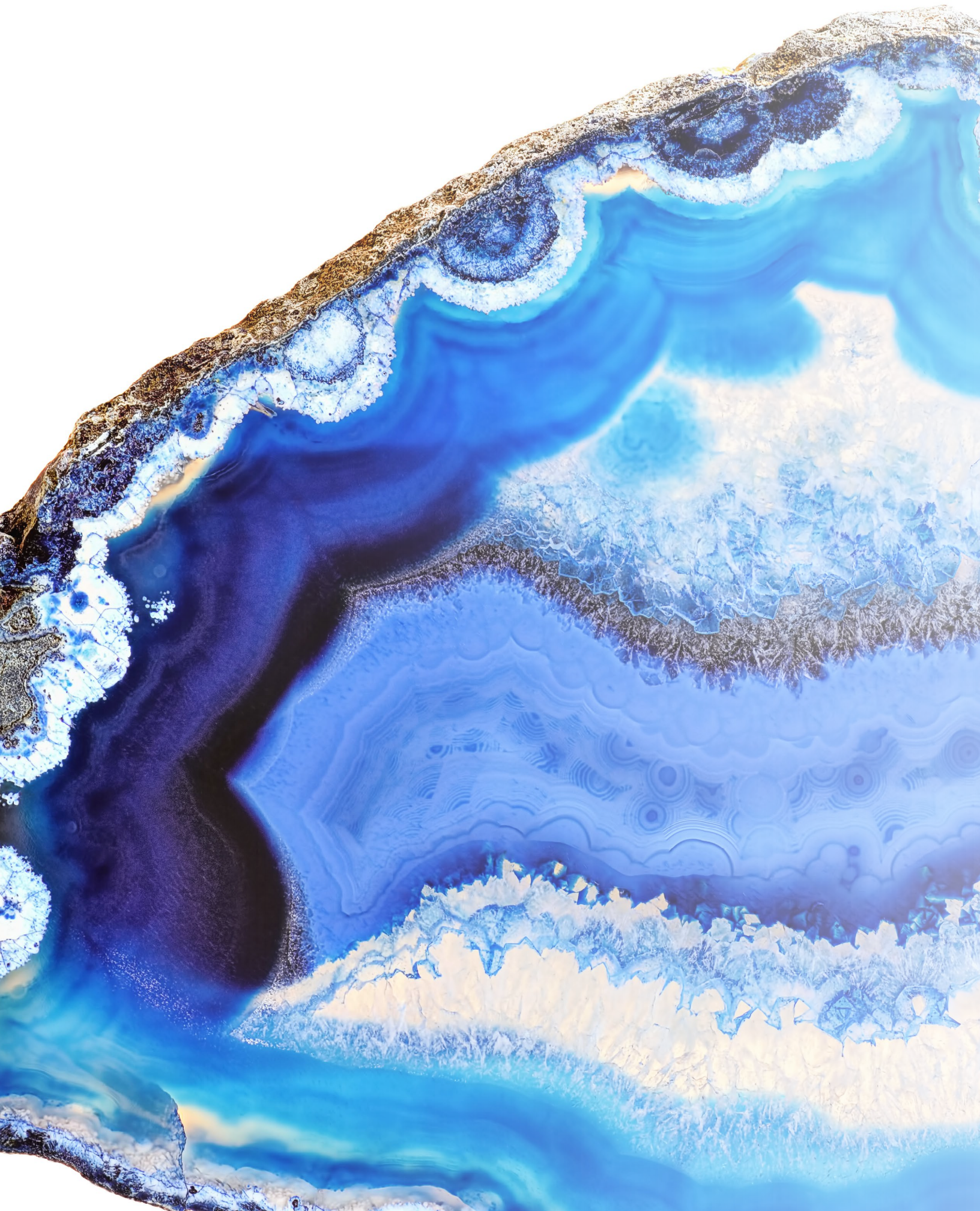
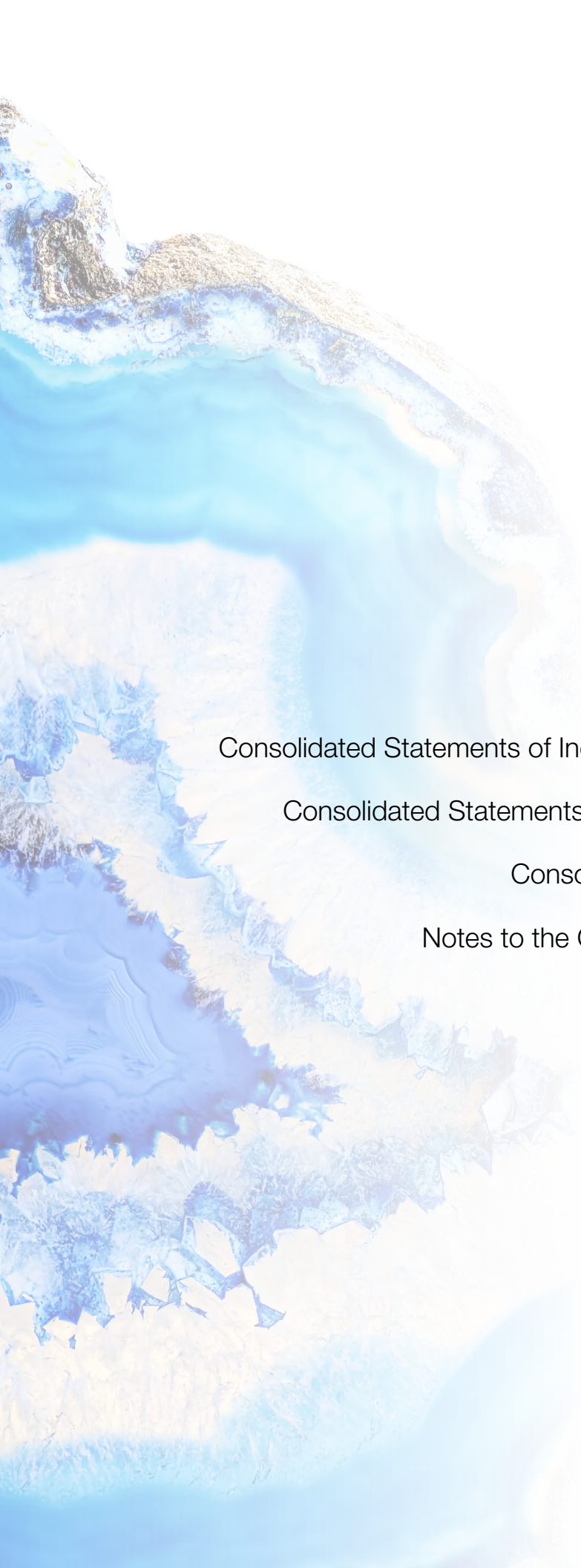




2020 Annual Report

American Bankers Mutual Insurance Ltd.





Chairman's Letter	2
About Us	3
2020 Financials	6
Independent Auditors' Report	8
Consolidated Balance Sheets	10
Consolidated Statements of Income and Comprehensive Income	11
Consolidated Statements of Changes in Members' Reserve	12
Consolidated Statements of Cash Flows	13
Notes to the Consolidated Financial Statements	14
2020 Board of Directors	29
2020 Officers and Advisors	30



2020 marked a year of change

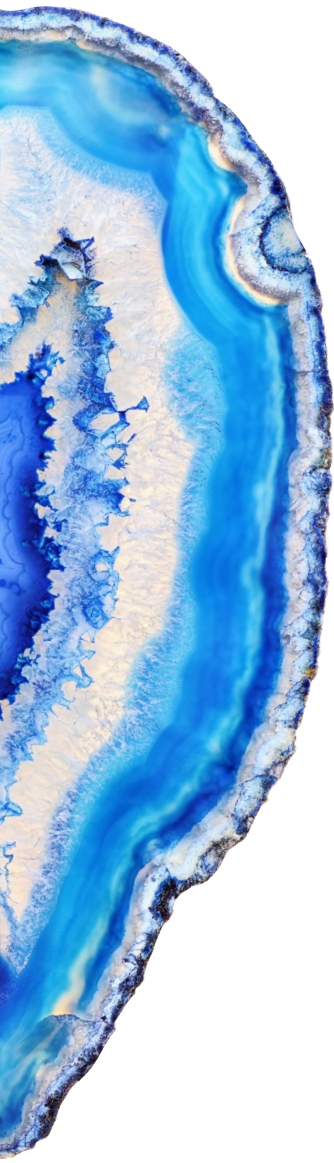
—in the lives of our employees, our customers, and our community. While we continue to navigate through this recovery, I want to recognize the incredible people in our industry whose steadfast response to the crisis demonstrated the tremendous value and importance community banks play in our economy.

I also want to thank the employees of ABA Insurance Services for their hard work and unwavering dedication over this past year. This team continued to deliver outstanding performance while balancing increased responsibilities and challenges in their personal lives. Of note was ABAIS' weekly COVID-19 loss control resources that focused on the most important issues facing banks, including cybersecurity, employment practices education, wire transfer fraud, cleaning guidance as well as preparation and protocols for returning to the office.

ABAIIS was also innovative, implementing new ways to work to minimize the impact of COVID-19 on the program with conservative underwriting, the development of COVID underwriting questionnaires and data-driven analytic tools. These efforts helped ensure another year of strong performance and underwriting results. ABMI declared its 31st consecutive distribution to members in the amount of \$2.5 million with total distributions declared since 1991 now exceeding \$91 million.

I want to thank you for your continued support to ABMI. Together, we have weathered a year unlike anything we've experienced in our history and I am extremely proud of ABMI's role as a long-term, stable reinsurer to the banking industry. ABAIS is one of the leaders in the market with a sustained market share in excess of 30%. We look forward to building and developing this unique insurance program for years to come.

Gary D. Hemmer,
Chairman of American Bankers Mutual Insurance Ltd.
Chairman of the Board, First National Bank of Waterloo



About Us

American Bankers Mutual Insurance Ltd. is a reinsurer for the ABA Insurance Services financial institutions program. ABMI is mutually owned by members of the American Bankers Association that purchase D&O, financial institution bond and related coverage through ABA Insurance Services Inc. ABMI has declared 31 consecutive distributions to banks, with a cumulative total of \$91.3 million.

For Bankers by Bankers

ABMI is governed by a board of directors composed of current and former bank executives and insurance professionals. These seasoned bankers have firsthand knowledge of the challenges in the industry and understand what banks need from an insurance program. The invaluable insight they provide sets the tone for the ongoing success of the program.

Focusing on the insurance needs of financial institutions, ABMI and ABA Insurance Services provide a stable source of professional liability, bond and property & casualty insurance, including:

Professional Liability

- Directors & Officers Liability
- A-Side Plus
- Bankers Professional Liability
- Broad Form Company Liability
- Employment Practices Liability
- Cyber Liability
- Lender Liability
- Privacy Liability
- Trust Services Liability

Bond

- Financial Institution Bond
- STAMP Surety Bond

Property & Casualty

- Property
- General Liability
- Automobile
- Umbrella
- Workers Compensation

Performance Highlights

Despite the COVID-19 disruption, ABA Insurance Services produced another year of solid and steady results. Highlights in 2020 include:

Market share
increased to

32%



Written premium was

**\$61.5
million**

(slightly above 2019)



New business
conversion rate
increased to

29%

with 91 new
banks joining
the program



Average customer
renewal retention
was maintained at

94%

with D&O retention
increasing to

95%



In total, nearly

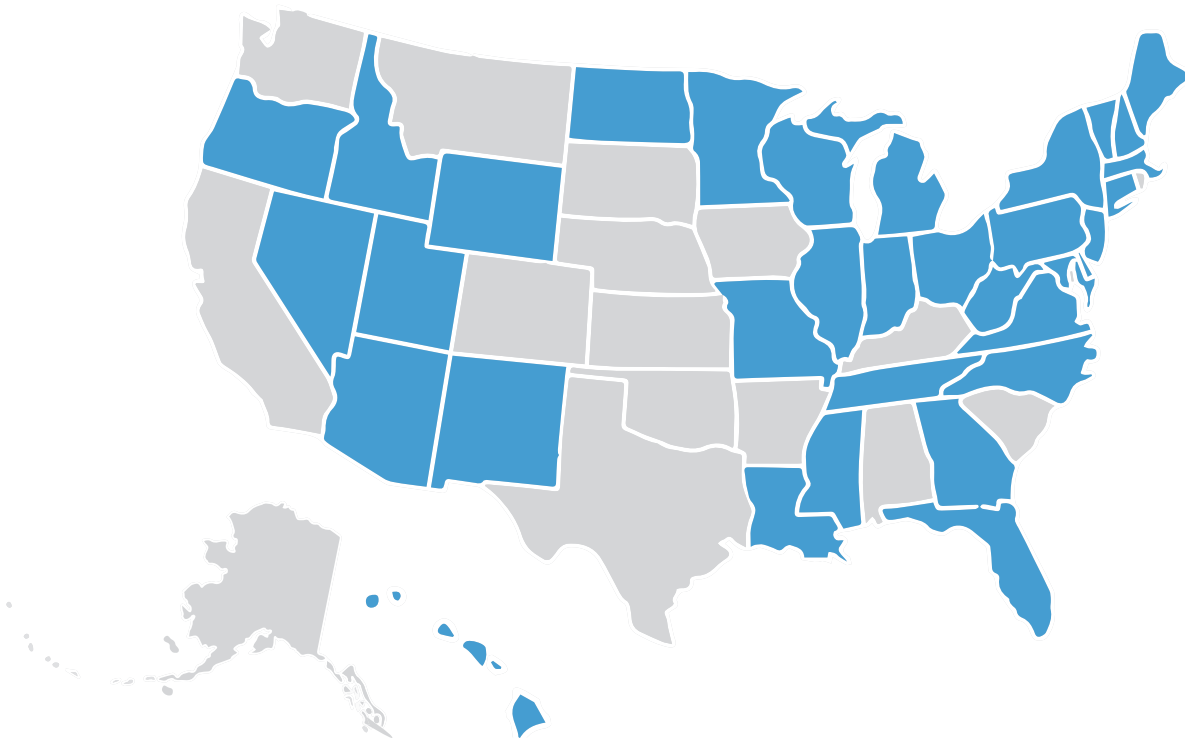
1,500 banks

purchase their insurance through
ABA Insurance Services

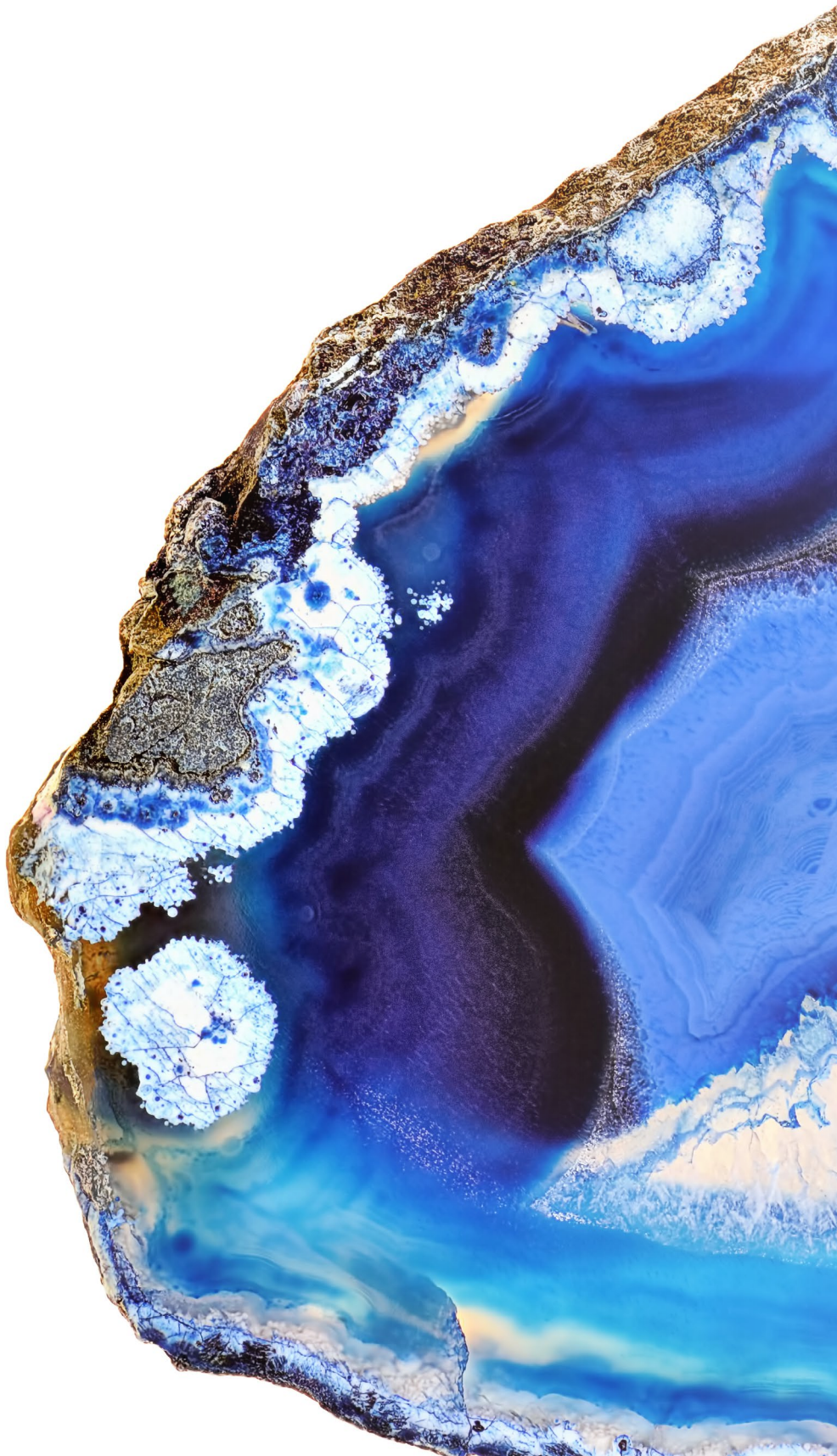


Supported by State Bankers Associations

ABMI and ABA Insurance Services work closely with ABA, financial institutions and 34 state bankers associations (SBAs) in our ongoing efforts to be the leading source of insurance in the banking industry. Current co-endorsing SBAs are:



- | | | | |
|-------------|---------------|----------------|---------------|
| Arizona | Louisiana | New Hampshire | Tennessee |
| Connecticut | Maine | New Jersey | Utah |
| Delaware | Maryland | New Mexico | Vermont |
| Florida | Massachusetts | New York | Virginia |
| Georgia | Michigan | North Carolina | West Virginia |
| Hawaii | Minnesota | North Dakota | Wisconsin |
| Idaho | Mississippi | Ohio | Wyoming |
| Illinois | Missouri | Oregon | |
| Indiana | Nevada | Pennsylvania | |





2020 Financials



Arthur Morris & Company Limited

Chartered Professional Accountants

Century House
16 Par-la-Ville Road
Hamilton HM08
Bermuda

Tel: +1 441 292 7478
Email: info@amc.bm

INDEPENDENT AUDITORS' REPORT

To the Members of American Bankers Mutual Insurance, Ltd.

We have audited the accompanying financial statements of American Bankers Mutual Insurance, Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of income and comprehensive income, changes in members' reserves and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

8 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Accounting principles generally accepted in the United States of America require that the supplementary information pertaining to the incurred and paid claims development tables preceding the December 31, 2018 reporting period and the average annual percentage payout disclosures for those years, as included in note 4 to the financial statements, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Arthur Morris + Company Limited

Hamilton, Bermuda
May 11, 2021

AMERICAN BANKERS MUTUAL INSURANCE, LTD.

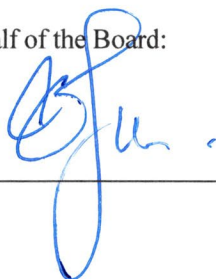
BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(Expressed in United States dollars)

	2020	2019
ASSETS		
Cash and cash equivalents (note 8)	\$ 8,579,166	\$ 4,928,772
Debt securities, available for sale (notes 3 and 8)	62,606,317	60,525,394
Mutual funds (notes 3 and 8)	39,783,091	36,023,218
Insurance balances receivable	480,614	1,221,775
Funds withheld (note 8)	4,697,121	4,542,500
Interest income due and accrued	412,452	442,340
Losses recoverable from reinsurers (notes 4 and 5)	296,240	557,397
Deferred acquisition costs	9,116,424	11,785,917
Other assets	<u>263,953</u>	<u>308,265</u>
	\$ <u>126,235,378</u>	\$ <u>120,335,578</u>
LIABILITIES AND MEMBERS' RESERVE		
LIABILITIES		
Accounts payable and accrued liabilities (note 3)	\$ 198,954	\$ 842,498
Net deferred tax liability (note 10)	2,589,923	1,930,462
Income taxes payable (note 10)	663,125	1,105,788
Insurance balances payable	3,846,871	1,421,662
Member distributions payable (note 7)	2,500,000	2,500,000
Reserve for unearned premiums	22,820,451	26,615,820
Reserve for losses and loss expenses (note 4)	<u>21,308,902</u>	<u>19,374,434</u>
	<u>53,928,226</u>	<u>53,790,664</u>
MEMBERS' RESERVE		
Reserve fund (note 6)	250,000	250,000
Accumulated other comprehensive income	2,884,140	1,451,748
Retained earnings	<u>69,173,012</u>	<u>64,843,166</u>
	<u>72,307,152</u>	<u>66,544,914</u>
	\$ <u>126,235,378</u>	\$ <u>120,335,578</u>
COMMITMENTS AND CONTINGENCIES (note 13)		

On behalf of the Board:



Director

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in United States dollars)

	2020	2019
REVENUES		
Premiums written	\$ 15,311,357	\$ 16,489,464
Change in unearned premiums	<u>3,795,369</u>	<u>3,012,533</u>
Net premiums earned	19,106,726	19,501,997
Net investment income (note 3)	<u>5,654,256</u>	<u>7,200,382</u>
	<u>24,760,982</u>	<u>26,702,379</u>
EXPENSES		
Losses and loss expenses incurred (notes 4 and 5)	8,685,350	7,424,585
Acquisition costs	8,348,369	9,621,231
Other expenses	<u>533,812</u>	<u>826,467</u>
	<u>17,567,531</u>	<u>17,872,283</u>
INCOME BEFORE MEMBER DISTRIBUTION AND INCOME TAXES	7,193,451	8,330,096
MEMBER DISTRIBUTION (note 7)	<u>2,450,242</u>	<u>2,437,256</u>
NET INCOME BEFORE TAXATION	<u>4,743,209</u>	<u>6,392,840</u>
INCOME TAX EXPENSE		
Current tax expense (note 10)	857,337	897,249
Deferred tax benefit (note 10)	<u>(443,974)</u>	<u>(487,606)</u>
	<u>413,363</u>	<u>409,643</u>
NET INCOME	<u>4,329,846</u>	<u>5,983,197</u>
OTHER COMPREHENSIVE INCOME, NET OF TAX:		
Holding gain on investments arising during the year (net of tax of \$389,976 and \$486,692)	1,467,053	1,830,893
Add: reclassification adjustment for net realized gains included in net income (net of tax of \$9,214 and \$49,224)	<u>(34,661)</u>	<u>(185,176)</u>
	<u>1,432,392</u>	<u>1,645,717</u>
COMPREHENSIVE INCOME	<u>\$ 5,762,238</u>	<u>\$ 7,628,914</u>

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
STATEMENTS OF CHANGES IN MEMBERS' RESERVE
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in United States dollars)

	2020	2019
RESERVE FUND		
Balance, beginning and end of year	\$ <u>250,000</u>	\$ <u>250,000</u>
ACCUMULATED OTHER COMPREHENSIVE INCOME, NET OF TAX		
Balance, beginning of year	1,451,748	(1,889,830)
Cumulative effect of adoption of updated accounting guidance for equity financial instruments at January 1, 2019	-	1,695,861
Unrealized gain on investments, net of reclassification adjustment and taxes	<u>1,432,392</u>	<u>1,645,717</u>
Balance, end of year	<u>2,884,140</u>	<u>1,451,748</u>
RETAINED EARNINGS		
Balance, beginning of year	64,843,166	60,555,830
Cumulative effect of adoption of updated accounting guidance for equity financial instruments at January 1, 2019	-	(1,695,861)
Net income	<u>4,329,846</u>	<u>5,983,197</u>
Balance, end of year	<u>69,173,012</u>	<u>64,843,166</u>
MEMBERS' RESERVE	<u>\$ <u>72,307,152</u></u>	<u>\$ <u>66,544,914</u></u>

AMERICAN BANKERS MUTUAL INSURANCE, LTD.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in United States dollars)

	2020	2019
CASH AND CASH EQUIVALENTS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Net income	\$ 4,329,846	\$ 5,983,197
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Amortization of bonds	42,888	102,414
Net realized gain on sale of marketable securities	(43,875)	(234,400)
Change in unrealized gain on equity securities	(2,718,624)	(3,344,268)
Deferred taxes	(443,974)	(487,606)
Changes in non-cash operating balances, net:		
Insurance balances receivable/payable	3,166,370	(410,964)
Funds withheld	(154,621)	(3,906,788)
Interest income due and accrued	29,888	25,551
Income taxes receivable/payable	(442,663)	1,581,196
Losses recoverable from reinsurers	261,157	(440,779)
Deferred acquisition costs	2,669,493	3,437,198
Other assets	44,312	106,137
Accounts payable and accrued liabilities	(643,544)	(3,393,702)
Member distribution payable	-	500,000
Reserve for unearned premiums	(3,795,369)	(3,012,533)
Reserve for losses and loss expenses	<u>1,934,468</u>	<u>(1,413,131)</u>
Net cash provided by (used for) operating activities	<u>4,235,752</u>	<u>(4,908,478)</u>
INVESTING ACTIVITIES		
Purchase of debt securities and mutual funds	(22,280,628)	(26,071,574)
Proceeds from sale of debt securities and mutual funds	<u>21,695,720</u>	<u>23,311,216</u>
Net cash used for investing activities	<u>(584,878)</u>	<u>(2,760,358)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,650,394	(7,668,836)
CASH AND CASH EQUIVALENTS, beginning of year	<u>4,928,772</u>	<u>12,597,608</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 8,579,166</u>	<u>\$ 4,928,772</u>

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

1. INSURANCE BUSINESS

American Bankers Mutual Insurance, Ltd. (“ABMI”), formerly American Bankers Professional and Fidelity Insurance Company, Limited, is a mutual insurance company incorporated in Bermuda on December 23, 1986. ABMI reinsures its members who are also members of the American Bankers Association (“ABA”).

ABMI, through a quota share reinsurance agreement with Progressive Casualty Insurance Company (“Progressive”), reinsured 50% of risks of its members underwritten by Progressive. All of ABMI’s business prior to August 1, 2009, the reinsurance agreement termination date, was assumed from Progressive. As part of these contracts, ABMI purchased reinsurance. Concurrent with the termination of this agreement, ABMI entered into a quota share reinsurance agreement with Everest National Insurance Company (“Everest”), whereby ABMI accepted 60% of the risk associated with the first \$1,000,000 in limits underwritten by Everest. The quota share reinsurance agreement with Everest was amended effective August 1, 2012, whereby ABMI accepts 50% of the risk associated with the first \$1,000,000 in limits underwritten by Everest subsequent to August 1, 2012. This agreement was terminated on November 30, 2018.

From October 1, 2013 to October 1, 2014, ABMI participated in a separate aggregate excess of loss reinsurance contract with Everest, whereby ABMI accepts 25% of the risk associated with a loss corridor of aggregate losses between \$9,000,000 and \$11,000,000 within a first excess of loss reinsurance contract. The ABMI limit of liability under this aggregate excess of loss reinsurance contract with Everest is capped at \$500,000 by the terms of the agreement. Business covered includes directors’ and officers’ liability insurance, depositor liability, financial institution bond, excess deposit bond, computer crime insurance, combination safe depository, trust department liability, employment practices liability, internet banking liability and stamp bond.

Effective December 1, 2018, ABMI entered into a quota share reinsurance agreement with Great American Insurance Company (“Great American”) whereby ABMI accepts 38.5% of the risk associated with the first \$1,000,000 in limits underwritten by Great American. Effective January 1, 2020, ABMI’s share changed to 35.1%. Business covered includes directors’ and officers’ liability insurance, depositor liability, financial institution bond, excess deposit bond, computer crime insurance, combination safe depository, trust department liability, employment practices liability, internet banking liability and stamp bond.

From November 1, 2012 through January 2, 2017, ABMI entered into a quota share reinsurance agreement with Great American whereby ABMI accepted 50% of the risk associated with \$500,000 property business and \$1,000,000 each of casualty, workers compensation and employer’s liability business.

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The most significant estimates inherent in these financial statements are deferred taxes, fair values of investments, bad debt allowances, losses recoverable from reinsurers and reserve for losses and loss expenses, which are constantly monitored, evaluated and adjusted. Although recorded estimates are supported by certain external data, the estimates are ultimately based on management's expectations of future events. It is reasonably possible that expectations associated with these accounts can change in the near term (i.e., one year) and that the effect of these changes could be material to the financial statements.

The significant accounting policies are summarized as follows:

a) Cash and cash equivalents

Cash and cash equivalents comprise cash and short term, highly liquid investments with original maturities of ninety days or less.

b) Debt securities and mutual funds

The FASB issued ASU 2016-01, "Financial Instruments – Overall (Subtopic 82510)" which covers disclosures and changes in accounting for equity investments and simplifying the impairment assessment of equity investments without readily determinable fair values. The amendments enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. This new standard is effective for annual periods beginning after December 15, 2018. The Company adopted ASU 2016-01 on January 1, 2019 and recorded a cumulative effect adjustment to retained earnings of \$1,695,861 and increased accumulated other comprehensive income (loss) by the same amount and did not restate prior periods.

Since adoption, the Company reports its equity securities, including mutual funds, at fair value with changes in fair value included in net investment income on the statements of income and comprehensive income.

Debt securities are classified as available for sale and carried at their fair value with the unrealized gain or loss, net of tax effects, reported as accumulated other comprehensive income (loss) on the balance sheets. A decline in the fair value of any available for sale security below its cost that is deemed other than temporary is charged to earnings, resulting in the establishment of a new cost basis for the security.

Fair values of the Company's investments are determined based on quoted market prices provided by the Company's custodian or investment manager.

Investments are regularly reviewed for impairment as discussed in note 3.

Interest and dividend income is recognized when earned. Net investment income includes the amortization of premium and accretion of discount on fixed interest securities and is stated net of investment management fees. Realized gains and losses on securities sold are included in earnings and are derived using the specific identification method for determining the cost of securities sold.

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Federal income taxes

The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and capital loss credit carry forwards. Deferred tax assets and deferred tax liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and deferred tax liabilities of a change in tax rates is recognized in the period that includes the enactment date.

d) Premiums written, reinsurance premiums ceded, acquisition costs and commission income

Premiums assumed are recorded as reported by Everest and Great American and are earned on a pro-rata basis over the terms of the policies. Premiums applicable to the unexpired terms of the policies are deferred in the balance sheet as reserve for unearned premiums.

Acquisition costs, mainly ceding commissions and taxes paid to Everest and Great American, are deferred and amortized to income over the period in which the premiums are earned. The method followed in determining the deferred acquisition costs limits the amount of deferral by giving consideration to losses and loss expenses expected to be incurred as premiums are earned. A premium deficiency loss is recognized when it is expected that future claims and acquisition expenses will exceed anticipated future premiums, reinsurance recoveries and anticipated investment income.

e) Member distributions

The Company accrues for distributions to be paid to members when such amounts are declared.

g) Reserve for losses and loss expenses

The reserve for losses and loss expenses comprises specific claims reserves which are recorded when advised by Everest, Great American, and Progressive and estimates for losses incurred but not reported which were determined by management based on the recommendations of an independent actuary using the past experience of the Company and industry data.

Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying liabilities.

Although management believes such estimates are reasonable, no assurance can be given that the ultimate cost of settlement of losses may not vary materially from the reserve recorded. It is at least reasonably possible that management will revise this estimate significantly in the near term. All provisions are periodically reviewed and evaluated in light of emerging claims experience and changing circumstances.

Future adjustments to the amounts recorded as of December 31, 2020, resulting from the continual review process, as well as differences between estimates and ultimate settlements, will be reflected in the Company's statements of income and comprehensive income in future periods when such adjustments become known.

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

3. DEBT SECURITIES AND MUTUAL FUNDS

Debt securities, available for sale

The amortized cost and fair values of debt securities at December 31, 2020 and 2019 are as follows:

2020	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government	\$ 6,985,301	\$ 248,362	\$ (15,351)	\$ 7,218,312
Municipals	3,901,684	181,327	-	4,083,011
Corporate bonds	33,386,959	2,872,176	(1,234)	36,257,901
Asset/mortgage-backed securities	<u>14,681,561</u>	<u>451,031</u>	<u>(85,499)</u>	<u>15,047,093</u>
Total	<u>\$ 58,955,505</u>	<u>\$ 3,752,896</u>	<u>\$ (102,084)</u>	<u>\$ 62,606,317</u>

2019	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government	\$ 8,202,166	\$ 163,864	\$ (3,128)	\$ 8,362,902
Municipals	1,555,088	42,826	(1,867)	1,596,047
Corporate bonds	33,747,036	1,493,109	(4,551)	35,235,594
Asset/mortgage-backed securities	<u>15,183,449</u>	<u>256,724</u>	<u>(109,322)</u>	<u>15,330,851</u>
Total	<u>\$ 58,687,739</u>	<u>\$ 1,956,523</u>	<u>\$ (118,868)</u>	<u>\$ 60,525,394</u>

At December 31, 2020, a deferred tax liability of \$766,671 (2019: liability of \$385,908) has been applied to the net unrealized gain (loss) on debt securities and reported as a component of accumulated other comprehensive income.

Accounts payable and accrued liabilities include unsettled trade purchases of \$nil (2019: three U.S. Government investments of \$667,160) and unsettled trade sales with total proceeds of \$nil (2019: \$nil).

The ratings of the debt securities, as of December 31, 2020, are as follows:

	Amortized cost	%	Fair value	%
AAA	\$ 10,259,391	17%	\$ 10,490,372	17%
AA	18,501,635	31%	19,530,814	31%
A	19,182,271	33%	20,694,425	33%
BBB	<u>11,012,208</u>	<u>19%</u>	<u>11,890,706</u>	<u>19%</u>
Total	<u>\$ 58,955,505</u>	<u>100%</u>	<u>\$ 62,606,317</u>	<u>100%</u>

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

3. DEBT SECURITIES AND MUTUAL FUNDS (continued)

The gross unrealized losses and estimated fair value of debt securities by investment category and length of time an individual security has been in a continuous unrealized position as of December 31, 2020 are as follows:

	Less than 12 months		Greater than 12 months	
	Fair	Unrealized	Fair	Unrealized
	value	losses	value	losses
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
U.S. Government	\$ 1,178,491	\$ (15,351)	\$ -	\$ -
Municipals	-	-	-	-
Corporate securities	155,651	(1,234)	-	-
Asset/mortgage-backed securities	<u>1,348,601</u>	<u>(20,757)</u>	<u>1,905,391</u>	<u>(64,742)</u>
Total	<u>\$ 2,682,743</u>	<u>\$ (37,342)</u>	<u>\$ 1,905,391</u>	<u>\$ (64,742)</u>

Scheduled maturities of debt securities are as follows:

	Amortized	Fair
	Cost	Value
	<u> </u>	<u> </u>
Less than one year	\$ 3,343,566	\$ 3,397,507
One years through five years	28,907,438	30,419,840
Five years through ten years	19,110,489	20,939,296
After ten years	<u>7,594,012</u>	<u>7,849,674</u>
	<u>\$ 58,955,505</u>	<u>\$ 62,606,317</u>

Actual maturity dates for certain mortgage-backed securities will differ from their contractual maturity dates because certain borrowers have the right to prepay obligations without penalty.

Mutual funds

The cost and fair value of mutual funds are as follows:

	2020	2019
Cost	\$ 34,255,202	\$ 33,936,625
Gross unrealized gains	5,838,007	2,242,000
Gross unrealized losses	<u>(310,118)</u>	<u>(155,407)</u>
Fair value	<u>\$ 39,783,091</u>	<u>\$ 36,023,218</u>

At December 31, 2020, a deferred tax expense of \$1,160,857 (2019 - \$438,185) has been deducted from the net unrealized gain on mutual funds and reported as a component of net income.

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

3. DEBT SECURITIES AND MUTUAL FUNDS (continued)

Other than temporary impairment

The Company evaluates its debt securities, and equity securities for which there is no readily determinable fair value, if any, for other-than-temporary declines based on quantitative and qualitative factors. Management evaluates whether temporary or other-than-temporary-impairments (“OTTI”) have occurred on a case by case basis. Management considers a wide range of factors about the security issuer and uses its best judgment in evaluating the cause and decline in the estimated fair value of the security and in assessing the prospects for near-term recovery. Inherent in management’s evaluation of the security are assumptions and estimates about the operations of the issuer and its future earnings potential. Considerations used by the Company in the OTTI evaluation process include, but are not limited to: (i) the time period during which there has been a significant decline in fair value below carrying value, (ii) an analysis of the liquidity, business prospects and overall financial condition of the issuer, (iii) the significance of the decline, (iv) an analysis of the collateral structure and other credit support, as applicable, of the securities in question, (v) expected future interest rate movements, and (vi) the Company’s intent and ability to hold the investment for a sufficient period of time for the value to recover. Where the Company concludes that declines in fair values are other than temporary, the cost of the security is written down to fair value below carrying value and the previously unrealized loss is therefore realized in the period such determination is made. The Company generally considers an individual security in an unrealized loss position of greater than 20% for a continuous period of 12 months or longer to have suffered a decline in value that is other than temporary.

Fair value measurements

Under the Accounting Standards Codification (“ASC”) 820 “Fair Value Measurements and Disclosures”, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the “exit price”) in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company’s assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

3. DEBT SECURITIES AND MUTUAL FUNDS (continued)

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 assets and liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The categorization of the Company's debt securities and mutual funds recorded at fair value based upon the fair value hierarchy as at December 31, 2020 are as follows:

Level 1 - Quoted prices	\$ 39,783,091
Level 2 - Other significant observable inputs	62,606,317
Level 3 - Unobservable inputs	<u> -</u>
	<u>\$ 102,389,408</u>

The Level 2 financial assets are comprised of bonds. The fair values of the bonds are measured utilizing independent valuation techniques of identical or similar securities for which significant assumptions are derived primarily from or corroborated by observable market data.

The Company's policy is to recognize transfers between levels as at the end of the reporting period. There were no transfers between levels during the year.

Net investment income

	2020	2019
Gross realized gains on sale of debt securities and mutual funds	\$ 555,802	\$ 370,415
Gross realized losses on sale of debt securities and mutual funds	(511,927)	(136,015)
Interest earned on debt securities	1,810,292	1,803,132
Interest earned on cash and cash equivalents	168,637	257,529
Dividends earned on mutual funds	1,143,012	1,835,856
Bond amortization	(42,888)	(102,414)
Change in unrealized gain on equity securities	2,718,624	3,344,268
Investment management fees and expenses	<u>(187,296)</u>	<u>(172,389)</u>
	<u>\$ 5,654,256</u>	<u>\$ 7,200,382</u>

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

4. RESERVE FOR LOSSES AND LOSS EXPENSES

The movement in the reserve for losses and loss expenses is summarized as follows:

	2020	2019
Gross reserve, beginning of year	\$ 19,374,434	\$ 20,787,565
Less: Outstanding losses recoverable from reinsurers	<u>(557,397)</u>	<u>(116,618)</u>
	<u>18,817,037</u>	<u>20,670,947</u>
Incurred related to:		
Current year	10,712,205	10,131,479
Prior years	<u>(2,026,855)</u>	<u>(2,706,894)</u>
Total incurred	<u>8,685,350</u>	<u>7,424,585</u>
Paid related to:		
Current year	1,329,289	1,336,047
Prior years	<u>5,160,436</u>	<u>7,942,448</u>
Total paid	<u>6,489,725</u>	<u>9,278,495</u>
Net reserve, end of year	21,012,662	18,817,037
Add: Outstanding losses recoverable from reinsurers	<u>296,240</u>	<u>557,397</u>
Gross reserve, end of year	<u>\$ 21,308,902</u>	<u>\$ 19,374,434</u>
Comprising:		
Reserve for reported losses	\$ 6,358,902	\$ 4,408,342
Reserves for losses incurred	<u>14,950,000</u>	<u>14,966,092</u>
	<u>\$ 21,308,902</u>	<u>\$ 19,374,434</u>

The Company's management and independent actuary monitor the Company's reserves and routinely adjust reserves based on current information. As a result of positive underwriting developments, the reserve for losses and loss expenses, net of reinsurance recoveries, for insured events arising in prior years decreased by \$2,026,855 (2019: \$2,706,894).

The reserve for losses and loss expenses were computed in accordance with commonly applied actuarial principles, including paid and reported loss development, Bornhuetter-Ferguson calculations and loss ratio estimates.

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

4. RESERVE FOR LOSSES AND LOSS EXPENSES (continued)

Accident Year	Incurred Claims and Allocated Claims Adjustment Expense For the years ended December 31					Total incurred but not reported liabilities plus expected development	Cumulative number of reported claims
	(unaudited) 2016	(unaudited) 2017	2018	2019	2020		
2016	9,594,000	9,063,000	8,365,000	8,768,000	8,652,000	444,000	523
2017		10,325,000	10,583,000	9,142,000	8,786,000	970,000	547
2018			11,644,000	10,614,000	9,916,000	2,124,000	597
2019				10,131,000	8,226,000	3,429,000	573
2020					10,712,000	7,145,000	566
Total					\$ 46,292,000		

Accident Year	Cumulative Paid Claims and Allocated Claims Adjustment Expenses For the years ended December 31				
	2016	2017	2018	2019	2020
2016	1,764,127	4,656,878	5,939,481	7,695,913	8,116,137
2017		2,048,802	5,457,891	6,691,338	7,004,440
2018			1,969,081	5,387,102	7,171,360
2019				1,336,047	2,905,735
2020					1,329,289
Total					26,526,961
Reserves prior to 2016					1,247,623
Gross outstanding losses and loss expenses					\$ 21,012,662

Years	Average Annual Percentage Payout of Incurred Claims by Age				
	1	2	3	4	5
	18%	31%	16%	12%	5%

5. REINSURANCE

Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company; consequently, allowances are established for any amounts deemed uncollectible. The Company evaluates the financial condition of its reinsurers and monitors any concentration of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurers to minimize its exposure to significant losses from reinsurer insolvencies.

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

6. RESERVE FUND

The Company is required to maintain a reserve fund of at least \$250,000 as prescribed by the Bermuda Companies Act, 1981.

7. MEMBER DISTRIBUTIONS

Pursuant to the terms of the By-Laws, the Board of Directors may declare a distribution to the members at such times and upon such terms as the Board deems reasonable. On November 4, 2020, the Board declared a distribution to the members in the aggregate amount of \$2,500,000 for 2020 (2019 - \$2,500,000). During 2020, \$49,748 (2019 - \$62,744) of the prior year member distributions, payable to members that had not paid their ABA membership fees, were cancelled.

8. RESTRICTED ASSETS

The Company has entered into New York Insurance Department Regulation 114 Trust Agreements with Progressive, Everest and Great American to establish trust accounts which secure the Company's obligations. The Company is required to have assets in the trust accounts which the carriers can draw upon to settle claims or other balances due. Should the balance of the assets held in the trust accounts exceed 102%, 105% or 100% of a mutually agreed-upon floating amount for Progressive, Everest and Great American respectively, the respective carriers shall release the excess assets back to the Company.

The following cash, debt securities and mutual funds with a fair value of \$189,778 for Progressive (2019: \$185,224), \$32,520,469 for Everest (2019: \$42,750,338) and \$23,877,253 (2019: \$15,591,012) for Great American were held in the trust accounts as of December 31, 2020.

	2020	2019
Cash and cash equivalents	\$ 1,676,549	\$ 472,559
Debt securities	41,893,689	47,000,791
Mutual funds	<u>13,017,262</u>	<u>11,053,224</u>
	<u>\$ 56,587,500</u>	<u>\$ 58,526,574</u>

The Company has agreed with Great American under the quota share reinsurance agreement to provide funding in the form of a cash advance sufficient to pay all losses up to 85% of the gross net written premium ceded to ABMI. The funds withheld balance with Great American as at December 31, 2020 totaled \$4,697,121 (2019: \$4,542,500).

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

9. STATUTORY CAPITAL AND SURPLUS

ABMI is registered as a Class 2 reinsurer under The Bermuda Insurance Act 1978 and related regulations, (the “Act”) which requires that ABMI file a statutory financial return and maintain certain measures of solvency and liquidity during the year. As of December 31, 2020, ABMI met the required Minimum General Business Solvency Margin and the required Minimum Liquidity Ratio.

ABMI is required by its license to maintain capital and surplus greater than a minimum statutory amount determined as the greater of \$250,000, a percentage of outstanding losses (net of reinsurance recoverable) or a given fraction of net written premiums. The required Minimum General Business Solvency Margin as of December 31, 2020 was \$2,131,136 (2019: \$2,248,946). ABMI’s statutory capital and surplus at that date was \$60,486,776 (2019: \$54,450,735).

ABMI is also required to maintain a minimum liquidity ratio whereby the value of its relevant assets is not less than 75% of the amount of its relevant liabilities. Deferred acquisition costs, deferred taxes and other assets do not qualify as relevant assets under the statute. The relevant liabilities are reported net of outstanding losses recoverable from reinsurers and prepaid reinsurance premiums. The relevant assets as of December 31, 2020 were \$116,558,761 (2019: \$107,684,000) and 75% of its relevant liabilities at December 31, 2020 were \$38,281,547 (2019: \$38,477,102).

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

10. TAXATION

Bermuda

ABMI is incorporated under the laws of Bermuda and under current Bermuda law is not obligated to pay any taxes in Bermuda on either income or capital gains. ABMI has received an undertaking from the Minister of Finance in Bermuda pursuant to the provisions of the Exempted Undertakings Tax Protection Act, 1966, which exempts the Company from any Bermuda taxes, until March 31, 2035.

United States

Effective January 1, 1988, ABMI made an irrevocable election to be taxed as a U.S. domestic corporation. As a result of this "domestic election", ABMI is subject to U.S. taxation on its world-wide income as if it were a U.S. corporation.

Total income tax is allocated as follows:

	2020	2019
Income from continuing operations	\$ 413,363	\$ 409,643
Members' reserve, change in unrealized loss on securities	<u>380,763</u>	<u>1,326,452</u>
	<u>\$ 794,126</u>	<u>\$ 1,736,095</u>

The total expense attributable to income from continuing operations is as follows:

	Current	Deferred	Total
Year ended December 31, 2020	\$ <u>857,337</u>	\$ <u>(443,974)</u>	\$ <u>413,363</u>
Year ended December 31, 2019	\$ <u>897,249</u>	\$ <u>(487,606)</u>	\$ <u>409,643</u>

Income tax expense attributable to income from continuing operations differed from the amounts computed by applying the U.S. federal income tax rate of 21% (2019: 21%) to pre-tax income from continuing operations as a result of the following:

	2020	2019
Computed expected tax expense	\$ 996,074	\$ 1,342,496
Others, net	<u>(582,711)</u>	<u>(932,853)</u>
Income tax expense	<u>\$ 413,363</u>	<u>\$ 409,643</u>

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

10. TAXATION (continued)

The Company accounts for uncertain tax positions in accordance with the income tax accounting guidance. The Company has analyzed filing positions in the federal and state jurisdictions where it is required to file tax returns as well as the open tax years in these jurisdictions. The Company believes that its federal income tax, filing positions and decisions will be sustained on audit and does not anticipate any adjustments that will result in a material change to its financial position. Therefore, no reserves for uncertain tax positions have been recorded, nor have any federal income tax related interest or penalties been incurred for the years ended December 31, 2020 and 2019.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2020 and 2019 are presented below:

	2020	2019
Deferred tax assets		
Discount of reserve for losses and loss expenses	\$ 354,806	\$ 304,259
Discount of reserve for unearned premiums	958,459	1,117,864
Foreign tax credit	<u>1,500</u>	<u>1,500</u>
Total gross deferred tax assets	<u>1,314,765</u>	<u>1,423,623</u>
Deferred tax liabilities		
Unrealized gain (bonds)	(766,671)	(385,908)
Unrealized gain (equities)	(1,160,857)	(438,184)
Deferred acquisition costs	(1,914,449)	(2,475,043)
Restatement of loss reserve discount	<u>(62,712)</u>	<u>(54,950)</u>
Total gross deferred tax liabilities	<u>(3,904,689)</u>	<u>(3,354,085)</u>
Net deferred tax liability	<u>\$ (2,589,924)</u>	<u>\$ (1,930,462)</u>

There were no valuation allowances for deferred tax assets as of December 31, 2020 and 2019 since it is management's belief that it is more likely than not that the deferred tax assets will be realized. However, the amount of the deferred tax asset could be reduced in the near term if estimates of future taxable income are reduced.

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

11. CONCENTRATION OF CREDIT RISK

The Company invests in a diverse portfolio of investment grade fixed interest securities. All of the Company's debt securities, which are rated, are rated BBB or higher. The Company's investment guidelines limit investment in securities that fall below "A" rating for the 114 Trusts. The investment portfolio is diversified by investment type, underlying collateral, maturity and industry. The Company has investment guidelines which restrict investments in a single issuer to no greater than 3% of the market value of the portfolio, except for sovereign government issues. At December 31, 2020, the Company does not have any investment in a single corporate security which exceeds 3% (2019: 3%) of total fixed income securities.

The Company benefits from reinsurance protection for a portion of the risks assumed from Great American. At December 31, 2020, all outstanding losses recoverable from reinsurers and prepaid reinsurance premiums were associated with reinsurers rated A or greater by A.M. Best as at December 31, 2020. Management continually monitors the financial stability of the Company's reinsurers and believes that no allowance for uncollectible amounts is required at December 31, 2020.

Short-term deposits included in cash and cash equivalents of \$8,505,417 (2019: \$4,201,512) are held with a bank in the United States, the remaining balance of \$73,749 (2019: \$727,149) being held with a Bermuda financial institution

12. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, debt securities, mutual funds, insurance balances receivable, funds withheld, interest income due and accrued, losses recoverable from reinsurers, accounts payable and accrued liabilities, income taxes payable, insurance balance payable, member distributions payable and reserve for losses and loss expenses.

Fair Values

Cash and cash equivalents, insurance balances receivable, funds withheld, interest income due and accrued, accounts payable and accrued liabilities, income taxes payable, insurance balance payable and member distributions payable approximate fair value due to their short term nature.

Debt securities and mutual funds are stated at fair value as disclosed in note 3.

Losses recoverable from reinsurers and reserve for losses and loss expenses are not stated at fair value and are recorded using management's best estimate of the ultimate cost of settlement of losses in accordance with the recommendations of an independent actuary.

AMERICAN BANKERS MUTUAL INSURANCE, LTD.
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in United States dollars)

13. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the Company is involved in certain claim and non-claim related litigation, some of which involves or may involve substantial amounts. In the opinion of management, the ultimate liability, if any, will not have a material effect on the financial statements of the Company.

During the year, the Company issued a letter of credit in favor of the Internal Revenue Services (“IRS”) amounting to \$2,440,000. The Company was required to provide security to the IRS for future taxes in order to satisfy the requirements of their 953(d) election. The letter of credit was issued in accordance with the closing agreement offered by the IRS on December 19, 2019.

14. SUBSEQUENT EVENT

Management has evaluated subsequent events for recognition and disclosure to May 11, 2021, which is the date that the financial statements were available to be issued.

2020 Board of Directors

MICHAEL J. ADELMAN

President and CEO
Ohio Bankers League
Columbus, Ohio

JAMES EDRINGTON

Chief Member Engagement Officer
American Bankers Association
Washington, D.C.

JAMES EDWARDS

CEO
United Bank
Griffin, Georgia

GARY D. HEMMER

Chairman
First National Bank of Waterloo
Waterloo, Illinois

PATRICIA A. HUSIC

President & CEO
Centric Bank
Enola, Pennsylvania

COLIN C. JAMES

President and CEO
Atlantic Security, Ltd.
Hamilton, Bermuda

SHEILA MATHEWS

President and CEO
Four Corners Community Bank
Farmington, New Mexico

JEFF L. PLAGGE

President
Northwest Financial Corp.
Arnolds Park, Iowa

EVAN ROSENBERG

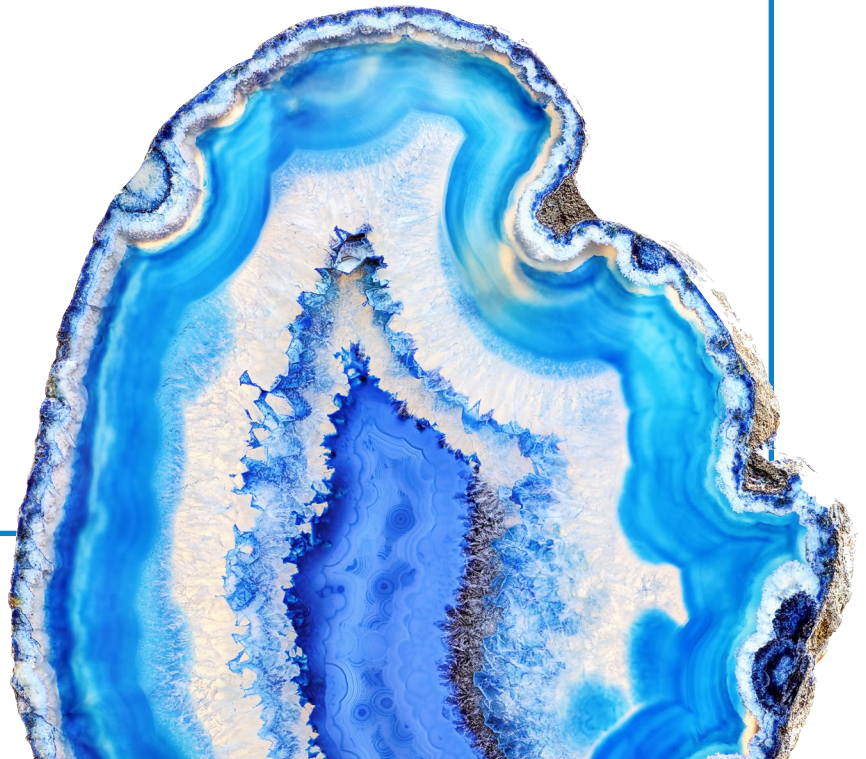
Executive Vice President – retired
Chubb
Richland, Washington

JAMES J. WRYNN

Chief Commercial Officer
NAM (National Arbitration and Mediation)
New York, New York

EDWARD L. YINGLING

Senior Counsel - retired
Covington & Burling LLP
Washington, D.C.



2020 Officers & Advisors

OFFICERS

GARY D. HEMMER

Chairman
American Bankers Mutual Insurance Ltd.

JAMES EDWARDS

Vice Chairman
American Bankers Mutual Insurance Ltd.

MANAGING GENERAL AGENCY

ABA INSURANCE SERVICES

3401 Tuttle Road, Suite 300
Shaker Heights, Ohio

JOHN N. WELLS

Divisional President
ABA Insurance Services
Shaker Heights, Ohio

LISA KELLY

Senior Vice President
ABA Insurance Services
Shaker Heights, Ohio

SHAWN MCNAMARA

Senior Vice President
ABA Insurance Services
Shaker Heights, Ohio

ERIC STEINER

Senior Vice President
ABA Insurance Services
Shaker Heights, Ohio

SERVICE PROVIDERS

AMERICAN BANKERS ASSOCIATION

1120 Connecticut Avenue, N.W., Suite 600
Washington, D.C.

JAMES EDRINGTON

Chief Member Engagement Officer
American Bankers Association
Washington, D.C.

SAM LISKER

Senior Vice President
American Bankers Association
Washington, D.C.

TOM GRECO

Senior Vice President
American Bankers Association
Washington, D.C.

TARA WEEKS

Senior Director
American Bankers Association
Washington, D.C.

ATLANTIC SECURITY, LTD.

2nd Floor Windsor Place, 22 Queen Street
P.O. Box HM 2078
Hamilton HM HX, Bermuda

MATTHEW WITKOWSKI

Atlantic Security Ltd.
Hamilton, Bermuda

FRANCES WEDDUP

Atlantic Security Ltd.
Hamilton, Bermuda

STEPHEN PALMER

Atlantic Security Ltd.
Hamilton, Bermuda

**THE OPTIMAL SERVICE GROUP
OF WELLS FARGO ADVISORS**

428 McLaws Circle
Williamsburg, Virginia

BRYCE LEE

Vice President
The Optimal Service Group
of Wells Fargo Advisors
Williamsburg, Virginia

KAREN LOGAN

Institutional Analyst
The Optimal Service Group
of Wells Fargo Advisors
Williamsburg, Virginia

H. JAMES JOHNSON, III

Associate Vice President
The Optimal Service Group
of Wells Fargo Advisors
Williamsburg, Virginia

JOSEPH W. MONTGOMERY

Managing Director
The Optimal Service Group
of Wells Fargo Advisors
Williamsburg, Virginia

COUNSEL

ARENT FOX LLP

United States Legal Counsel
1301 Avenue of the Americas, 42nd Floor
New York, New York

ELLIOT KROLL

Partner
Arent Fox LLP
New York, New York

WAKEFIELD QUIN & M Q SERVICES LTD.

Bermuda Legal Counsel & Corporate Secretary
Victoria Place
31 Victoria Street
Hamilton HM10, Bermuda

IAN STONE

Attorney
Wakefield Quin & M Q Services Ltd.
Hamilton, Bermuda

JEMIMA FEARNSIDE

Attorney
Wakefield Quin & M Q Services Ltd.
Hamilton, Bermuda

LOUISE MACHELL

Attorney
Wakefield Quin & M Q Services Ltd.
Hamilton, Bermuda

