

**AFFIRMATIVE CASUALTY INSURANCE COMPANY IN LIQUIDATION (1)**  
**STATEMENT of ASSETS**

		June 30, 2016	Prior Year
		Net Admitted Assets	Net Admitted Assets
1.	Bonds (Schedule D)	769,090	778,704
2.	Stocks (Schedule D)		
2.1	Preferred stocks (Schedule D)		
2.2	Common stocks (Schedule D)	5,159,471	5,259,298
3.	Mortgage loans on real estate (Schedule B):		
3.1	First liens		
3.2	Other than first liens		
4.	Real estate (Schedule A):		
4.1	Properties occupied by the company (less \$... encumbrances)		
4.2	Properties held for the production of income (less \$... encumbrances)		
4.3	Properties held for sale (less \$... encumbrances)		
5.	Cash( Schedule E Part 1), cash equivalents (Schedule E Part 2) and short-term investments (Schedule DA)	3,066,027	7,871,385
6.	Contract loans (including \$... premium notes)		
7.	Derivatives (Schedule DB)		
8.	Other invested assets (Schedule BA)	9,731,630	11,028,763
9.	Receivables for securities		
10.	Securities lending reinvested collateral assets (Schedule DL)		
11.	Aggregate write-ins for invested assets		74,462
12.	Subtotals, cash and invested assets (Lines 1 to 11)	18,726,219	25,012,612
13.	Title plants less \$... Charged off (for Title insurers only)		
14.	Investment income due and accrued	3,829	6,763
15.	Premiums and considerations:		
15.1	Uncollected premiums and agents' balances in the course of collection	0	4,048,567
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$... earned but unbilled premiums)		-
15.3	Accrued retrospective premiums		
16.	Reinsurance:		
16.1	Amounts recoverable from reinsurers, less valuation allowance of \$39,413,919	74,118	7,104,183
16.2	Funds held by or deposited with reinsured companies		
16.3	Other amounts receivable under reinsurance contracts		-
17.	Amounts receivable relating to uninsured plans		-
18.1	Current federal and foreign income tax recoverable and interest thereon		-
18.2	Net deferred tax asset	-	-
19.	Guaranty funds receivable or on deposit		-
20.	Electronic data processing equipment and software		
21.	Furniture and equipment, including health care delivery assets (\$ ...)		
22.	Net adjustment in assets and liabilities due to foreign exchange rates		
23.	Receivables from parent, subsidiaries and affiliates	851	851
24.	Health care (\$ ...) and other amounts receivable		
25.	Aggregate write-ins for other than invested assets		-
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	18,805,017	36,172,976
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts		
28.	Total (Lines 26 and 27)	18,805,017	36,172,976

Notes

(1) Affirmative Casualty Insurance Company was ordered into Rehabilitation on September 17, 2015 and Liquidation on April 11, 2016.

**AFFIRMATIVE CASUALTY INSURANCE COMPANY IN LIQUIDATION (1)**  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	June 30, 2016	Prior Year
1. Losses (Part 2A, Line 35, Column 8)	23,134,860	26,908,576
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		-
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	1,125,924	1,714,988
4. Commissions payable, contingent commissions and other similar charges	184,769	184,769
5. Other expenses (excluding taxes, licenses and fees)	240,775	237,285
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,057,335	1,297,482
7.1 Current federal and foreign income taxes (including \$... on realized capital gains (losses))	373,871	373,871
7.2 Net deferred tax liability		-
8. Borrowed money \$... and interest thereon \$...		
9. Unearned premiums (Part 1A, Line 38, Column 5)(after deducting unearned premiums for ceded reinsurance of and including warranty reserves of \$ ... and accrued accident and health experience rating refunds including \$... for medical loss ratio rebate per the Public Health Service Act)		15,475,213
10. Advance premium		-
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	(71,873)	(67,688)
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$... certified) (Schedule F, Part 8)	14,100	14,100
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	163,726	49,097
20. Derivatives		
21. Payable for securities		-
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital Notes \$... and interest thereon \$...		
25. Aggregate write-ins for liabilities	5,395,377	1,790,946
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	31,618,865	47,978,639
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	31,618,865	47,978,639
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	3,000,000	3,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus		
33. Surplus Notes		
34. Gross paid in and contributed surplus	3,300,000	3,300,000
35. Unassigned funds (surplus)	(19,113,849)	(18,105,663)
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ...)		
36.2 ..... shares preferred (value included in Line 31 \$ ...)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)(Page 4, Line 39)	(12,813,849)	(11,805,663)
38. TOTALS (Page 2, Line 28, Col. 3)	18,805,017	36,172,976
<b>DETAILS OF WRITE-INS</b>		
2501. Escheat Payable	1,488,719	1,366,479
2502. Payable to GA and LIGA	3,828,158	345,967
2503. Other Payable	78,500	78,500
2599. Total	5,395,377	1,790,946

Notes

(1) Affirmative Casualty Insurance Company was ordered into Rehabilitation on September 17, 2015 and Liquidation on April 11, 2016.

**AFFIRMATIVE CASUALTY INSURANCE COMPANY IN LIQUIDATION  
STATEMENT OF INCOME**

		June 30, 2016	Prior Year
<b>UNDERWRITING INCOME</b>			
1.	Premiums earned (Part 1, Line 35, Column 4)	2,505,235	3,882,667
<b>DEDUCTIONS:</b>			
2.	Losses incurred (Part 2, Line 35, Column 7)	1,768,929	2,705,959
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	196,260	302,566
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,503,749	1,251,421
5.	Aggregate write-ins for underwriting deductions	-	-
6.	Total underwriting deductions (Lines 2 through 5)	3,468,938	4,259,946
7.	Net income of protected cells	-	-
8.	Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(963,703)	(377,279)
<b>INVESTMENT INCOME</b>			
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,678,593	322,741
10.	Net realized capital gains or (losses) less capital gains tax of \$... (Exhibit of Capital Gains (Losses))	-	-
11.	Net investment gain or (loss) (Lines 9 + 10)	1,678,593	322,741
<b>OTHER INCOME</b>			
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ... amount charged off \$ ...)	0	-
13.	Finance and service charges not included in premiums	0	-
14.	Aggregate write-ins for miscellaneous income	1,304	32,500
15.	Total other income (Lines 12 through 14)	1,304	32,500
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	716,195	(22,038)
17.	Dividends to policyholders	0	-
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)	716,195	(22,038)
19.	Federal and foreign income taxes incurred	0	(74,787)
20.	Net income (Line 18 minus Line 19)(to Line 22)	716,195	52,749
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	(11,805,662)	27,278,179
22.	Net income (from Line 20)	716,195	52,749
23.	Net transfers (to) from Protected Cell accounts	-	-
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$...	(1,713,218)	583,280
25.	Change in net unrealized foreign exchange capital gain (loss)	-	-
26.	Change in net deferred income tax	0	(314,278)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Column 3)	(11,163)	(39,402,756)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	(2,837)
29.	Change in surplus notes	-	-
30.	Surplus (contributed to) withdrawn from protected cells	-	-
31.	Cumulative effect of changes in accounting principles	-	-
32.	Capital changes:	-	-
	32.1 Paid in	-	-
	32.2 Transferred from surplus (Stock Dividend)	-	-
	32.3 Transferred to surplus	-	-
33.	Surplus adjustments:	-	-
	33.1 Paid in	-	-
	33.2 Transferred to capital (Stock Dividend)	-	-
	33.3 Transferred from capital	-	-
34.	Net remittances from or (to) Home Office	-	-
35.	Dividends to stockholders	-	-
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)	-	-
37.	Aggregate write-ins for gains and losses in surplus	-	-
38.	Change in surplus as regards policyholders (Lines 22 through 37)	(1,008,187)	(39,083,842)
39.	Surplus as regards policyholders, December 31 current year (Lines 21 plus Line 38) (Page 3, Line 37)	(12,813,849)	(11,805,663)
<b>DETAILS OF WRITE-INS</b>			
1401.	Other Income	1,304	32,500
1402.		-	-
1499.	Total	-	-

Notes

(1) Affirmative Casualty Insurance Company ("ACIC") was ordered into Rehabilitation on September 17, 2015 and Liquidation on April 11, 2016.