,645
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	3,309,585	1,398,111	1,856,602
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	3,309,585	1,398,111	1,856,602
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	603,566	5,534,097	7,111,999
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	603,566	5,534,097	7,111,999
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).....	2,706,019	(4,135,986)	(5,255,397)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....		685,000	750,000
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).....	(62,808)	132,995	(396,804)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(62,808)	817,995	353,196
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(801,123)	(637,677)	(1,690,556)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	1,122,541	2,813,097	2,813,097
19.2 End of period (Line 18 plus Line 19.1).....	321,418	2,175,420	1,122,541

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

20.0001			
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NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME					
(1) The Company state basis (Page 4, Line 20, Columns 1 & 3)	XXX	XXX	XXX	\$ (1,692,529)	\$ 147,651
(2) State Prescribed Practice that are an increase/(decrease) from NAIC SAP				\$	\$
(3) State Permitted Practice that are an increase/(decrease) from NAIC SAP				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ (1,692,529)	\$ 147,651
SURPLUS					
(5) The Company state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 251,277	\$ 1,820,525
(6) State Prescribed Practice that are an increase/(decrease) from NAIC SAP				\$	\$
(7) State Permitted Practice that are an increase/(decrease) from NAIC SAP				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 251,277	\$ 1,820,525

The accompanying financial statements of The Paramount Insurance Company (the Company) have been prepared on the basis of accounting practices prescribed or permitted by the Maryland Insurance Administration. The state of Maryland requires insurance companies domiciled in the state of Maryland to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by the Maryland Insurance Administration.

There were no differences between the Maryland prescribed or permitted practices and NAIC statutory accounting practices (NAIC SAP).

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

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

C. Accounting Policy

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed using pro rata methods for direct business. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions and state premium taxes, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Net investment income earned consists primarily of interest and dividends less investment related expense. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses include writedowns for impairments considered to be other than temporary.

In addition, the Company uses the following accounting policies:

- Short-term investments are stated at amortized value using the interest method. Non-investment grade short-term investments are stated at the lower of amortized value or fair value.
- Investment grade bonds not backed by other loans are stated at amortized value using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value.
- Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value.
- Investment grade redeemable preferred stocks are stated at amortized value. Investment grade perpetual preferred stocks are stated at fair value. Non-investment grade preferred stocks are stated at the lower of amortized value or fair value.
- The Company does not have any investments in mortgage loans.
- Investment grade loan-backed securities are stated at amortized value. The prospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value. The carrying value and final NAIC designation for non agency commercial and residential mortgage backed securities are determined using a special two-step NAIC process. Those assigned a NAIC designation in the first step of 1 or 2 are stated at amortized value and those assigned a 3 through 6 designation are stated at the lower of amortized value or fair value. The NAIC designation assigned under the second step of the process is reported for these securities in Schedule D and is used in the risk-based capital calculation.
- The Company does not have any investments in subsidiaries, controlled or affiliated companies.
- The Company does not have any investments in joint ventures, partnerships or limited liability companies.
- The Company does not have any investments in derivatives.
- The Company does not anticipate investment income when evaluating the need for a premium deficiency reserve.
- Unpaid losses and loss adjustment expense include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such adjustments and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

NOTES TO FINANCIAL STATEMENTS

12. The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
13. The Company does not have any pharmaceutical rebate receivables.

D. Going Concern

The Company has incurred significant operating losses over the past several years. The losses were partially related to competitive market conditions which caused premium volume to decrease significantly from 2013 to 2015. In response to those factors, the Company developed a business plan designed to make it more competitive and to return the Company to profitability. In response to changes management made, and to improved market conditions, the Company experienced direct written premium growth of 39% and 86% in 2017 and 2016, respectively. In connection with the Company's business plan, the Company has also invested in additional personnel, the assistance of consultants and the investment in new underwriting software. Factors contributing to the 2017 statutory operating loss included the rapid premium growth (due to the earnings lag and expensing of policy acquisition costs), additional personnel costs (which were incurred to handle the increased volume before the earnings from the increased writings have been realized), and additional consulting and software costs related to the new underwriting software implementation and conversion (which is still in process). In order to maintain required surplus levels during 2016 and 2017, the Company's parent had to infuse capital totaling \$2,385,000 in the form of surplus notes. At December 31, 2017, the Company had total surplus of \$1,820,525, which was below its company action level RBC amount of \$2,012,856. As a result, on April 20, 2018, the District of Columbia Department of Insurance, Securities and Banking issued an order suspending Paramount's ability to write new business in in the District of Columbia (the Company was still allowed to issue renewal policies). At the end of May, 2018, the Company's surplus fell below the minimum surplus level for the State of Maryland of \$1,425,000. On July 12, 2018 the Company was issued an order giving it 60 days to bring its surplus back up to at least \$1,425,000. The Company was unable to obtain additional capital. On September 11, 2018 the Maryland Insurance Administration ordered Paramount to cease writing any new or renewal policies. On September 13, 2018 the Maryland Insurance Administration ordered Paramount into Rehabilitation and appointed a receiver to assume control of the Company. In order for the Company to continue as a going concern, it will need to secure adequate investor capital to increase its surplus to a level that is acceptable to the Maryland Insurance Administration.

Note 2 – Accounting Changes and Corrections of Errors

No significant changes

Note 3 – Business Combinations and Goodwill

No significant changes

Note 4 – Discontinued Operations

No significant changes

Note 5 – Investments**D. Loan-Backed Securities**

1. Prepayment assumptions for loan-back securities were obtained from broker dealer survey values or internal estimates.
2. The following table summarizes unrealized losses on loan-backed securities by the length of time that the securities have continuously been in unrealized loss positions.

	Less than 12 Months		12 Months or Greater		Fair Value
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	
Mortgage-backed securities	\$261,541	\$885	\$2,346,385	\$110,061	\$2,607,926

The unrealized losses on investments in mortgage-backed securities were caused by the financial market's response to various factors including market liquidity, unemployment, default rates and the velocity of money. It is expected that the securities would not be settled by the issuer at a price less than par value. Because the decline in market value is not attributable to changes in credit quality, and because the Company has the ability and intent to hold those investments until a recovery of fair value, which may be maturity, the Company does not consider those investments to be other-than-temporarily impaired at September 30, 2018.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

No significant changes

Note 7 – Investment Income

No significant changes

Note 8 – Derivative Instruments

No significant changes

NOTES TO FINANCIAL STATEMENTS**Note 9 – Income Taxes****A. Deferred Tax Assets**

1. Components of Net Deferred Tax Assets

	September 30, 2018	December 31, 2017	Change
Total gross deferred tax assets	\$ 1,010,441	\$ 653,796	\$ 356,645
Statutory valuation allowance adjustments	0	0	0
Adjusted gross deferred tax assets	1,010,441	653,796	356,645
Deferred tax assets nonadmitted	900,579	541,971	358,608
Net admitted deferred tax asset	109,862	111,825	(1,963)
Deferred tax liabilities	109,862	111,825	(1,963)
Net admitted deferred tax assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

2. Admission Calculation Components :

	September 30, 2018	December 31, 2017	Change
Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 0	\$ 0	\$ 0
Adjusted gross deferred tax assets expected to be realized following the balance sheet date	1,010,441	653,796	356,645
Adjusted gross deferred tax assets allowed per limitation threshold	109,862	111,825	(1,963)
Adjusted gross deferred tax assets offset by deferred tax liabilities	(109,862)	(111,825)	1,963
Deferred tax assets admitted as the result of SSAP 101	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

All deferred tax assets are ordinary in character. There were no significant capital deferred tax assets at September 30, 2018 or December 31, 2017, respectively.

- The ratio percentage used to determine the recovery period and threshold limitation amount was 23% and 180% for the quarters ended September 30, 2018 and December 31, 2017, respectively. The amount of total adjusted capital and surplus used to determine the recovery period and threshold limitation was \$234,509 and \$1,802,901 at September 30, 2018 and December 31, 2017, respectively.
- There was no impact of tax-planning strategies for the quarters ended September 30, 2018 and December 31, 2017, respectively.

B. Unrecognized Deferred Tax Liabilities

Not applicable

C. Current Tax and Change in Deferred Tax

	2018	2017
Federal income tax (benefit) expense	\$ 0	\$ 0
Federal and foreign income taxes incurred	<u>\$ 0</u>	<u>\$ 0</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

	September 30, 2018	December 31, 2017	Change
Deferred tax assets			
Unpaid losses and LAE	\$ 27,652	\$ 27,534	\$ 118
Depreciable assets	(109,862)	(111,825)	1,963
Unearned premiums	109,550	149,543	(39,993)
Net operating loss carryover	873,239	476,719	396,520
	<u>900,579</u>	<u>541,971</u>	<u>358,608</u>
Nonadmitted deferred tax asset	900,579	541,971	358,608
Net admitted deferred tax assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The Company has not recorded a current tax provision because Company management is unsure what will be recovered in a 2018 consolidated tax filing with the parent Company.

E. Operating Loss and Tax Credit Carryforwards

- At September 30, 2018, the Company has \$ 4,158,283 of net operating loss carryforwards.
- At September 30, 2018, the Company has \$-0- of federal income taxes available for recoupment in the event of future net losses.
- The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

NOTES TO FINANCIAL STATEMENTS

1. The Company files a consolidated federal tax return with its parent company, Motts Acquisition, Inc., and Motts Holdings, Inc. (the parent company and 100% owner of Motts Acquisition, Inc.). Also included in the consolidated return is Mott's Supermarkets, Inc., another 100% owned subsidiary of Motts Holdings, Inc.
2. The method of tax allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any operating losses or other items utilized in the consolidated return.

G. Federal and Foreign Tax Loss Contingencies

Not applicable

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**B. Details of Transactions Greater than 1/2% of Admitted Assets**

Motts Holdings, Inc. contributed \$0- and \$750,000 to the Company in the form of a surplus notes in 2018 and 2017, respectively. Total outstanding surplus notes to Motts Holdings, Inc. were \$2,385,000 at September 30, 2018.

Note 11 – Debt

No significant changes

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

No significant changes

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**K. Surplus Notes**

No surplus notes were contributed during the nine months ended September 30, 2018. Whereas during 2017, 2016 and 2015, the Company's parent contributed \$750,000, \$1,385,000 and \$250,000 respectively, to the Company in the form of surplus notes. The notes bear interest at the rate of 5% per annum, payable quarterly. The notes mature on the dates listed below, or sooner if certain conditions are met. No principal or interest payments may be made on the surplus notes without the prior approval of the Maryland Insurance Administration. No interest has been accrued on these notes in the accompanying 2018 financial statements. Following is a list of the outstanding surplus notes at September 30, 2018:

Date Issued	Maturity Date	Interest Rate	Face Value
June 26, 2015	December 31, 2017	5.0%	\$ 250,000
January 27, 2016	June 30, 2018	5.0%	250,000
June 6, 2016	December 31, 2018	5.0%	250,000
July 15, 2016	January 31, 2019	5.0%	250,000
November 2, 2016	April 30, 2019	5.0%	250,000
November 29, 2016	May 31, 2019	5.0%	50,000
December 27, 2016	June 30, 2019	5.0%	100,000
February 17, 2017	June 30, 2019	5.0%	100,000
February 24, 2017	June 30, 2019	5.0%	135,000
April 7, 2017	August 31, 2019	5.0%	100,000
April 26, 2017	September 30, 2019	5.0%	150,000
May 31, 2017	October 31, 2019	5.0%	150,000
July 28, 2017	December 31, 2019	5.0%	50,000
September 6, 2017	January 31, 2020	5.0%	100,000
September 28, 2017	February, 2020	5.0%	50,000
October 27, 2017	March 31, 2020	5.0%	85,000
November 28, 2017	April 30, 2020	5.0%	65,000
			<u>\$2,385,000</u>

The surplus notes listed above were issued by the Parent under Section 3-116 of the Insurance Article of the Annotated Code of Maryland [the "Maryland Surplus Note Statute"] as an advance to the stock insurer to enable it to comply with the surplus requirement.

The surplus notes have the following repayment conditions and restrictions: (e.g. Each payment of interest on and principal of the surplus notes may be made only with the prior approval of the Commissioner of Insurance of the State of Maryland and only to the extent the Company has sufficient surplus earnings to make such payment).

The surplus notes do not have any subordination terms.

The liquidation preference to the insurer's common shareholders are as follows: (e.g. In the event that the Parent is subject to such a proceeding, holders of Indebtedness, Policy Claims and Prior Claims would be afforded a greater priority under the liquidation Act and the terms of the Notes and, accordingly, would have the right to be paid in full before any payments of interest or principal are made to Note Holders).

The parent holds 100% of the surplus notes listed in the above table.

Note 14 – Liabilities, Contingencies and Assessments

No significant changes

Note 15 – Leases

NOTES TO FINANCIAL STATEMENTS

No significant changes

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

No significant changes

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

No significant changes

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

No significant changes

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

No significant changes

Note 20 – Fair Value Measurements

No significant changes

Note 21 – Other Items

On April 20, 2018, the District of Columbia Department of Insurance, Securities and Banking issued an order suspending Paramount's ability to write new business in in the District of Columbia (the Company was still allowed to issue renewal policies at that time). On September 11, 2018 the Maryland Insurance Administration ordered Paramount to cease writing any new or renewal policies in Maryland and the District of Columbia. On September 13, 2018 the Maryland Insurance Administration ordered Paramount into Rehabilitation and appointed a receiver to assume control of the Company.

Note 22 – Events Subsequent

No significant changes

Note 23 – Reinsurance

No significant changes

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

No significant changes

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years resulted in a deficiency of \$1,054,000 and \$101,000 through September 30, 2018 and 2017, respectively. Increases and decreases of this nature occur as a result of claim settlements during the current year, and from changes in the original estimates of the cost of claims as additional information is received. Recent loss development trends are also taken into account in evaluating the overall adequacy of unpaid losses and loss adjustment expenses.

Note 26 – Intercompany Pooling Arrangements

No significant changes

Note 27 – Structured Settlements

No significant changes

Note 28 – Health Care Receivables

No significant changes

Note 29 – Participating policies

No significant changes

Note 30 – Premium Deficiency Reserves

Paramount Insurance Company recorded a premium deficiency reserve at September 30, 2018 of \$145,000. The Company utilized anticipated investment income in its calculation of the reserve.

Note 31 – High Deductibles

No significant changes

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

No significant changes

Note 33 – Asbestos/Environmental Reserves

NOTES TO FINANCIAL STATEMENTS

No significant changes

Note 34 – Subscriber Savings Accounts

No significant changes

Note 35 – Multiple Peril Crop Insurance

No significant changes

Note 36 – Financial Guaranty Insurance

No significant changes

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 [] No [X]
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 [X] No []

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

The MD Insurance Administration appointed a receiver to manage the Company effective 9/13/18.

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

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 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. 12/31/2014

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. 12/31/2014

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/01/2016

6.4 By what department or departments?

Maryland Insurance Administration

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

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

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 [X] No []

7.2 If yes, give full information:

In April 2018, the DC Insurance Commissioner suspended the Company's authority to write new business in the District of Columbia. In addition, on September 11, 2018, the MD Insurance Commissioner suspended the Company's authority to write new business or renewals in the State of Maryland and the District of Columbia.

8.1 Is the company a subsidiary of a bank holding company regulated with 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 the 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? Yes [X] No []

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

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).

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]
- 11.2 If yes, give full and complete information relating thereto:
-
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]
- 14.2 If yes, please complete the following:

	1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ 0	\$ 0
14.22 Preferred Stock	0	0
14.23 Common Stock	0	0
14.24 Short-Term Investments	0	0
14.25 Mortgage Loans on Real Estate	0	0
14.26 All Other	0	0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 0	\$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ 0	\$ 0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
- If no, attach a description with this statement.
-

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.3 Total payable for securities lending reported on the liability page: \$ 0
17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian Address
M&T BANK / WILMINGTON TRUST	25 S. CHARLES ST. BALTIMORE, MD 21201
WELLS FARGO BANK	1021 E. CAREY ST. RICHMOND, VA 23219

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 [X]
- 17.4 If yes, give full and complete information relating thereto:

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

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

1 Name of Firm or Individual	2 Affiliation

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [] No [X]
- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No [X]

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []
- 18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

19. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist.
 - b. Issuer or obligor is current on all contracted interest and principal payments.
 - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5*GI securities?

Yes [] No [X]

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 [] No [X]
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 [X] No []

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

The MD Insurance Administration appointed a receiver to manage the Company effective 9/13/18.

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

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 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. 12/31/2014

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. 12/31/2014

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6.4 By what department or departments?

Maryland Insurance Administration

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

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

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 [X] No []

7.2 If yes, give full information:

In April 2018, the DC Insurance Commissioner suspended the Company's authority to write new business in the District of Columbia. In addition, on September 11, 2018, the MD Insurance Commissioner suspended the Company's authority to write new business or renewals in the State of Maryland and the District of Columbia.

8.1 Is the company a subsidiary of a bank holding company regulated with 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 the 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? Yes [X] No []

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

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]

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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).

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]
- 11.2 If yes, give full and complete information relating thereto:
-
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]
- 14.2 If yes, please complete the following:

	1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ 0	\$ 0
14.22 Preferred Stock	0	0
14.23 Common Stock	0	0
14.24 Short-Term Investments	0	0
14.25 Mortgage Loans on Real Estate	0	0
14.26 All Other	0	0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 0	\$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ 0	\$ 0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
- If no, attach a description with this statement.
-

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.3 Total payable for securities lending reported on the liability page: \$ 0
17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian Address
M&T BANK / WILMINGTON TRUST	25 S. CHARLES ST. BALTIMORE, MD 21201
WELLS FARGO BANK	1021 E. CAREY ST. RICHMOND, VA 23219

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 [X]
- 17.4 If yes, give full and complete information relating thereto:

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

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

1 Name of Firm or Individual	2 Affiliation

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [] No [X]
- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No [X]
- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []
- 18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

19. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist.
 - b. Issuer or obligor is current on all contracted interest and principal payments.
 - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5*GI securities?

Yes [] No [X]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]
- 11.2 If yes, give full and complete information relating thereto:
-
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]
- 14.2 If yes, please complete the following:

- 14.21 Bonds
- 14.22 Preferred Stock
- 14.23 Common Stock
- 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)
- 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above

	1 Prior Year End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
\$	0	\$ 0
	0	0
	0	0
	0	0
	0	0
\$	0	\$ 0
\$	0	\$ 0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
- If no, attach a description with this statement.
-

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 16.3 Total payable for securities lending reported on the liability page: \$ 0
17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian Address
M&T BANK / WILMINGTON TRUST	25 S. CHARLES ST. BALTIMORE, MD 21201
WELLS FARGO BANK	1021 E. CAREY ST. RICHMOND, VA 23219

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 [X]
- 17.4 If yes, give full and complete information relating thereto:

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

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

1 Name of Firm or Individual	2 Affiliation

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's assets? Yes [] No [X]
- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [] No [X]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No []
- 18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

19. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist.
 - b. Issuer or obligor is current on all contracted interest and principal payments.
 - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5*GI securities?

Yes [] No [X]

GENERAL INTERROGATORIES (continued)

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 Disc. 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
	0.000	0.000	0	0	0	0	0	0	0	0
Total	XXX	XXX	0	0	0	0	0	0	0	0

- 5.1 Operating Percentages:

5.1 A&H loss percent	0.000%
5.2 A&H cost containment percent	0.000%
5.3 A&H expense percent excluding cost containment expenses	0.000%

- 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. \$ 0

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

- 6.4 If yes, please provide the amount of funds administered as of the reporting date. \$ 0

7. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [X] No []

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

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
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NONE

THE PARAMOUNT INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status (a)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 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	L	715,614	1,087,927	420,858	229,623	568,901	295,337
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	L	6,996,525	10,616,877	4,763,195	3,296,642	6,695,981	4,777,663
22. Massachusetts.....MA	N						
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	N						
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. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CAN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....XXX		7,712,139	11,704,804	5,184,053	3,526,265	7,264,882	5,073,000

DETAILS OF WRITE-INS

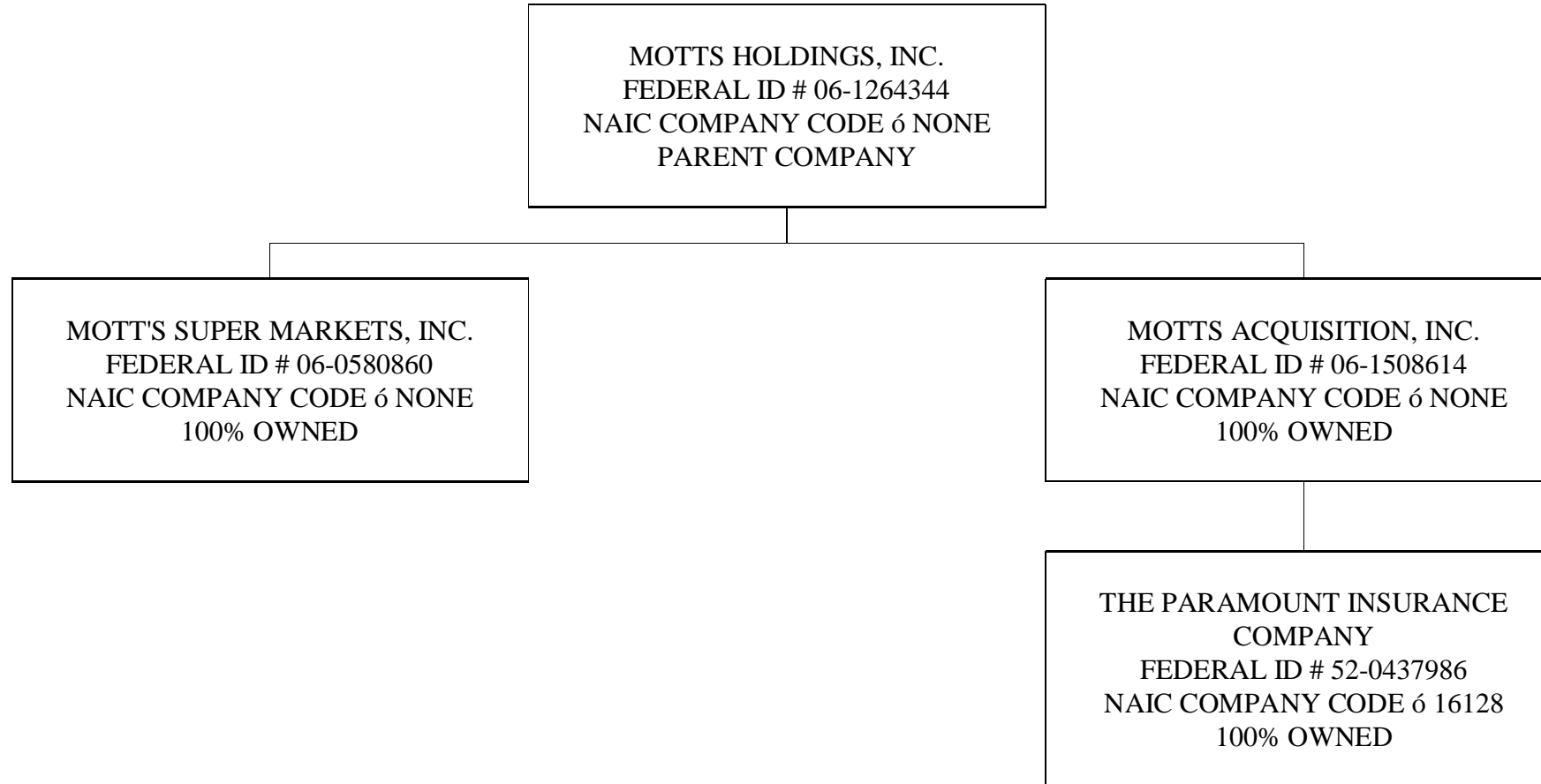
58001.....XXX							
58002.....XXX							
58003.....XXX							
58998. Summary of remaining write-ins for Line 58 from overflow page.....XXX		0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above).....XXX		0	0	0	0	0	0

(a) Active Status Count

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	2	R - Registered - Non-domiciled RRGs.....	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - See DSLI).....	0	Q - Qualified - Qualified or accredited reinsurer.....	0
D - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write surplus lines in the state of domicile.....	0	N - None of the above - Not allowed to write business in the state.....	55

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	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*

NONE

THE PARAMOUNT INSURANCE COMPANY
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.....			0.000	
2. Allied lines.....			0.000	
3. Farmowners multiple peril.....			0.000	
4. Homeowners multiple peril.....			0.000	
5. Commercial multiple peril.....			0.000	
6. Mortgage guaranty.....			0.000	
8. Ocean marine.....			0.000	
9. Inland marine.....			0.000	
10. Financial guaranty.....			0.000	
11.1. Medical professional liability - occurrence.....			0.000	
11.2. Medical professional liability - claims-made.....			0.000	
12. Earthquake.....			0.000	
13. Group accident and health.....			0.000	
14. Credit accident and health.....			0.000	
15. Other accident and health.....			0.000	
16. Workers' compensation.....			0.000	
17.1. Other liability-occurrence.....			0.000	
17.2. Other liability-claims made.....			0.000	
17.3. Excess workers' compensation.....			0.000	
18.1. Products liability-occurrence.....			0.000	
18.2. Products liability-claims made.....			0.000	
19.1, 19.2 Private passenger auto liability.....	7,379,066	5,396,322	73.130	59.789
19.3, 19.4 Commercial auto liability.....			0.000	
21. Auto physical damage.....	2,260,935	1,270,612	56.199	46.119
22. Aircraft (all perils).....			0.000	
23. Fidelity.....			0.000	
24. Surety.....			0.000	
26. Burglary and theft.....			0.000	
27. Boiler and machinery.....			0.000	
28. Credit.....			0.000	
29. International.....			0.000	
30. Warranty.....			0.000	
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.....	0	0	0.000	
35. Totals.....	9,640,001	6,666,934	69.159	56.622

DETAILS OF WRITE-INS

3401.....			0.000	
3402.....			0.000	
3403.....			0.000	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.000	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.000	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 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.....			
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.....	1,756,140	5,900,346	8,906,283
19.3 19.4 Commercial auto liability.....			
21. Auto physical damage.....	544,354	1,811,793	2,798,521
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.....	0	0	0
35. Totals.....	2,300,494	7,712,139	11,704,804

DETAILS OF WRITE-INS

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

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)	2018 Loss and LAE Payments on Claims Reported as of Prior Year-End	2018 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2018 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 and 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 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2015 + Prior.....	222	65	287	231		231	87	12	27	126	96	(26)	70
2. 2016.....	754	212	966	646		646	505	40	140	685	397	(32)	365
3. Subtotals 2016 + Prior.....	976	277	1,253	877	0	877	592	52	167	811	493	(58)	435
4. 2017.....	3,210	1,160	4,370	2,540	75	2,615	1,740	132	502	2,374	1,070	(451)	619
5. Subtotals 2017 + Prior.....	4,186	1,437	5,623	3,417	75	3,492	2,332	184	669	3,185	1,563	(509)	1,054
6. 2018.....	XXX	XXX	XXX	XXX	1,080	1,080	XXX	1,849	862	2,711	XXX	XXX	XXX
7. Totals.....	4,186	1,437	5,623	3,417	1,155	4,572	2,332	2,033	1,531	5,896	1,563	(509)	1,054
8. Prior Year-End's Surplus As Regards Policyholders	1,821												
											Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....37.3 %	2. ....(35.4)%	3. ....18.7 %
													Col. 13, Line 7 Line 8
													4. ....57.9 %

Q14

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:

1. The data for this supplement is not required to be filed.
2. The data for this supplement is not required to be filed.
3. The data for this supplement is not required to be filed.
4. The data for this supplement is not required to be filed.

Bar Code:



NONE

THE PARAMOUNT INSURANCE COMPANY
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.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other-than-temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
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).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

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.....	1,417	1,417
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other-than-temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	1,417	1,417
12. Deduct total nonadmitted amounts.....	1,417	1,417
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

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.....	11,585,201	6,363,249
2. Cost of bonds and stocks acquired.....	603,566	7,111,998
3. Accrual of discount.....	3,691	2,187
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	(11,707)	5
6. Deduct consideration for bonds and stocks disposed of.....	3,309,584	1,856,602
7. Deduct amortization of premium.....	24,068	35,636
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other-than-temporary impairment recognized.....		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10).....	8,847,099	11,585,201
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	8,847,099	11,585,201

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).....	10,308,510		1,542,718	31,219	10,406,245	10,308,510	8,797,011	12,384,989
2. NAIC 2 (a).....	50,103			(15)	50,133	50,103	50,088	50,133
3. NAIC 3 (a).....							0	
4. NAIC 4 (a).....							0	
5. NAIC 5 (a).....							0	
6. NAIC 6 (a).....							0	
7. Total Bonds.....	10,358,613	0	1,542,718	31,204	10,456,378	10,358,613	8,847,099	12,435,122
PREFERRED STOCK								
8. NAIC 1.....							0	
9. NAIC 2.....							0	
10. NAIC 3.....							0	
11. NAIC 4.....							0	
12. NAIC 5.....							0	
13. NAIC 6.....							0	
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	10,358,613	0	1,542,718	31,204	10,456,378	10,358,613	8,847,099	12,435,122

QS102

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

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

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	.....127,589	.....XXX.....	.....127,589	.....8,178	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.....217,677	.....60,882
2. Cost of short-term investments acquired.....	.....(40,125)	.....156,782
3. Accrual of discount.....	.....37	.....13
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	.....50,000	
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).....	.....127,589	.....217,677
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	.....127,589	.....217,677

**Sch. DB - Pt. A - Verification
NONE**

**Sch. DB - Pt. B - Verification
NONE**

**Sch. DB - Pt. C - Sn. 1
NONE**

**Sch. DB - Pt. C - Sn. 2
NONE**

**Sch. DB - Verification
NONE**

SCHEDULE E - PART 2 - VERIFICATION

Cash Equivalents

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	799,957	549,811
2. Cost of cash equivalents acquired.....		1,649,062
3. Accrual of discount.....	.43	1,084
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	800,000	1,400,000
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).....	.0	799,957
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	.0	799,957

Sch. A - Pt. 2
NONE

Sch. A - Pt. 3
NONE

Sch. B - Pt. 2
NONE

Sch. B - Pt. 3
NONE

Sch. BA - Pt. 2
NONE

Sch. BA - Pt. 3
NONE

Sch. D - Pt. 3
NONE

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During 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 Foreign	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)
Bonds - U.S. States, Territories and Possessions																					
64972C	M6 7		09/01/2018	New York City NY HSG Dev Corp.....		345	345	345	345				0		345		0	0	9	10/01/2046	1.....
1799999	Total - Bonds - U.S. States, Territories & Possessions.....					345	345	345	345	0	0	0	0	0	345	0	0	0	9	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
312943	UG 6		09/15/2018	FG A95083 - 4% - 11/1/2040.....		8,488	8,488	8,999	9,742	(1,255)		(1,255)		8,488			0	371	11/01/2040	1.....	
31398C	D4 7		09/15/2018	FHLMC - 3527 DA.....		877	877	910	887	(9)		(9)		877			0	31	04/15/2029	1FE.....	
3137AY	TR 2		09/01/2018	FHLMC - 4163 GD.....		7,238	7,238	7,444	7,246	(8)		(8)		7,238			0	167	11/15/2032	1FE.....	
312906	R9 3		09/15/2018	FHLMC 1133-H REMIC.....		88	88	87	88	0		0		88			0	7	06/15/2021	1FE.....	
3137GA	B7 1		09/15/2018	FHLMC 3726 PC.....		3,886	3,886	4,043	4,012	(126)		(126)		3,886			0	97	08/15/2040	1FE.....	
3137AL	CD 9		09/01/2018	FHLMC 4001 A 3.50% 11-15-2038.....		3,078	3,078	3,213	3,225	(147)		(147)		3,078			0	88	11/15/2038	1FE.....	
31292G	6W 1		09/01/2018	FHLMC C00885 7.5%.....		7	7	7	7	0		0		7			0	5	09/01/2029	1FE.....	
31294K	UP 8		09/15/2018	FHLMC E01490.....		1,062	1,062	1,075	1,062	(0)		(0)		1,062			0	60	11/01/2018	1FE.....	
3132XS	2W 9		09/15/2018	FHLMC POOL - Q50788 - 4%.....		12,705	12,705	13,403	14,371	(1,666)		(1,666)		12,705			0	686	09/01/2047	1.....	
3128MJ	RM 4		09/01/2018	FHLMC POOL G08491 - 3.5% MAT 5/1/42.....		2,359	2,359	2,434	2,403	(44)		(44)		2,359			0	79	05/01/2042	1FE.....	
3128MJ	YT 1		09/01/2018	FHLMC POOL G08721.....		3,384	3,384	3,504	3,588	(204)		(204)		3,384			0	87	08/01/2046	1.....	
3128PP	UF 8		09/01/2018	FHLMC POOL J10582.....		1,197	1,197	1,234	1,207	(11)		(11)		1,197			0	45	09/01/2024	1FE.....	
3128MJ	YC 8		09/15/2018	FHLMC Pool #G08706 3.5%.....		4,222	4,222	4,439	4,601	(379)		(379)		4,222			0	130	05/01/2046	1.....	
3128P8	EW 7		09/01/2018	FHLMC Pool C91949.....		11,577	11,577	11,851	12,025	(448)		(448)		11,577			0	277	09/01/2037	1.....	
3136AV	V9 7		09/25/2018	FNMA 17-22 BE.....		13,872	13,872	14,444	14,882	(1,011)		(1,011)		13,872			0	392	08/25/2040	1.....	
31398R	C9 4		09/01/2018	FNMA 2010-57 HA 3.5% 2/25/40.....		2,268	2,268	2,348	2,434	(166)		(166)		2,268			0	64	02/01/2040	1FE.....	
3136AU	JS 1		09/25/2018	FNMA 2016-79 NF.....		7,999	7,999	8,011	8,019	(21)		(21)		7,999			0	159	11/25/2046	1.....	
31418C	LZ 5		09/25/2018	FNMA 3043 - 6/1/2037.....		7,430	7,430	7,624	7,786	(356)		(356)		7,430			0	184	06/01/2037	1.....	
31358M	WZ 3		09/25/2018	FNMA 49-L REMIC 1992.....		109	109	106	109	0		0		109			0	8	04/25/2022	1FE.....	
313615	LG 9		09/01/2018	FNMA 50727.....		50	50	49	50	0		0		50			0	3	05/01/2023	1FE.....	
01F030	6A 1		09/01/2018	FNMA POOL #AP9754 3.0% 10/1/42.....		5,301	5,301	5,621	5,825	(524)		(524)		5,301			0	115	10/01/2042	1FE.....	
31415T	RF 9		09/01/2018	FNMA POOL 3.50% FN 988886.....		1,866	1,866	1,924	1,991	(124)		(124)		1,866			0	78	11/01/2025	1FE.....	
31419L	JV 6		09/01/2018	FNMA POOL 3.50% FN AE9275.....		5,104	5,104	5,262	5,364	(260)		(260)		5,104			0	173	11/01/2025	1FE.....	
31407M	ZN 8		09/01/2018	FNMA POOL 835149.....		615	615	643	621	(6)		(6)		615			0	32	09/01/2035	1FE.....	
31417T	AU 2		09/01/2018	FNMA POOL AC6318.....		438	438	458	443	(4)		(4)		438			0	20	12/01/2039	1FE.....	
31418W	EG 1		09/01/2018	FNMA POOL AD8234.....		612	612	638	612	(0)		(0)		612			0	33	06/01/2025	1FE.....	
3138M9	5M 9		09/01/2018	FNMA POOL AP6251 2.5% 10/1/2027.....		8,957	8,957	9,433	9,698	(741)		(741)		8,957			0	172	10/01/2027	1FE.....	
31418A	MW 5		09/01/2018	FNMA POOL MA1272.....		4,799	4,799	5,047	5,002	(203)		(203)		4,799			0	152	12/01/2042	1FE.....	
31394E	H2 7		07/23/2018	FNR 2005-67 FJ.....		242,637	243,009	241,870	242,020	990		990		243,009		(373)	(373)	3,069	08/25/2035	1.....	
31398T	NX 5		09/25/2018	FNR 2010-89 CF.....		12,853	12,853	12,895	12,952	(99)		(99)		12,853			0	349	02/25/2038	1.....	
3136A3	J2 8		09/25/2018	FNR 2012-9 LF - 2.25.42.....		5,264	5,264	5,284	5,308	(44)		(44)		5,264			0	108	02/25/2042	1.....	
36177T	4T 1		09/15/2018	GNMA 798933 4% MAT 4/15/2042.....		3,728	3,728	4,026	3,792	(64)		(64)		3,728			0	73	04/15/2042	1.....	
01N030	6B 0		09/01/2018	GNMA AB8368 3.0% Due 11/15/42.....		15,190	15,190	16,237	16,549	(1,358)		(1,358)		15,190			0	307	06/15/2042	1.....	
36210B	YE 9		09/01/2018	GNMA POOL 487709.....		542	542	554	559	(17)		(17)		542			0	31	03/15/2039	1.....	
3199999	Total - Bonds - U.S. Special Revenue and Special Assessments.....					399,801	400,174	405,118	408,478	0	(8,304)	0	(8,304)	0	400,174	0	(373)	(373)	7,651	XXX	XXX
Bonds - Industrial and Miscellaneous																					
03065T	AD 4		09/08/2018	AMCAR 2016-4 A3.....		15,132	15,132	15,132	15,132	0		0		15,132			0	83	07/08/2021	1.....	
037833	CP 3		08/09/2018	APPLE INC - 1.521% - 5/11/22.....		50,389	50,000	50,000	50,000	0		0		50,000		389	389	831	05/11/2022	1.....	

QE05

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During 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 ei g n	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)
3136AR SE 9	FNR 2016-8 FA.....		07/23/2018	FTN Financial Securities Group.....		424,917	424,135	426,786	426,949		(205)		(205)		426,743		(1,826)	(1,826)	5,024	03/25/2046	1.....
40434C AC 9	HSBC USA INC.....		08/07/2018	Wells Fargo Financial.....		99,544	100,000	100,496	100,343		(139)		(139)		100,204		(660)	(660)	1,425	06/23/2019	1.....
57636Q AA 2	Mastercard Inc.....		08/07/2018	Morgan Stanley & Co.....		49,822	50,000	50,368	50,126		(60)		(60)		50,066		(244)	(244)	856	04/01/2019	1.....
747525 AP 8	QUALCOMM INC - 2.1% - 5/20/20.....		07/02/2018	Called.....		150,000	150,000	149,991	149,992		1		1		149,994		6	6	1,943	05/20/2020	1.....
822582 BA 9	Shell International Fin.....		08/07/2018	MarketAxess.....		49,935	50,000	50,718	50,191		(131)		(131)		50,059		(125)	(125)	733	11/15/2018	1.....
89352H AU 3	Transcanada Pipelines LTD.....		08/07/2018	Wells Fargo Financial.....		200,293	200,000	200,000	200,000				0		200,000		293	293	3,144	11/15/2019	1.....
911312 BB 1	UNITED PARCEL SERVICE - 1.5609% - 5/16/22		08/07/2018	MarketAxess.....		50,380	50,000	50,000	50,000				0		50,000		380	380	825	05/16/2022	1.....
3899999	Total - Bonds - Industrial and Miscellaneous.....					1,090,412	1,089,267	1,093,490	1,092,733	0	(534)	0	(534)	0	1,092,199	0	(1,787)	(1,787)	14,864	XXX	XXX
8399997	Total - Bonds - Part 4.....					1,490,559	1,489,786	1,498,953	1,501,556	0	(8,838)	0	(8,838)	0	1,492,718	0	(2,160)	(2,160)	22,523	XXX	XXX
8399999	Total - Bonds.....					1,490,559	1,489,786	1,498,953	1,501,556	0	(8,838)	0	(8,838)	0	1,492,718	0	(2,160)	(2,160)	22,523	XXX	XXX
9999999	Total - Bonds, Preferred and Common Stocks.....					1,490,559	XXX	1,498,953	1,501,556	0	(8,838)	0	(8,838)	0	1,492,718	0	(2,160)	(2,160)	22,523	XXX	XXX

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

Sch. DB - Pt. A - Sn. 1
NONE

Sch. DB - Pt. B - Sn. 1
NONE

Sch. DB - Pt. D - Sn. 1
NONE

Sch. DB - Pt. D - Sn. 2
NONE

Sch. DL - Pt. 1
NONE

Sch. DL - Pt. 2
NONE

THE PARAMOUNT INSURANCE COMPANY

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
BB&T BANK..... BALTIMORE, MD.....		VARIABLE.....			(22,073)	(22,073)	(22,073)	XXX
WELLS FARGO BANK..... BALTIMORE, MD.....		VARIABLE.....			403,723	1,187,773	215,902	XXX
0199999. Total Open Depositories.....	XXX	XXX	0	0	381,650	1,165,700	193,829	XXX
0399999. Total Cash on Deposit.....	XXX	XXX	0	0	381,650	1,165,700	193,829	XXX
0599999. Total Cash.....	XXX	XXX	0	0	381,650	1,165,700	193,829	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
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NONE

QE13