

MINEHAN EXHIBIT "B"

REPORT OF INSURANCE COMMISSIONER

BRUCE BUNNER, INSURANCE COMMISSIONER
CONSERVATOR
MISSION INSURANCE COMPANY

Date of Conservation: 11-26-85

ASSETS

	Taken Over by Conservator 11-26-85	In Conservator's Control 12-31-85
Cash and bank balances	\$ 1,012,780	\$ 50,619,915
Short term investments	6,312,126	0
Bonds	193,407,087	176,014,105
Common stocks	91,213,794	0
Real estate	3,694,010	2,784,740
Agents' balances in care of collection	29,321,974	15,005,593
Bill receivable, dues for premiums	749,445	548,082
Funds held by ceding companies	20,000	20,000
Reinsurance recoverable paid losses	172,591,853	122,080,532
Interest income receivable	4,030,397	3,044,327
Electricity and depreciation equipment	2,198,033	2,146,611
Equities and deposits in pools and association	668,740	721,283
Policyholder dividend	63,920	0
Federal income tax recoverable (from affiliates)	1,894,000	3,952,000
Funds due from affiliates	40,733,786	61,826,897
Recoverable on securities sales	168,253	1,795,673
Recoverable on taxes, licenses, and fees	1,022,174	3,973,367
Contingent commission	0	48,393
Supplies claims	83,976	83,976
Supplies other	235,086	0
Prepaid expense	34,000	0
Not sufficient funds	46,912	2,085
Supplies other (liab)	169,793	0
	<u>\$550,080,085</u>	<u>\$446,621,193</u>

TRANSACTIONS

11-26-85 to
12-31-85

Short term investment	\$ 5,012,951
Clearing account - cash transfer	7,087,679
Agents' balance	30,885,294
Reinsurance recovered	39,468,055
Interest income receivable	2,766
Accounts due from affiliates	86,303
Equities pools and associates	46,485,101
Employee advance	32,132
Supplies claims	80,176
Other assets	103,449
Other taxes payable premium	19,595,866
Fund held	87,302
Fund held net others	240,000
Reinsurance Payable	545,160
Prepayment due facilities	440,537
Unpaid drafts	157
Payable on purchases of securities	3,689
Other liabilities	23,155,153
Supplies other	90,097
Losses paid direct	11,566
Contingent commission	2,985
Interest	1,300,139
Accrual of bond discount	14,357
Dividends on stock from subsidiary	8,400
Board, bureau and associations	6,589
Survey and underwriting reports	141

CASH RECEIPTS

Short term investment	\$ 5,012,951
Clearing account - cash transfer	7,087,679
Agents' balance	30,885,294
Reinsurance recovered	39,468,055
Interest income receivable	2,766
Accounts due from affiliates	86,303
Equities pools and associates	32,132
Employee advance	80,176
Supplies claims	103,449
Other assets	19,595,866
Other taxes payable premium	87,302
Fund held	240,000
Fund held net others	545,160
Reinsurance Payable	440,537
Prepayment due facilities	157
Unpaid drafts	3,689
Payable on purchases of securities	23,155,153
Other liabilities	90,097
Supplies other	11,566
Losses paid direct	2,985
Contingent commission	1,300,139
Interest	14,357
Accrual of bond discount	8,400
Dividends on stock from subsidiary	6,589
Board, bureau and associations	141
Survey and underwriting reports	

REPORT OF INSURANCE COMMISSIONER

Salaries	130,048
Employee relations and welfare	301
Equipment and furniture	2,383
Travel and out	216
Rent office external sources	16,592
Equipment	11
Printing and stationery	467
Postage, telephone and telegraph	285
Taxes, licenses and fees	21
Premium taxes	3,803
Real estate expense	87,546
Miscellaneous	319,441
Dividend paid to policyholder	1,689,295
	<u>\$17,219,596</u>

CASH DISBURSEMENTS

Bonds	\$ 9,273
Clearing account - cash transfer	14,013,511
Agents' balances	686,295
Prepaid expense - rent	62,305
Amounts due to Affiliates	12,472,718
Equities pools and associates	121
Supplies claims	839,629
Other assets	243,625
Loss reserve	248,332
Accrued expenses	7,483
Other taxes payable - premium	1,117,445
Funds held	82,594
Reinsurance payable	7,524,271
Unpaid draft	31,869,732
Payable on purchase of securities	23,784,734
Other liabilities	877,756
Supplies other	3,166
Losses paid direct	1,333
Commission paid direct	100,267
Accrual of bond discount	5,853
Investment expenses	60,254
Advertising	701
Board, bureau and associations	96,101
Survey and underwriting reports	42,866
Audit of records	22,285
Employee relations and welfare	25,213
Insurance	1,250
Travel and Entertainment	186,238
Rent office external sources	753,644
Equipment	54,033
Printing and stationery	80,305
Postage, telephone and telegraph	265,505
Taxes, licenses and fees	2,590
Premium taxes	150
Real estate exp services	47,447
Miscellaneous	402,019
Relocation	94,288
Legal	9,646
	<u>\$119,618,581</u>

Changes in ASSETS other than CASH

Increases:

Equities and deposits in pools and association	\$ 51,643
Recoverable on securities sales	1,928,480
Federal income taxes recoverable (from affiliates)	1,096,000
Recoverable on taxes, licenses, and fees	1,351,193
Funds due from affiliates	30,794,811
Contingent commission	66,983
	<u>\$34,941,050</u>

Decreases:

Common stocks	\$ 91,213,784
Bonds	17,893,932
Short term investment	6,212,126
Agents' balances	13,376,381
Real estate	699,970
Reinsurance recoverable - paid losses	49,970,791
Bills receivable, taken for premiums	92,443
Interest income receivable	785,970
Electronic data processing equipment	51,822
Policyholder dividend	63,200
Suspense other	238,026
Prepaid expense	30,000
Non sufficient funds	44,829
Suspense other (lab)	168,703
	<u>\$180,541,497</u>

ROXANI M. GILLESPIE, INSURANCE COMMISSIONER
CONSERVATOR
MISSION INSURANCE COMPANY

Date of Conservation: 10-31-85

	ASSETS	
	Taken Over by Conservator 10-31-85	In Conservator's Control 12-31-86
Cash and bank balances	\$ 1,018,780	\$ 37,792,808
Short term investments	6,212,126	8,833,843
Bonds	193,407,967	62,606,900
Common stocks	91,213,784	0
Real estate	3,684,010	2,691,193
Agents' balance in course of collection	29,381,974	457,845
Bills receivable, taken for premiums	740,445	43,501
Funds held by ceding companies	20,000	0
Reinsurance recoverable paid losses	172,991,623	120,363,669
Interest income receivable	4,030,297	1,404,410
Electronic data processing equipment	2,199,633	1,405,465
Equities and deposits in pools and association	669,740	824,992
Policyholder dividend	63,290	0
Federal income tax recoverable (from affiliates)	1,894,000	0
Funds due from affiliates	40,733,786	82,004,766
Recoverable on securities sales	168,253	261,685
Recoverable on taxes, licenses, and fees	1,622,174	1,296,578
Contingent commission	0	55,813
Suspense claims	83,976	0
Suspense other	238,026	0
Prepaid expense	30,000	616,977
Not sufficient funds	46,918	11,721
Reinsurance premium payable	0	666,534
Drafts paid not processed	0	155,978
Suspense other (liab)	169,703	0
	<u>\$550,620,505</u>	<u>\$321,494,669</u>

CASH RECEIPTS	TRANSACTIONS	
	1-1-86 to 12-31-86	10-31-85 to 12-31-86
Bonds	\$113,496,394	\$113,496,394
Short term investment	0	5,012,951
Clearing account - cash transfer	207,207,682	214,835,361
Agents' balance	40,954,356	71,809,580
Funds held by ceding companies	20,000	20,000
Reinsurance recovered	66,140,901	95,610,446
Reinsurance loss recoverable	18,456,359	18,459,115
Interest income receivable	1,020,273	1,106,576
Amounts due from affiliates	226,118,459	274,544,560
Equities pools and associates	374,443	406,575
Employee advance	0	20,176
Suspense claims	17,066,744	17,172,193
Prepaid expense	178,396	178,396
Other assets	12,848,972	32,144,828
Other taxes payable premium	2,852,115	2,939,507
Funds held	1,331,957	1,579,957
Fund held acct others	19,757,961	20,603,121
Reinsurance payable	1,712,070	2,152,907
Premiums due facilities	0	157

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Unpaid drafts	0
Receivable on purchases of securities	44,171.781
Other liabilities	4,117.853
Surplus other	86,596
Loans paid direct	0
Commissions paid direct	0
Interest	8,760.691
Rental income	99,682
Accrual of bond discount	0
Dividend on stocks from subsidiary	354,094
Board, bureaus and associations	619
Survey and underwriters reports	388
Salaries	388
Employee relations and welfare	8,313
Insurance	12,189
Equipment and furniture	388,871
Travel and rent	3,318
Best office external sources	1,180
Equipment	33,281
Printing and stationery	19,000
Postage, telephone and telegraph	3,465
Legal expense	2,106
Taxes, licenses and fees	4,671
Premium taxes	20,156
Real estate expense	0
Miscellaneous	0
Dividend paid to policyholder	\$767,588,534

CASH DISBURSEMENTS

Bonds	\$ 0
Short term investments	8,190,861
Clearing account - cash transfer	307,317,315
Agents' balances	4,904,333
Reinsurance loss recoverable	7,819,006
Prepaid expense - rent	278,697
Amounts due to Affiliates	75,016,596
Expenses paid and associates	189,943
Surplus claims	2,004,885
Other assets	7,140,459
Contingent commission	26,330
Accrued expense	790,000
Other than payable - premium	1,455,216
Funds held	1,480,361
Reinsurance payable	30,633,483
Unpaid draft	376,701,100
Payable on purchase of securities	48,390,943
Other liabilities	4,189,465
Surplus other	3,376
Interest income	13,168,035
Gain on sale of securities	0
Loans paid direct	0
Commissions paid direct	0
Accrual of bond discount	0
Investment expenses	9,385
Advertising	102,281
Board, bureaus and associations	25,405
Surveyors and underwriters reports	13,168
Audit of insureds' records	17,685,545
Salaries	2,461,746
Employee relations and welfare	73,310
Insurance	783,100
Travel and entertainment	60,340
Recreation	3,447,708
Best office external sources	56,052
Equipment	146,303
Printing and stationery	185,468
Postage, telephone and telegraph	614,022
Legal	485,219
Taxes, licenses and fees	1,945,985
Premium taxes	1,207

REPORT OF INSURANCE COMMISSIONER

Real estate exp services	153,895
Miscellaneous	1,412,093
	\$802,493,341

Changes in ASSETS other than CASH

Increases:		
Short term investment	\$ 8,833,543	\$ 9,691,717
Equities and deposits in pool and association	103,609	185,252
Funds due from affiliates	20,476,169	41,270,989
Recoverable on securities sales	(1,534,968)	52,432
Contingent commission	8,830	52,513
Prepaid expense	616,977	686,977
Reinsurance premium payable	686,534	686,534
Drafts paid not processed	153,978	153,978
	\$89,286,952	\$45,608,683
Decreases:		
Bonds		\$130,801,067
Common stocks	\$113,407,265	91,813,794
Real estate	0	992,817
Agents' balances	92,547	28,684,129
Bills receivable taken for premiums	15,547,748	686,444
Funds held by ceding companies	694,591	30,000
Reinsurance recoverable - paid losses	20,000	52,927,964
Interest income receivable	2,657,173	2,652,987
Electronic data processing equipment	1,538,917	794,166
Policyholder dividend	743,146	61,280
Federal income taxes recoverable (from affiliates)	0	1,994,006
Recoverable on taxes, licenses, and fees	2,982,000	325,598
Surplus claims	1,676,789	53,976
Surplus other	81,976	238,026
Non sufficient funds	0	35,197
Surplus other (liab)	(9,632)	169,701
	\$159,686,370	\$311,508,549

REPORT OF INSURANCE COMMISSIONER

ROXANI M. GILLESPIE, INSURANCE COMMISSIONER
LIQUIDATOR
MISSION INSURANCE COMPANY

Date of Conservation: 10-31-85

Date of Liquidation: 2-24-87

ASSETS

	Taken Over by Conservator 10-31-85	To Liquidator's Control 12-31-87
Cash and bank balances	\$ 1,018,780	\$ 11,596,079
Short-term investments	6,912,196	91,080,250
Bonds	183,407,997	38,692,593
Common stocks	91,213,784	0
Real estate	3,694,010	0
Agents' balances	29,381,974	0
Funds receivable, taken for premiums	740,445	0
Funds held by ceding companies	20,000	0
Reinsurance recoverable paid losses	173,591,823	121,773,597
Interest income receivable	4,030,297	665,351
Electronic data processing equipment	2,169,533	1,130,000
Equities-pools and associations	669,740	775,482
Policyholder dividend	53,290	0
Federal income tax recoverable (from affiliates)	1,804,690	0
Funds due from affiliates	40,733,786	81,498,812
Recoverable on securities sales	1,683,383	375,100
Recoverable on taxes, licenses, and fees	1,682,174	0
Contingent commission	0	0
Supervise claims	83,976	0
Supervise other	238,096	0
Prepaid expense	30,000	0
Non sufficient funds	46,918	81,695
Reinsurance premium payable	0	0
Drafts paid not processed	0	3,179,065
Supervise other (liab)	0	0
Furniture and equipment	160,703	117,115
Other assets	0	278,340
Accounts receivable	0	7,322,255
	<u>\$850,680,505</u>	<u>\$346,336,706</u>

TRANSACTIONS

	1-1-87 to 12-31-87	10-31-85 to 12-31-87
Bonds	83,366,813	\$116,853,397
Short-term investment	948,116,990	583,129,851
Clearing account - cash transfer	81,987	214,857,248
Agents' balances	5,080,096	78,689,686
Funds held by ceding companies	0	80,000
Reinsurance loss recoverable	114,164,616	228,234,177
Equities-pools and associations	36,784,940	311,368,499
Amounts due from affiliates	49,469	498,074
Employee advance	6,906	27,082
Supervise claims	133,442	17,285,635
Prepaid expense	180,980	368,365
Other assets	8,385,732	40,510,550
Funds held	5,302,970	27,266,048
Reinsurance payable	56,638	9,999,992
Unpaid drafts	0	12,291

CASH RECEIPTS

Bonds	83,366,813
Short-term investment	948,116,990
Clearing account - cash transfer	81,987
Agents' balances	5,080,096
Funds held by ceding companies	0
Reinsurance loss recoverable	114,164,616
Equities-pools and associations	36,784,940
Amounts due from affiliates	49,469
Employee advance	6,906
Supervise claims	133,442
Prepaid expense	180,980
Other assets	8,385,732
Funds held	5,302,970
Reinsurance payable	56,638
Unpaid drafts	0

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Receivable on purchases of securities	0
Other liabilities	410,427
Supervise other	0
Commissions paid direct	40,782
Interest income	9,133,554
Rental income	214,969
Dividends on stocks from subsidiary	0
Boards, bureaus and associations	5,306
Survey and underwriter reports	0
Salaries	0
Employee relations and welfare	0
Insurance	0
Equipment and furniture	731
Travel and rent	8,313
Printing and stationery	5,592
Postage, telephone and telegraph	13,411
Legal expense	1,130
Taxes, licenses and fees	23,596
Real estate expense	15,000
Miscellaneous	3,070,007
Dividend paid to policyholder	32,217
Real estate	347,465
Real estate	1,692,395
Gain on sale of owned assets	2,695,428
	<u>97,362</u>
	<u>\$ 1,124,116.45</u>

CASH DISBURSEMENTS

Bonds	\$1,605,173
Short-term investments	999,894,735
Clearing account - cash transfer	0
Agents' balances	1,435,775
Reinsurance loss recoverable	0
Prepaid expense - rent	160,480
Amounts due to affiliates	28,127,850
Equities - pools and associations	0
Supervise claims	300,641
Other assets	383,886
Contingent commission	0
Accrued expenses	0
Funds held	784,751
Reinsurance payable	0
Unpaid draft	23,773,044
Payable on purchase of securities	0
Other liabilities	1,422,041
Supervise other	0
Interest income	0
Gain on sale of securities	0
Commissions paid direct	0
Investment expenses	118,082
Advertising	0
Boards, bureaus and associations	0
Survey and underwriter reports	914
Audit of assured's records	0
Salaries	18,316,994
Employee relations and welfare	2,698,030
Insurance	60,911
Travel and entertainment	191,283
Relocation	0
Real office external sources	3,358,971
Equipment repairs	1,266,187
Printing and stationery	718,780
Postage, telephone and telegraph	475,177
Legal	2,987,660
Taxes, licenses and fees	128,138
Real estate expense services	1,037,114
Miscellaneous	97,587
Furniture and equipment	3,500
Employee advance	17,450
Non sufficient funds	68,990,617
California workers compensation deposit	\$1,160,373,189
	<u>\$2,082,247,831</u>

REPORT OF INSURANCE COMMISSIONER

Changes in ASSETS other than CASH

Increases:

Furniture and equipment	\$ 117,115	\$ 117,115
Short-term investment	82,246,377	84,868,094
Equities-pools and associations	(49,500)	108,732
Funds due from affiliates	(575,954)	40,695,026
Recoverable on securities sales	113,315	206,474
Contingent commission	(55,813)	0
Prepaid expense	(535,282)	51,695
Reinsurance premium payable	2,512,532	3,179,066
Drafts paid not processed	(155,978)	0
Other assets	278,340	278,340
Accounts receivable	7,322,555	7,322,555
	<u>\$91,217,707</u>	<u>\$136,824,390</u>

Decreases:

Bonds	\$34,004,307	\$164,805,374
Common stocks	0	91,213,784
Real estate	2,691,193	3,684,010
Agents' balances	457,845	29,381,974
Bills receivable, taken for premiums	43,501	740,445
Funds held by ceding companies	0	20,000
Reinsurance recoverable - paid losses	(1,410,238)	51,217,726
Interest income receivable	748,559	3,374,446
Electronic data processing equipment	275,465	1,069,633
Policyholder dividend	0	63,290
Federal income taxes recoverable (from af- filiates)	0	1,894,000
Recoverable on taxes, licenses, and fees	1,296,578	1,622,174
Suspense claims	0	83,976
Suspense other	0	238,026
Non sufficient funds	11,721	46,918
Suspense other (liab)	0	169,703
	<u>\$38,118,931</u>	<u>\$349,625,479</u>

**ROYANI M. GILLESPIE, INSURANCE COMMISSIONER
LIQUIDATOR
MISSION INSURANCE COMPANY**

Date of Conservation: 10-31-85
Date of Liquidation: 2-24-87

ASSETS

	Taken Over by Conservator 10-31-85	In Liquidator's Control 12-31-86
Cash and bank balances	\$1,018,780	\$21,086,315
Short term investments	6,212,126	108,286,360
Bond investments	193,407,967	20,014,796
Stock investments	91,213,784	0
Receivables, premiums	740,445	131,568,555
Funds due from affiliates	40,733,756	16,042
Agents' balances	29,381,574	488,217
Furniture, fixtures & equip.	2,189,853	831,378
Dep't processing equipment	3,084,010	0
Real estate	80,000	0
Funds held by others	172,981,683	209,989,969
Reinsurance recoverable	4,000,287	1,144,217
Interest income receivable	1,894,000	145,020
Federal income tax recoverable	30,000	2,367,546
Deferred/prepaid exp. deposit	0	0
Other assets	608,740	0
Equities—pools & associations	63,590	0
Policyholder dividend	168,853	0
Recoverable on securities sale	1,622,174	0
Recoverable on taxes/licenses	83,376	0
Suspense claims	238,026	0
Suspense other	46,918	0
Not sufficient funds	169,703	0
Suspense other (liability)	0	8,367,265
Continguation intell. receivable	0	\$504,319,080
	\$530,620,505	

TRANSACTIONS

	1-1-86 to 12-31-86	10-31-85 to 12-31-86
CASH RECEIPTS		
Clearing account—cash transfer	\$0	\$214,957,346
Sale of short term investments	8,621,287	933,129,551
Sale of bond investments	(6,800,117)	125,476,484
Due from affiliates	1,867,537	382,729,263
Collection of agents' balances	(1,192,814)	75,327,163
Sale of real estate	0	2,626,428
Funds held by others	27,230,121	26,193,354
Collection of advances	8,479,611	27,093
Collection of reinsurance due	(58,306)	953,473,298
Interest income	0	28,795,348
Deferred/prepaid exp. deposit	0	368,395
Sale of other assets	0	40,432,154
Suspense claims	0	17,293,633
Suspense other	0	78,142
Accounts payable	0	2,200,902
Other liabilities	0	4,548,117
Dividends received	0	1,620,385
Rental income	0	722,965
Miscellaneous income	0	347,465

CASH RECEIPTS

Clearing account—cash transfer	\$0
Sale of short term investments	8,621,287
Sale of bond investments	(6,800,117)
Due from affiliates	1,867,537
Collection of agents' balances	(1,192,814)
Sale of real estate	0
Funds held by others	27,230,121
Collection of advances	8,479,611
Collection of reinsurance due	(58,306)
Interest income	0
Deferred/prepaid exp. deposit	0
Sale of other assets	0
Suspense claims	0
Suspense other	0
Accounts payable	0
Other liabilities	0
Dividends received	0
Rental income	0
Miscellaneous income	0

Commissions collected	0
Funds held by ceding companies	0
Equities—pools & assoc.	0
Unpaid drafts	0
Receivable on purch. securities	369,902
Dividend from subsidiary	0
Board, bureaus & associations	28,734
Survey & underwriter reports	0
Salaries	0
Employee relations & welfare	0
Insurance	0
Equipment & furniture	0
Travel & rent	1,235
Printing & stationery	0
Postage, telephone & telegraph	0
Legal expense	0
Taxes, licenses & fees	0
Real estate expense	0
Gain on sale of assets	0
Continguation	3,515
Pension plan (termination)	10,035,419
Salvage & subrogation	5,361,834
	7,140,257
	\$59,123,323

CASH DISBURSEMENTS

Clearing account—cash transfer	81
Purchase of short term invest.	16,485,936
Gain/loss sale of securities	0
Amounts due affiliates	406,719
Agents' balances	0
Purchase of furniture/fixtures	0
Funds held by others	414,968
Advances	0
Reinsurance recoverable	0
Reinsurance payable	3,500
Interest income	7,919,006
Deferred/prepaid exp. deposit	27,987,754
C.A. workers comp. deposit	9,059
Other assets	794,512
Suspense claims	72,227,553
Suspense other	7,767,860
Loss & loss expense paid	2,874,184
Not sufficient funds	8,503
Payable on security purchase	456,561,709
Accruals	17,456
Other liabilities	58,083,977
Continguation paid	137,493
Salaries and wages	6,338,535
Employee relations & welfare	(602)
Equipment maintenance & rental	9,411,403
Rent	1,836,546
Printing and stationery	1,089,087
Postage and telephone	0
Travel	643,178
Moving and storage	391,945
Insurance	2,110,290
Miscellaneous expenses	172,056
Legal and audit	435,362
Real estate expense	7,150,665
Bank and investment charges	(4,945)
Advertising	947
Boards, bureaus & associations	122,119
Survey & underwriting reports	292,322
Audit of assured records	72,346
Insurance Dept. licenses & fees	35,915
Contingent commission	7,130,780
Guaranty associations	275,162
	169,700
	\$49,573,086

\$2,131,560,111

CHANGES IN NON CASH ASSETS

Increases:

Short term investments	\$17,218,160	\$102,086,254
Funds due from affiliates	50,140,043	90,835,069
Furniture, fixtures & equip.	371,102	488,217
Accounts receivable	(7,322,555)	0
Deferred/prepaid exp. deposits	64,225	115,920
Other assets	2,069,206	2,367,546
Reinsurance premium payable	(3,179,066)	0
Reinsurance recover. pd. losses	88,215,472	36,997,746
Reinsurance premium payable	8,367,855	8,367,855
	<u>\$155,964,442</u>	<u>\$241,258,607</u>

Decreases:

Bond investments	\$8,587,797	\$173,393,171
Stock investments	0	91,213,784
Bills receivable—premium	0	740,445
Agents balances	(16,042)	29,365,932
Data processing equipment	298,422	1,368,055
Real estate	0	3,084,010
Funds held ceding companies	0	20,000
Equities—pools & associations	775,492	669,740
Recoverable securities sale	375,000	168,253
Interest income receivable	(468,366)	2,886,080
Federal income tax recoverable	0	1,894,000
Taxes, licenses & fees recoverable	0	1,622,174
Dividends	0	63,290
Suspense claims	0	83,976
Suspense other	0	238,026
Non sufficient funds	0	46,918
Suspense other (Liability)	0	169,703
	<u>\$9,532,303</u>	<u>\$307,627,557</u>

Roxani M. Gillespie, Insurance Commissioner
Conservator/Liquidator
Mission Insurance Company

Date of Conservation: 10/31/85

Date of Liquidation: 02/24/87

<i>Assets</i>	<i>Taken Over by Conservator 10/31/85</i>	<i>In Liquidator's Control 12/31/89</i>
Cash & Bank Balances	\$1,018,780	\$23,145,094
Short Term Investments	6,212,126	202,615,328
Accounts Receivable	222,913,608	364,399,540
Agents Balances	29,381,974	0
Funds Held by Others	20,000	0
Real Estate	3,684,010	0
Fixed Assets	2,199,633	502,736
Long Term Investments	284,621,751	32,110,553
Other Assets	538,623	404,744
Deposit /Prepaid Expenses	30,000	135,920
Total Assets	\$550,620,505	\$623,313,915
<i>Liabilities</i>		
Liquidators Liability	\$550,620,505	\$623,313,915
Total Liabilities	\$550,620,505	\$623,313,915
<i>Transactions</i>		
<i>Sources</i>	<i>01/01/89- 12/31/89</i>	<i>11/26/85- 12/31/89</i>
Interest Received	\$14,006,278	\$42,801,626
Dividends Received	0	1,637,795
Commissions Received	0	44,758
Rental Income Received	0	722,865
Sale of Long Term Investments	2,400,740	127,877,234
Collection of Accounts Receivable	94,295,508	733,105,353
Agents Balances	216,779	78,743,942
Sale of Real Estate	0	2,626,428
Sale of Fixed Assets	0	6,827
Gain on Sale of Assets	0	100,877
Sale of Short Term Investments	0	953,129,851
Funds Held by Others	1,608,335	27,821,569
Sale/Collection of Other Assets	2,215,556	60,041,487
Deposits/Prepaid Expenses	0	368,395
Accounts Payable	0	6,758,019
Miscellaneous Incomes	0	215,217,104
Recovery & Refunds	5,684,065	21,480,777
Total Sources General	\$120,427,261	\$2,272,484,907
<i>Applications</i>		
Interest Paid	\$0	\$9,059
Purchase of Short Term Investments	93,787,513	1,117,299,070
Purchase of Long Term Investments	0	1,614,446
Gain/Loss on Sale	0	13,592,754
Legal & Audit	6,543,895	17,097,016
Advertising	0	122,119
Printing & Stationery	636,387	2,267,038

Postage & Telephone	238,065	1,987,714
Insurance	234,924	541,401
Other Liabilities	- 2,930	9,969,765
Miscellaneous Expenses	12,348	228,553,202
Taxes, Licenses & Fees	682,311	8,168,653
Guaranty Associations	874,717	1,044,417
Accounts Receivable	0	125,438,870
Loss & Loss Expenses Paid	1,109,912	457,671,711
Deposits	- 10,000	784,512
Employee Relations & Welfare	1,050,318	8,006,940
Rent	2,733,064	10,293,441
Salaries & Wages	9,334,754	54,718,695
Equip. Rental & Maint.	875,188	3,533,777
Accounts Payable	0	94,041,731
Moving & Storage	0	60,340
Funds Held by Others	0	2,347,516
Real Estate Expenses	0	323,145
Other Assets	0	7,767,890
Fixed Assets	116,261	628,816
Agent Balances	0	6,633,507
Workers Comp. Deposit	0	72,227,553
Travel	151,755	3,238,728
Commissions	0	374,767
Total Applications General	<u>\$118,368,482</u>	<u>\$2,250,358,593</u>

Non Cash Changes in Assets

Change in Real Estate	\$0	-\$1,057,582
Change in Agent Balances	200,737	42,728,461
Assets Discovered-Other Assets	252,754	52,139,718
Change in Accounts Receivable	107,624,752	749,152,415
Change in Short Term Investments	529,435	32,233,983
Change in Funds Held by Others	1,608,335	25,454,053
Long Term to Short Term Investments	0	- 31,704,548
Change in Deposits/Prepaid Expense	0	- 310,197
Change in Fixed Assets	- 933,320	- 2,318,886
Change in Long Term Investments	14,496,497	- 94,543,862
	<u>\$123,779,190</u>	<u>\$771,773,555</u>

Report of Insurance Commissioner John Garamendi
Liquidator/Trustee

1990

Mission National Insurance Company Trust

Date of Trust: 08/10/90

	Taken Over by Trustee 08/10/90	In Trustee's Control 12/31/90
Assets		
Cash & Equivalents	\$1,392,934	\$2,893,895
Short Term Investments	6,726,837	3,920,765
Bond Investments	2,469,115	2,119,232
Funds Due From Affiliates	3,954	3,954
Reinsurance Recoverable	205,973,208	152,808,295
Total Assets	<u>\$216,566,048</u>	<u>\$161,748,141</u>
Liabilities		
Trustee's Liability	\$216,566,048	\$161,748,141
Total Liabilities	<u>\$216,566,048</u>	<u>\$161,748,141</u>

Transactions

	00/00/00 - 00/00/00	08/10/90 - 12/31/90
Sources		
Sale of Bonds	\$0	\$377,480
Sale of Short Term Investments	0	2,806,072
Reinsurance Recoverable	0	46,214,586
Interest Income	0	5,350,082
Salvage & Subrogation	0	354,023
Guaranty Associations	0	614,276
Miscellaneous	0	6,471
Total Sources General	<u>\$0</u>	<u>\$55,722,990</u>
Applications		
Amounts Due to Affiliates	\$0	\$47,885,585
California Workers' Comp Deposit	0	6,197,113
Legal & Audit	0	1,712
Insurance Dept Licenses & Fees	0	870
Loss & Loss Expenses Paid	0	134,749
Total Applications General	<u>\$0</u>	<u>\$54,220,029</u>

Changes in Non Cash Assets

Short Term Investments Sold - Net	\$0	\$2,806,072
Bond Investments Sold - Net	0	377,480
Increase in Bond Investments Value	0	27,597
Funds Due Affiliates Collected	0	47,885,585
Funds Due Affiliates Reinsurance	0	3,982,790
Funds Due Affiliates Expense Reallocation	0	1,863,795
Funds Due Affiliates Developed	0	50,004,580
Reinsurance Recoverable Collected	0	46,214,586
Reinsurance Recoverable - Losses Ceded	0	9,200,437
Reinsurance Recoverable - Commutation	0	16,150,764
Total Changes in Non Cash Assets	\$0	<u>\$56,320,868</u>

Changes in Liabilities

Trustee's Liability	\$0	<u>\$54,807,907</u>
Total Changes in Liabilities	\$0	<u><u>\$54,807,907</u></u>

Report of Insurance Commissioner John Garamendi Conservator/Liquidator

Mission Reinsurance Corporation

Date of Conservation: 11/26/85
Date of Liquidation: 02/24/87

	Taken Over by Conservator 11/26/85	In Liquidator's Control 08/10/90
Assets		
Cash & Equivalents	\$2,174,114	\$0
Short Term Investments	48,103	0
Accounts Receivable	22,699,202	0
Agent Balances	1,632,738	0
Long Term Investments	35,338,343	0
Funds Held by Others	240,844	0
Total Assets	<u>\$62,133,344</u>	<u>\$0</u>
Liabilities		
Liquidator's Liability	\$62,133,344	\$0
Total Liabilities	<u>\$62,133,344</u>	<u>\$0</u>

Mission National Insurance Company Trust

1991

Date of Trust: 08/10/90

Assets	Taken Over by Trustee 08/10/90	In Trustee's Control 12/31/91
Cash & Equivalents	\$1,392,934	\$3,458,643
Short Term Investments	6,726,837	59,959,795
Bond Investments	2,469,115	1,703,023
Funds Due From Affiliates	3,954	3,954
Reinsurance Recoverable	579,444,009	264,977,539
Other Assets	409,140	0
Total Assets	\$590,445,989	\$330,102,954

Liabilities		
Trustee's Liability	\$590,445,989	\$330,102,954
Total Liabilities	\$590,445,989	\$330,102,954

Transactions

	01/01/91 - 12/31/91	08/10/90 - 12/31/91
Sources		
Sale of Bonds	\$483,008	\$860,488
Reinsurance Recoverable	55,718,269	101,932,855
Interest Income	2,740,042	8,090,124
Salvage & Subrogation	1,760,249	2,114,272
Guaranty Associations	-6,111	608,165
Miscellaneous	7,267	13,738
Total Sources General	\$60,702,724	\$113,619,642

Applications		
Amounts Due to Affiliates	\$3,970,385	\$51,855,970
California Workers' Comp. Deposit	0	6,197,113
Legal & Audit	23,661	25,373
Insurance Dept. Licenses & Fees	16,400	17,270
Short Term Investments-Net Purchase	56,039,031	53,232,959
Loss & Loss Expenses Paid	90,499	225,248
Total Applications General	\$60,139,976	\$111,553,933

Changes in Non-Cash Assets

Short Term Investment Sold/Purch. Net	\$56,039,030	\$53,232,958
Bond Investments Sold - Net	-483,008	-860,488
Increase in Bond Investment Value	66,799	94,396
Funds Due Affiliates Collected	3,970,385	51,855,970
Funds Due Affiliates Reinsurance	6,001	3,988,791
Funds Due Affiliates Expense Reallocation	-3,811,780	-5,675,575
Funds Due Affiliates Developed	-164,606	-50,169,186
Reinsurance Recoverable Collected	-55,718,269	-101,932,855
Reinsurance Recoverable - IBNR Adjustmen	-192,000,000	-192,000,000
Reinsurance Recoverable - Doubtful Resor	10,300,000	36,589,605
Reinsurance Recoverable - Developed	-923,542	-533,615
Other Assets	-302,183	-409,140
Reinsurance Recoverable - Commutation	-30,300,000	-56,589,605
Total Changes in Non-Cash Assets	-\$213,321,173	-\$262,408,744

Changes in Liabilities

Trustee's Liability	-\$212,758,425	-\$260,343,035
Total Changes in Liabilities	-\$212,758,425	-\$260,343,035

Mission Reinsurance Corporation Trust

Date of Trust: 08/10/90

Assets	Taken Over by Trustee 08/10/90	In Trustee's Control 12/31/90
Cash & Equivalents	\$1,363,565	\$1,422,642
Short Term Investments	30,151,174	36,243,007
Bond Investments	341,856	0
Funds Due From Affiliates	18,285	18,285
Funds Held By Ceding Companies	240,844	0
Deposit With CIGA	8,198,570	8,198,570
Reinsurance Recoverable	1,762,895	185,353
Total Assets	\$42,077,189	\$46,067,857
Liabilities		
Trustee's Liability	\$42,077,189	\$46,067,857
Total Liabilities	\$42,077,189	\$46,067,857

Mission National Insurance Company Trust

1992

Date of Trust 08-10-90
Date of Liquidation 00-00-00

	Taken Over	In Liquidator's Control
	08-10-90	12-31-92
Assets		
Cash & Equivalents	1,392,934	2,628,071
Short Term Investments	6,726,837	101,181,564
Bond Investments	2,469,115	1,304,955
Funds due From Affiliates	3,954	3,954
Reinsurance Recoverable	579,444,009	175,743,217
Other Assets	409,140	0
TOTAL ASSETS	590,445,989	280,861,761
Liabilities		
Trustee's Liability	590,445,989	280,861,761
TOTAL LIABILITIES	590,445,989	280,861,761
Transactions		
Sources		
	01-01-92	08-10-90
	12-31-92	12-31-92
Interest Received	4,746,529	12,836,653
Dividends Received	0	0
Salvage & Subrogation	131,581	2,245,853
Bonds Sold	448,159	1,308,647
Reinsurance Collected	88,596,697	190,529,552
Guaranty Associations	0	608,165
Miscellaneous	2,944	16,682
Total Sources General	93,925,910	207,545,552
Applications		
Due Affiliates	2,698,922	54,554,892
California Workers Comp Deposit	0	6,197,113
Losses Paid	118,078	343,326
Legal & Audit	301	25,674
Short Term Investments Purchased	41,221,769	94,454,728
Dept. of Insurance-Licenses/Fees	53,698	70,968
Guaranty Associations	955,426	955,426
Early Access Distributions	49,708,288	49,708,288
Total Applications General	94,756,482	206,310,415

Mission National Insurance Company Trust

Changes in Non-Cash Assets		
Short Term Investments Purchased	41,221,769	94,454,727
Bonds Sold	(448,159)	(1,308,647)
Bonds-Increase in Value	50,091	144,487
Funds Due Affiliates Collected	2,698,922	54,554,892
Due Affiliates Expense Reallocation	(2,586,120)	(8,261,695)
Due Affiliates Reinsurance	0	3,988,791
Funds Due Affiliates Developed	(112,802)	(50,281,988)
Reinsurance Recoverable Collected	(88,596,697)	(190,529,552)
Reinsurance Recoverable IBNR Adjustment	0	(192,000,000)
Reinsurance Recoverable Commutation Loss	(25,000,000)	(81,589,605)
Reinsurance Recoverable Doubtful Reserve	25,000,000	61,589,605
Other Assets Collected	0	(409,140)
Reinsurance Recoverable Developed	(637,625)	(1,171,240)
Total Changes in Non-Cash Assets	(48,410,621)	(310,819,365)
Changes in Liabilities		
Trustee's Liability	(49,241,193)	(309,584,228)
Total Changes in Liabilities	(49,241,193)	(309,584,228)

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE - BALANCE SHEET INFORMATION
DECEMBER 31, 1993

ASSETS	Mission Insurance Company Trust	Holland - America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
Cash in bank	\$121,115	\$6,373	\$56,461	\$17,106	\$3,253	\$204,309		\$204,309
Restricted cash	81,101,603					81,101,603		81,101,603
Investments, at cost	440,305,680	34,543,922	120,316,978	28,668,646	39,796,802	563,632,028		563,632,028
Securities	14,876,689					14,876,689		14,876,689
Investment in subsidiary	4,158,910					4,158,910		4,158,910
Funds held by others	31,876,526	1,133,054	3,516,307	1,485,379	1,170,064	39,181,330		39,181,330
Reinsurance recoverable on paid losses	60,881,967	30,741,338	143,821,198	18,389,648		253,834,151		253,834,151
Reinsurance recoverable on loss reserves	393,516,804	7,894,473	93,560,935	(346,176)		494,626,036	(200,220,456)	294,405,580
Less: Allowance for uncollectible reinsurance recoverable	(201,326,538)	(6,938,952)	(67,419,335)	(5,281,967)		(280,966,752)	41,966,752	(239,000,000)
Due (to) from affiliates	144,185,048	(116,288,537)	(118,651,775)	50,194,089	40,561,175	0		0
Other assets	408,594					408,594		408,594
TOTAL ASSETS	\$970,106,399	(\$48,908,229)	\$175,200,708	\$93,126,725	\$81,531,284	\$1,271,058,898	(\$158,253,704)	\$1,112,805,194

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE - BALANCE SHEET INFORMATION
DECEMBER 31, 1993

	Mission Insurance Company Trust	Holland - America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
LIABILITIES								
Policyholder liabilities	\$774,981,850	\$50,727,207	\$968,800,073	\$41,427,382		\$1,233,936,512	(\$24,000,000)	\$1,209,936,512
Due to insurance guaranty assoc.	85,327,878	(23,813,998)	61,816,099	29,261,205	(9,532,035)	203,159,151		203,159,151
Reinsurance payable on loss reserves assumed	435,456,671		4,851,566		9,362,964	449,671,201		449,671,201
Reinsurance payable on loss reserves assumed	612,927,062	481,957	6,394,902	200,032	75,230,459	696,234,412	(40,637,985)	655,596,427
Other liabilities	5,623,519	331,837	2,825,370	472,390		9,253,116		9,253,116
Total Liabilities	1,914,316,980	27,727,005	442,786,010	131,361,009	76,061,388	2,592,254,392	(64,637,985)	2,527,616,407
TRUST								
Trust corpus	(675,922,513)	(102,638,793)	(259,226,890)	(44,852,944)	(12,338,077)	(1,095,978,217)	317,144,778	(778,833,439)
Reserve for uncollectible reinsurance	(201,326,538)	(6,938,852)	(67,419,395)	(5,251,967)		(280,966,752)	(114,033,248)	(395,000,000)
Unrealized gains & (losses)	9,895,714	(160,923)	37,634	31,632	175,142	9,979,199		9,979,199
Retained earnings	(76,857,244)	33,103,334	59,020,350	11,868,995	18,632,841	45,788,276	(298,727,249)	(250,958,973)
Total Trust	(944,210,581)	(76,635,234)	(267,597,301)	(38,234,284)	5,469,906	(1,321,197,494)	(93,615,719)	(1,414,813,213)
TOTAL LIABILITIES & TRUST	\$970,106,399	(\$48,908,229)	\$175,200,709	\$93,126,725	\$81,531,294	\$1,271,058,998	(\$158,233,704)	\$1,112,803,194

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE—STATEMENT OF OPERATIONS AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1993

	Mission Insurance Company Trust	Holland—America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
REVENUE								
Net investment income, including gains and losses from investments	\$19,490,440	\$2,307,771	\$8,662,537	\$787,695	\$2,141,589	\$33,390,032	(\$7,112,860)	\$26,277,172
Total revenue	19,490,440	2,307,771	8,662,537	787,695	2,141,589	33,390,032	(7,112,860)	26,277,172
OPERATING EXPENSES								
Salaries and other personnel costs	3,322,528	579,616	1,169,210	501,742	103,617	5,676,713		5,676,713
Other administrative costs	4,179,425	711,856	1,411,590	573,764	110,672	6,987,307		6,987,307
Total operating expenses	7,501,953	1,291,472	2,580,800	1,075,506	214,289	12,664,020		12,664,020
OTHER INCOME (EXPENSES)								
Losses and loss adjustment expenses	(35,532,927)	(2,117,769)	7,318,962	(1,205,691)	(5,447,282)	(36,984,707)		(36,984,707)
Increase in loss reserves	(127,337,208)	14,956,308	103,369,341	(1,354,080)	16,125,347	5,759,708	(47,582,471)	(41,822,763)
Other	(902,905)	(291,105)	164,545	485,202	1,600,386	1,056,125		1,056,125
Net loss (income)	(151,764,553)	13,563,793	116,934,585	(2,362,380)	14,205,753	(9,442,862)	(54,695,331)	(64,138,193)
RETAINED EARNINGS								
Balance, beginning of year	74,927,311	19,539,600	(57,914,235)	14,231,374	4,427,088	55,211,138	(242,031,919)	(186,820,780)
Balance, end of year	(\$76,857,242)	\$33,103,333	\$59,020,350	\$11,868,994	\$18,632,841	\$45,768,276	(\$296,727,249)	(\$250,958,973)

MISSION INSURANCE COMPANIES TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE-BALANCE SHEET INFORMATION
DECEMBER 31, 1994

	Mission Insurance Company Trust	Holland- America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Insurance Corp. Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
ASSETS								
Cash in bank	\$292,523	\$8,499	\$19,845	\$11,693	\$3,416	\$335,976		335,976
Restricted cash	60,410,238					60,410,238		60,410,238
Investments, at cost	307,944,354	50,850,131	168,159,923	22,495,840	41,403,024	\$90,849,372		\$90,849,372
Securities	13,794,207					13,794,207		13,794,207
Investment in subsidiary	4,312,704					4,312,704		4,312,704
Funds held by others	31,923,204	1,142,905	3,381,437	1,171,976	206,348	37,827,850		37,827,850
Reinsurance recoverable on paid losses	177,566,663	7,150,267	38,359,571	3,380,865		226,457,366		226,457,366
Reinsurance recoverable on loss reserves	328,451,213	13,992,528	91,423,236	4,214,992		438,081,969	(20,417,529)	417,664,440
Less: allowance for uncollectible reinsurance recoverable	(384,100,000)	(8,500,000)	(59,400,000)	(2,800,000)		(454,800,000)		(454,800,000)
Due (to) from affiliates	116,132,106	(105,098,017)	(32,963,382)	36,161,181	(14,251,888)	0		0
Other Assets	498,973					498,973		498,973
TOTAL ASSETS	\$657,248,185	(\$40,453,687)	\$208,976,710	\$64,636,547	\$27,360,900	\$917,768,655	(\$20,417,529)	\$897,351,126

MISSION INSURANCE COMPANIES TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE-BALANCE SHEET INFORMATION
DECEMBER 31, 1994

	Mission Insurance Company Trust	Holland-America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Corp. Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
LIABILITIES								
Policyholder liabilities	\$671,944,480	\$65,558,218	\$427,573,783	\$25,531,389		\$1,190,607,870		\$1,190,607,870
Due to insurance guaranty associations	47,127,397	(23,632,654)	23,018,435	70,944,358		117,457,536		117,457,536
Reinsurance payable on paid losses assumed	446,060,691		5,175,012		10,127,309	461,363,212		461,363,212
Reinsurance payable on loss reserves assumed	610,639,348		5,632,779		11,146,246	627,418,373		627,418,373
Other liabilities	5,675,167	331,837	2,823,370	472,390		9,304,764		9,304,764
Total liabilities	1,781,447,083	42,257,401	464,225,279	96,948,137	21,273,755	2,406,151,755		2,406,151,755
TRUST								
Trust corpus	(431,643,232)	(70,528,590)	(238,651,736)	(25,271,784)	(13,338,075)	(778,833,439)		(778,833,439)
Reserve for uncollectible reins	(384,100,000)	(8,500,000)	(59,470,000)	(2,800,000)		(454,800,000)		(454,800,000)
Unrealized gains & (losses)	8,649,054	(1,143,333)	(11,251)	22,908	(1,076,859)	6,440,519		6,440,519
Retained earnings	(317,104,700)	(2,539,165)	42,214,318	(4,262,712)	20,502,079	(261,190,180)	(20,417,529)	(281,607,709)
Total Trust	(1,124,198,898)	(82,711,088)	(255,248,669)	(32,311,590)	6,087,145	(1,488,383,100)	(20,417,529)	(1,508,800,629)
TOTAL LIABILITIES & TRUST	\$657,248,185	(\$40,453,687)	\$208,976,710	\$64,636,547	\$27,360,900	\$917,768,655	(\$20,417,529)	\$897,351,126

MISSION INSURANCE COMPANIES TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE-BALANCE SHEET INFORMATION
DECEMBER 31, 1994

	Mission Insurance Company Trust	Holland America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Corp. Trust	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
REVENUE							
Net investment income, including gains and losses from investment transactions	(\$10,842,835)	\$5,405,530	\$28,010,138	\$3,797,243	\$2,184,229	\$28,554,305	\$28,554,305
Total revenue	(10,842,835)	5,405,530	28,010,138	3,797,243	2,184,229	28,554,305	28,554,305
OPERATING EXPENSES							
Salaries and other personnel costs	5,507,139					5,507,139	5,507,139
Other administrative costs	4,762,973	1,057,845	2,292,320	1,026,433	281,002	9,420,573	9,420,573
Total operating expenses	10,270,112	1,057,845	2,292,320	1,026,433	281,002	14,927,712	14,927,712
OTHER INCOME (EXPENSES)							
Losses and loss adjustment expenses	(14,471,230)	(2,495,040)	(5,738,551)	(1,247,519)	(998,016)	(24,950,396)	(24,950,396)
Increase in loss reserves	36,559,622	(7,014,477)	(31,140,553)	7,649,979	998,013	(20,417,529)	(19,436,247)
Other	(15,931)	47,613	1,008,808	23,807	(33,985)	131,312	131,312
Net income (loss)	\$959,514	(\$5,314,210)	(\$11,027,518)	\$3,312,077	\$1,869,239	(\$10,231,207)	(\$10,643,736)
RETAINED EARNINGS							
Balance, beginning of year	(76,857,244)	33,103,334	\$9,021,350	11,858,995	18,632,841	45,768,276	(250,958,973)
Balance, end of year	(\$75,897,730)	\$27,789,115	\$47,962,532	\$15,181,072	\$20,502,080	\$35,537,069	(\$281,607,709)

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE-BALANCE SHEET INFORMATION
DECEMBER 31, 1995

	Mission Insurance Company Trust	Holland America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Insurance Corp. Trust	TOTAL	ADJUSTING ENTRIES INCREASE (DECREASE)	COMBINED BALANCES
ASSETS								
Cash in bank	\$ 185,072	\$ 10,301	\$ 28,921	\$ 11,277	\$ 2,472	\$ 241,043	\$	\$ 241,043
Restricted cash	59,694,893					59,694,893		59,694,893
Investments, at cost	328,942,748	56,180,926	198,365,348	27,426,029	44,310,031	655,225,082		655,225,082
Securities	12,397,241					12,397,241		12,397,241
Investment in subsidiary	4,565,457	1,152,223	3,320,644	1,046,932		4,565,457		4,565,457
Funds held by others	17,294,979					17,294,979		17,294,979
Reinsurance recoverable on paid losses	176,079,092	6,474,885	27,850,027	3,107,084		213,511,088		213,511,088
Reinsurance recoverable on loss reserves	291,306,036	11,310,853	52,829,977	433,583		355,880,449		355,880,449
Less: allowance for uncollectible reinsurance recoverable	(349,838,000)	(9,129,000)	(49,713,000)	(2,923,000)		(411,603,000)		(411,603,000)
Due (to) from affiliates	12,082,224	(105,097,942)	71,162,675	36,107,543	(14,254,500)	374,633		374,633
Other Assets	374,633					374,633		374,633
TOTAL ASSETS	\$ 553,087,375	\$ (39,097,754)	\$ 303,844,592	\$ 65,209,448	\$ 30,058,003	\$ 913,101,664	\$	\$ 913,101,664

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE-BALANCE SHEET INFORMATION
DECEMBER 31, 1995

	Mission Insurance Company Trust	Holland America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Corp. Trust	TOTAL	ADJUSTING ENTRIES INCREASE (DECREASE)	COMBINED BALANCES
LIABILITIES								
Policyholder liabilities								
Due to insurance guaranty associations	\$ 531,192,432	\$ 63,122,551	\$ 512,541,778	\$ 24,986,177		\$ 1,132,942,938	\$	1,132,942,938
Reinsurance payable on paid losses assumed	54,109,104	(23,091,358)	28,599,310	73,038,978		132,656,234		132,656,234
Reinsurance payable on lost reserves assumed	458,964,739		5,105,881		10,609,459	474,680,079		474,680,079
Other liabilities	615,437,517	500,000	5,701,229		10,664,296	632,303,042		632,303,042
	5,624,714	331,837	2,825,370	472,390		9,254,311		9,254,311
Total liabilities	1,665,328,506	42,363,230	554,773,568	97,597,545	21,273,755	2,381,836,604		2,381,836,604
TRUST								
Trust corpus	(431,643,251)	(70,528,590)	(238,051,736)	(25,271,786)	(13,338,076)	(778,833,439)		(778,833,439)
Reserve for uncollectible reins	(349,838,000)	(9,129,000)	(49,013,000)	(2,923,000)		(411,603,000)		(411,603,000)
Unrealized gains & (losses)	7,720,744	540,959	26,101	26,738	(379,348)	7,935,194		7,935,194
Retained earnings	(338,480,623)	(2,844,352)	36,809,557	(4,220,047)	22,501,670	(286,233,695)		(286,233,695)
Total Trust	(1,112,241,130)	(81,960,983)	(250,928,978)	(32,388,095)	8,784,245	(1,468,734,940)		(1,468,734,940)
TOTAL LIABILITIES & TRUST	\$ 553,087,376	\$ (39,097,753)	\$ 303,844,590	\$ 65,209,450	\$ 30,058,001	\$ 913,101,664	\$	913,101,664

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
STATEMENT OF OPERATIONS AND CHANGES IN RETAINED EARNINGS
DECEMBER 31, 1995

	Mission Insurance Company Trust				Holland America Insurance Company Trust		Mission National Insurance Company Trust		Enterprise Insurance Company Trust		Mission Reinsurance Corp. Trust		TOTAL	ADJUSTING ENTRIES INCREASE (DECREASE)	COMBINED BALANCES
REVENUE															
Net investment income, including gains and losses from investment transactions	\$	21,748,869	\$	3,040,674	\$	11,144,312	\$	1,645,648	\$	2,208,543	\$	39,788,046	\$	39,788,046	
Total revenue		21,748,869		3,040,674		11,144,312		1,645,648		2,208,543		39,788,046		39,788,046	
OPERATING EXPENSES															
Salaries and other personnel costs		5,041,773											5,041,773		5,041,773
Other administrative costs		7,069,499		1,588,887		2,901,079		969,218		208,951		12,737,634		12,737,634	
Total operating expenses		12,111,272		1,588,887		2,901,079		969,218		208,951		17,779,407		17,779,407	
OTHER INCOME (EXPENSES)															
Losses and loss adjustment expenses		(16,543,010)		(518,265)		(1,806,834)		(1,843,469)		(481,950)		(21,193,628)		(21,193,628)	
Increase in loss reserves		(11,445,589)		543,314		3,584,881		1,342,155		481,949		(5,493,290)		(5,493,290)	
Other		47,370				4,923						52,293		52,293	
Net income (loss)		(18,303,632)		1,476,736		10,021,280		180,039		1,999,591		(4,625,986)		(4,625,986)	
RETAINED EARNINGS															
Balance, beginning of year		(320,176,991)		(4,321,088)		26,788,777		(4,400,086)		20,502,079		(281,607,709)		(281,607,709)	
Balance, end of year	\$	(338,480,623)	\$	(2,844,352)	\$	36,809,657	\$	(4,220,047)	\$	22,501,670	\$	(286,233,695)	\$	(286,233,695)	

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE-BALANCE SHEET INFORMATION
DECEMBER 31, 1996

ASSETS	Mission Insurance Company Trust	Holland-America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	ADJUSTING ENTRIES	
						TOTAL	COMBINED BALANCES
Cash in bank	\$ 189,851	\$ 5,037	\$ 37,799	\$ 11,266	\$ 7,692	\$ 252,604	\$ 252,604
Restricted cash	43,309,435					43,309,435	43,309,435
Investments, at cost	374,889,721	75,425,112	242,133,411	24,315,661	12,962,164	723,999,229	723,999,229
Receivables	9,006,179					9,006,179	9,006,179
Investment in subsidiary	4,819,380					4,819,380	4,819,380
Funds held by others	17,129,734	1,227,151	3,033,276	930,163		22,320,323	22,320,323
Reinsurance recoverable on paid losses	177,218,415	5,838,055	26,542,344	2,970,310		212,570,024	212,570,024
Reinsurance recoverable on loss reserves	303,794,123	4,523,348	34,784,073	380,360		343,442,673	343,442,673
Less: Allowance for uncollectible reinsurance recoverable	(356,807,000)	(6,707,000)	(79,377,500)	(2,501,000)		(405,822,000)	(405,822,000)
Due (to) from affiliates	12,002,678	(112,182,085)	71,242,149	36,129,647	(2,151,999)	(0)	(0)
Other assets	713,205					713,205	713,205
TOTAL ASSETS	\$ 585,845,788	\$ (22,170,082)	\$ 308,295,027	\$ 65,892,357	\$ 25,817,800	\$ 953,621,550	\$ 953,621,550

MISSION INSURANCE COMPANIES' TRUSTS ON LIQUIDATION
 CONTINUING SCHEDULE BALANCE SHEET INFORMATION
 DECEMBER 31, 1996

	Mission Insurance Company Trust	Holland-America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
LIABILITIES								
Policyholder liabilities	\$ 611,927,247	\$ 64,423,767	\$ 478,520,146	\$ 22,886,210		\$ 1,177,829,378		\$ 1,177,829,378
Due to insurance guaranty assoc.	69,158,411	(32,986,241)	32,986,000	74,278,281		154,047,361		154,047,361
Reinsurance payable on paid losses assumed	479,234,906		1,722,189		\$ 11,506,597	485,163,611		485,163,611
Reinsurance payable on lost reserves assumed	583,281,712	506,094	7,771,171		110,258,498	601,737,473		601,737,473
Other liabilities	5,721,399	331,817	2,225,570	472,380		9,222,075		9,222,075
Total Liabilities	1,740,225,655	42,223,362	520,607,087	97,636,880	21,265,195	2,428,007,089		2,428,007,089
TRUST								
Trust corpus	(431,643,231)	(70,328,308)	(23,751,753)	(25,201,782)	(13,338,677)	(778,833,432)		(778,833,432)
Reserve for uncollectible reinsurance	(750,837,000)	(6,707,006)	(76,322,000)	(2,591,060)		(836,457,066)		(836,457,066)
Unrealized gains & (losses)	4,604,007	383,246	11,269	29,614	(516,066)	4,344,068		4,344,068
Retained earnings	(170,534,221)	2,410,129	59,101,488	(7,661,261)	18,406,808	(294,274,167)		(294,274,167)
Total Trust	(1,154,330,865)	(74,481,445)	(218,312,260)	(31,804,533)	4,552,665	(1,474,385,538)		(1,474,385,538)
TOTAL LIABILITIES & TRUST	\$ 585,894,790	\$ (32,170,083)	\$ 302,294,827	\$ 65,832,356	\$ 25,817,860	\$ 933,621,550		\$ 933,621,550

MISSION INSURANCE COMPANIES TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE STATEMENT OF OPERATIONS AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1986

	Mission Insurance Company Trust	Holland-America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
REVENUE								
Net investment income, including gains and losses from investments	\$ 21,169,716	\$ 10,171,861	\$ 10,268,971	\$ 1,403,750	\$ (3,933,588)	\$ 39,074,719	\$	\$ 39,074,719
Miscellaneous income	11,344,734		2,063			11,346,817		11,346,817
Total revenue	32,454,470	10,171,861	10,271,014	1,403,750	(3,933,588)	50,371,316		50,371,316
OPERATING EXPENSES								
Salaries and other personnel costs	4,890,333					4,890,333		4,890,333
Other administrative costs	1,825,013	1,210,943	2,323,501	1,048,907	367,836	6,578,200		6,578,200
Total operating expenses	6,715,346	1,210,943	2,323,501	1,048,907	167,836	11,468,533		11,468,533
OTHER INCOME (EXPENSES)								
Losses and loss adjustment expense	(13,773,746)	(82,098)	(2,137,732)	(761,214)	(403,697)	(17,561,167)		(17,561,167)
Increase in loss reserves	(41,073,088)	(2,847,363)	(6,323,880)	573,650	403,698	(29,422,853)		(29,422,853)
Other	54,117		13,163		8,558	75,838		75,838
Net income (loss)	(2,033,597)	3,234,552	20,204,750	558,688	(4,094,865)	(8,040,472)		(8,040,472)
RETAINED EARNINGS								
Balance, beginning of year	(38,480,624)	(2,844,253)	36,419,658	(4,220,040)	22,501,673	(28,623,696)		(28,623,696)
Balance, end of year	\$ (370,334,221)	\$ 2,410,199	\$ 59,104,408	\$ (3,661,361)	\$ 18,406,808	\$ (294,274,167)	\$	\$ (294,274,167)

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE - BALANCE SHEET INFORMATION
DECEMBER 31, 1997

ASSETS	Mission Insurance Company Trust	Holland-America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL*	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
Cash in bank	\$ 217,610.00	\$ 3,715	\$ 109,520	\$ 2,300	\$ 1,229	\$ 334,373 *	\$	\$ 334,373
Restricted cash	16,455,223					16,455,223		16,455,223
Investments	462,741,092	60,579,047	332,319,802	29,762,472	16,281,231	821,435,754		821,435,754
Securities	13,073,454					13,073,454		13,073,454
Investment in subsidiary	5,037,417					5,037,417		5,037,417
Funds held by others	16,677,901	1,260,434	1,947,938	848,164		20,734,437		20,734,437
Reinsurance recoverable on Paid Losses	76,759,429	4,382,610	21,692,061	2,758,532		105,592,632		105,592,632
Reinsurance recoverable on Loss Reserves (net of present value discount)	174,190,122	2,447,557	26,476,842	429,050		204,543,572 *		204,543,572
Less: Allowance for doubtful reinsurance recoverable	(187,191,000)	(6,482,000)	(34,429,000)	(2,488,000)		(230,990,000)		(230,990,000)
Due (to) from affiliates	91,365,656	(108,306,889)	(23,034,952)	40,108,050	(11,860)			
Other assets	258,437					258,437		258,437
TOTAL ASSETS	\$ 669,483,201	\$ (23,165,520)	\$ 224,855,360	\$ 71,077,568	\$ 16,272,617	\$ 956,473,319 *		\$ 956,473,319

* - Difference due to rounding

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE - BALANCE SHEET INFORMATION
DECEMBER 31, 1997

	Mission Insurance Company Trust	Holland-America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL*	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
LIABILITIES								
Policyholder liabilities	\$ 699,636,853	\$ 31,071,844	\$ 344,000,810	\$ 11,008,695		\$ 1,112,808,208	A	\$ 1,112,808,208
Due to insurance guaranty associations	84,650,984	(30,600,883)	10,871,670	75,391,596		140,313,276	A	140,313,276
Assumed Payable:								
Paid losses assumed	461,725,070		4,330,472		2,943,708	468,999,249	A	468,999,249
Loss reserves assumed	537,496,113		3,310,349			564,706,462		564,706,462
Total assumed payable	1,019,221,183		11,540,821		2,943,708	1,033,705,711	A	1,033,705,711
Other liabilities	3,040,376	131,139	2,634,187	341,083		6,175,835		6,175,835
Total Liabilities	1,801,339,286	30,629,134	369,149,418	93,741,214	2,943,708	2,295,003,090		2,295,003,090
TRUST								
Trust corpus	(431,643,222)	(70,331,390)	(231,031,736)	(25,231,786)	(13,338,077)	(771,833,439)	A	(771,833,439)
Reserve for doubtful reinsurance recoverables, including present value discount	(187,191,000)	(6,442,000)	(34,429,000)	(2,888,000)		(230,990,000)		(230,990,000)
Unrealized gains on investments and subsidiaries	8,893,888	132,116	10,486	31,154	(546,319)	8,541,123	A	8,541,123
Retained earnings	(229,113,731)	31,063,794	(28,128,123)	3,414,914	27,213,505	(37,267,399)		(37,267,399)
Total Trust	(1,139,056,065)	(45,794,680)	(144,394,127)	(22,713,732)	13,338,099	(1,338,279,711)		(1,338,279,711)
TOTAL LIABILITIES AND TRUST	\$ 669,483,221	\$ (25,165,546)	\$ 324,855,291	\$ 71,027,482	\$ 16,272,617	\$ 956,473,319		\$ 956,473,319

A. Differences due to rounding.

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE-STATEMENT OF OPERATIONS AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1997

	Mission Insurance Company Trust	Holland-America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL*	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
REVENUE								
Net interest income, including gains and losses from investment transactions	\$ 20,651,925	\$ 12,630,183	\$ 31,611,443	\$ 1,590,499	\$ 1,048,844	\$ 73,561,896		\$ 73,561,896
Miscellaneous income	1,526,990					1,526,990		1,526,990
Total revenue	29,178,915	12,630,183	31,611,443	1,590,499	1,048,844	82,088,886		82,088,886
OPERATING EXPENSES								
Salaries and other personnel costs	4,402,769					4,402,769		4,402,769
Other administrative costs	390,314	1,531,721	2,766,893	718,663	(64,339)	5,343,235 *		5,343,235
Total operating expenses	4,793,083	1,531,721	2,766,893	718,663	(64,339)	9,746,004 *		9,746,004
OTHER EXPENSES (INCOME)								
Losses and loss-adjustment expenses	(15,793,154)	(472,339)	(1,618,721)	(828,435)	(2,565,103)	(21,347,772)		(21,347,772)
Increases in loss reserve	(233,576,851)	14,079,071	130,242,108	5,076,699	10,258,594	(93,970,375)		(93,970,375)
Other	86,402,663	3,919,400	(94,346,222)	3,956,200		2,041		2,041
Total other expenses	(12,907,342)	17,546,122	34,207,165	8,254,441	7,693,495	(115,316,169)		(115,316,169)
Net income (loss)	(151,331,510)	21,653,596	69,071,715	9,076,375	8,806,698	(42,973,227) *		(42,973,227)
RETAINED EARNINGS								
Balance, beginning of year	(270,334,221)	2,410,199	59,104,401	(3,661,363)	18,406,808	(794,374,169)		(794,374,169)
Balance, end of year	\$ (529,115,731)	\$ 31,063,795	\$ 128,176,122 *	\$ 5,414,913	\$ 27,213,506	\$ (337,247,995) *		\$ (337,247,995)

* * Differences due to rounding.

REPORT OF INSURANCE COMMISSIONER

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BRUCE BUNNER, INSURANCE COMMISSIONER
CONSERVATOR
MISSION NATIONAL INSURANCE COMPANY

Date of Conservation: 11-26-85

ASSETS

	<i>Taken Over by Conservator 11-26-85</i>	<i>In Conservator's Control 12-31-85</i>
Cash and bank balances	\$ (78,114)	\$ 1,104,431
Short term investments	438,986	544,986
Bonds	111,998,041	102,107,000
Common stocks	16,413,784	0
Preferred stocks	4,998,729	5,000,204
Agents' balance in course of collection	5,007,982	1,483,675
Reinsurance recoverable paid losses	86,442,880	73,644,063
Interest income receivable	2,181,275	2,194,585
Other taxes recoverable	21,818	28,403
Equities and deposits in pools and association	230,635	245,054
Mfrms - suspense	0	42,695
Federal income tax recoverable (from affiliates)	632,770	1,258,257
Funds due from affiliates	12,945,484	12,394,411
Recoverable on securities sales	71,406	8,339,595
Recoverable on taxes, licenses, and fees	0	531,303
Contingent commission	1,978	318
	<u>\$341,304,674</u>	<u>\$308,917,393</u>

TRANSACTIONS

CASH RECEIPTS

	<i>11-26-85 to 12-31-85</i>
Funds due from affiliates	\$ 178,259
Agents' balance	29,532
Reinsurance loss recoverable	681,506
Recoverable on taxes, licenses and fees	11,488
Recoverable on sales of securities	250,384
Board, bureau and association	2,193
Miscellaneous	85,284
Other taxes recoverable - premium	3,740
	<u>\$1,183,306</u>

CASH DISBURSEMENTS

Clearing account	9863
Reinsurance loss recoverable	132
Postage, telephone and telegraph	366
	<u>\$761</u>

Changes in ASSETS other than CASH

Increases:

Preferred stocks	9,475
Short term investments	112,000
Interest income receivable	13,310
Other taxes recoverable	4,595
Equities and deposits in pools and association	9,423
Recoverable on securities sales	8,299,599
Recoverable on taxes, licenses, and fees	531,303
Federal income tax recoverable (from affiliates)	625,487
Mrms. suspense	42,695
	<u>\$9,607,587</u>

Decreases:

Common stocks	\$ 16,413,784
Bonds	9,898,032
Agents' balances	3,523,607
Reinsurance recoverable - paid losses	12,799,557
Funds due from Affiliates	592,053
Contingent commission	1,650
	<u>\$43,177,693</u>

1982

REPORT OF INSURANCE COMMISSIONER

ROXANI M. GILLESPIE, INSURANCE COMMISSIONER
CONSERVATOR

MISSION NATIONAL INSURANCE COMPANY

Date of Conservation: 11-26-85

ASSETS

	Taken Over by Conservator 11-26-85	In Conservator's Control 12-31-85
Cash and bank balances	\$176,114	\$2,786,414
Short term investments	432,066	17,988
Bonds	111,983,041	18,464,829
Preferred stocks	4,989,729	2,543,479
Agents' balance in course of collection	5,087,082	1,934,441
Reinsurance receivable paid losses	86,442,690	140,468,300
Interest income receivable	2,181,275	416,182
Equities and deposits in pools and association	235,036	581,066
Reinsurance receivable (from affiliates)	832,770	0
Funds due from affiliates	12,946,464	241,811
Recoverable on securities sales	71,496	0
Recoverable on taxes, licenses, and fees	21,818	1,183,378
Not sufficient funds	1,578	7,578
	\$241,204,874	\$176,876,776

TRANSACTIONS

	1-1-86 to 12-31-86	11-26-85 to 12-31-86
Bonds	\$ 83,750,443	\$83,750,443
Preferred stock	2,459,374	2,459,374
Short term investment	680,858	680,858
Agents' balance	4,983,486	4,982,998
Reinsurance loss recoverable	17,893,262	18,577,869
Interest income receivable	1,414,104	1,414,104
Amounts due from affiliates	3,786,770	3,985,029
Equities pools and associations	10,971	10,971
Supplies claims	15,630	15,630
Other assets	1,234,337	1,234,337
Other taxes payable premium	1,181,782	1,181,782
Fund held and other	559,480	559,480
Reinsurance premium payable	2,659	2,659
Recoverable on purchases of securities	7,153,456	7,403,810
Interest	3,983,382	3,983,382
Dividend on preferred stock	163,463	163,463
Board, bureau and association	39	39
Travel and entertainment	0	11,498
Taxes, licenses and fees	163	26,437
Miscellaneous	0	3,740
Other taxes recoverable - premium	666	666
Dividend paid to policyholder		
	\$128,480,204	\$128,663,610

CASH DISBURSEMENTS

Cash account - cash transfer	80	\$263
Reinsurance loss recoverable	15,598,810	15,598,810
Amounts due to Affiliates	95,785,385	95,785,385
Equities pools and associates	90,473	90,473
Accrued expenses	2,500	2,500
Federal income tax return (from affiliates)	1,219,596	1,219,596

REPORT OF INSURANCE COMMISSIONER

Funds held for accounts of others	3,228,964	3,228,964
Reinsurance payable	6,848,562	6,848,562
Payable on purchase of securities	1,213,917	1,213,917
Other liabilities	1,761	1,761
Interest income	34,759	34,759
Gain on sale of securities	2,678,493	2,678,493
Advertising	487	487
Board, bureau and associations	94,822	94,822
Insurance	27,405	27,405
Printing and stationery	4,636	4,636
Bank charges	60	60
Postage, telephone and telegraph	0	0
Legal	8,900	8,900
Taxes, licenses and fees	43,566	43,566
Premium taxes	2,736	2,736
Miscellaneous	11,489	11,489
	\$156,798,361	\$156,798,082

Changes in ASSETS other than CASH

Increases		
Equities and deposits in pools and association	\$ 276,607	\$ 296,030
Reinsurance recoverable on paid losses	75,814,767	63,016,210
Recoverable on premium tax	681,975	1,183,276
Not sufficient funds	7,580	5,900
	\$76,750,929	\$64,491,418

Decreases

Bonds	\$ 83,642,409	\$ 83,530,441
Short term investments	596,596	414,986
Common stocks	0	16,413,784
Preferred stocks	2,459,375	2,459,350
Agents' balances in course of collection	948,024	3,772,641
Funds due from Affiliates	12,182,690	12,704,653
Interest income receivable	1,778,283	1,768,083
Federal income tax recoverable	1,236,257	632,770
Recoverable on securities sales	8,339,596	71,496
Recoverable on taxes, licenses, and fees	26,437	21,818
Supplies	42,696	0
	\$110,473,599	\$131,763,944

ROXANI M. GILLESPIE, INSURANCE COMMISSIONER
LIQUIDATOR
MISSION NATIONAL INSURANCE COMPANY

1987

Date of Conservation: 11-26-85

Date of Liquidation: 2-24-87

ASSETS

	<i>Taken Over by Conservator 11-26-85</i>	<i>In Liquidator's Control 12-31-87</i>
Cash and bank balances.....	\$ (78,114)	\$2,152,567
Short-term investments	432,986	7,813,617
Bonds	111,985,041	3,482,222
Common stocks	16,413,784	0
Preferred stocks	4,999,729	0
Agents' balances in course of collection	5,007,282	0
Reinsurance recoverable paid losses.....	86,442,620	125,146,519
Interest income receivable	2,181,275	83,008
Equities-pools and associations	235,635	494,731
Federal income tax recoverable (from affiliates)	632,770	0
Funds due from affiliates	12,946,464	9,387
Recoverable on securities sales	71,406	0
Recoverable on taxes, licenses, and fees	21,818	0
Non sufficient funds	1,978	0
Drafts paid not processed	0	99,233
	<u>\$241,304,674</u>	<u>\$139,281,284</u>

TRANSACTIONS**CASH RECEIPTS**

	<i>1-1-87 to 12-31-87</i>	<i>11-26-85 to 12-31-87</i>
Bonds	\$ 3,843,749	\$87,594,192
Preferred stock	0	2,459,374
Short-term investment	67,806,480	68,427,338
Agents' balances	119,027	4,412,025
Reinsurance loss recoverable	15,333,952	33,911,820
Interest income receivable	1,619,333	3,033,437
Amounts due from affiliates	9,559	3,974,588
Equities-pools and associations	26,158	37,129
Suspense claims	87,358	102,958
Other assets	1,563,918	2,798,255
Fund held for accounts of others	0	539,400
Reinsurance premium payable	91,540	94,179
Receivable on purchases of securities	0	7,403,810
Other liabilities	34,609	34,609
Interest	0	3,983,392
Dividend on preferred stock	0	165,463
Boards, bureaus and associations	695	3,865
Travel and entertainment	0	39
Taxes, licenses and fees	48,091	1,245,081
Miscellaneous	36	26,463
Dividend paid to policyholder	0	698
Insurance	12,005	12,005
	<u>\$90,596,510</u>	<u>\$220,260,120</u>

CASH DISBURSEMENTS

Short-term investments	\$76,763,058	\$76,763,058
Clearing account - cash transfer	0	263
Reinsurance loss recoverable	0	15,598,210
Amounts due to Affiliates	3,594,162	99,349,547
Equities-pools and associations	0	20,473
Accrued expenses	0	2,500
Federal income tax return (from affiliates)	0	1,219,398
Funds held for accounts of others	0	3,228,984
Reinsurance payable	0	6,849,562
Payable on purchase of securities	0	1,213,917
Other liabilities	1,047	2,806
Interest income	0	34,759
Gain on sale of securities	490,545	3,169,038
Advertising	0	427
Board, bureaus and associations	0	94,822
Insurance	0	27,805
Printing and stationery	0	4,636
Bank charges	0	60
Postage, telephone and telegraph	0	366
Legal	5,810	8,310
Taxes, licenses and fees	16,187	62,489
Miscellaneous	2,824	21,283
Drafts and loss payable	356,722	356,722
Commission	2	2
California workers' compensation deposit	10,000,000	10,000,000
	<u>\$91,230,357</u>	<u>\$218,029,439</u>

Changes in ASSETS other than CASH

Increases:

Equities-pools and associations	\$(26,934)	\$ 259,096
Reinsurance recoverable on paid losses	(24,312,311)	38,703,899
Recoverable on premium tax	(1,183,278)	(21,818)
Non sufficient funds	(7,878)	(1,978)
Drafts paid not processed	99,233	99,233
	<u>\$(25,431,168)</u>	<u>\$39,038,432</u>

Decreases:

Bonds	\$ 14,982,378	\$108,512,819
Short-term investments	(7,795,629)	(7,380,631)
Common stocks	0	16,413,784
Preferred stocks	2,543,479	4,990,729
Agents' balances in course of collection	1,234,641	5,007,282
Funds due from Affiliates	232,424	12,937,077
Interest income receivable	333,184	2,098,267
Federal income tax recoverable (from affiliates)	0	632,770
Recoverable on securities sales	0	71,406
Suspense	0	0
	<u>\$11,530,477</u>	<u>\$143,292,503</u>

ROXANI M. GILLESPIE, INSURANCE COMMISSIONER
LIQUIDATOR
MISSION NATIONAL INSURANCE COMPANY

Date of Conservation: 11-26-85

Date of Liquidation: 2-24-87

1988

ASSETS

	<i>Taken Over by Conservator 11-26-85</i>	<i>In Liquidator's Control 12-31-88</i>
Cash and bank balances	(\$78,114)	\$2,840,440
Short term investments	432,986	756,248
Bond investments	111,965,041	2,775,988
Stock investments	21,413,513	0
Funds due from affiliates	12,946,464	16,550
Agents balances	5,007,282	22,282
Reinsurance recoverable	86,442,620	153,154,505
Interest income receivable	2,181,275	67,353
Federal income tax recoverable	632,770	0
Equities—pools & associations	235,635	0
Recoverable on securities sale	71,408	0
Recoverable on taxes/licenses	21,818	0
Other assets	1,978	0
Salvage & subrogation	0	173,214
	<u>\$241,304,674</u>	<u>\$159,836,580</u>

TRANSACTIONS

CASH RECEIPTS	<i>1-1-88 to 12-31-88</i>	<i>11-26-85 to 12-31-88</i>
Sale of short term investments	90	968,427,338
Sale of bond investments	708,008	88,302,200
Sale of stock investments	0	2,459,374
Amount due from affiliates	0	3,974,588
Collection of agents balances	21,050	4,433,075
Funds held for others	0	539,400
Reinsurance recoverable	3,035,899	36,967,719
Interest income	699,532	7,716,361
Equities—pools & associations	0	37,129
Other assets	0	2,798,255
Suspense claims	0	102,958
Accounts payable	0	94,179
Other liabilities	0	34,609
Dividends received	0	165,463
Miscellaneous income	0	26,463
Receivable on securities sale	0	7,403,810
Commutation	12,559	12,559
Salvage & subrogation	788,539	788,539
Boards, bureaus & associations	0	3,865
Taxes, licenses & fees	(8,333)	1,236,548
Travel	0	39
Dividend to policyholder	0	698
Insurance	0	12,005
	<u>\$5,277,064</u>	<u>\$225,537,174</u>

CASH DISBURSEMENTS

Clearing account—cash transfer	\$0	\$963
Purchase of short term invest	12,930,000	89,693,058
Gain on sale of securities	335	3,169,373
Amounts due to affiliates	(13,994,168)	85,355,379
Reinsurance recoverable	0	15,598,210
Interest expense	0	34,759
Federal income tax paid	0	1,219,398
Ca. workers comp. deposit	4,000,000	14,000,000
Reinsurance Payable	0	6,849,562
Payable on purch. of securities	0	1,213,917
Accruals	0	2,500
Funds held for others	0	3,225,984
Other liabilities	110,417	113,225
Commissions paid	0	2
Printing and stationery	0	4,636
Postage and telephone	0	366
Insurance	0	27,805
Miscellaneous expenses	5,297	26,590
Legal and audit	0	8,310
Bank and investment charges	0	60
Drafts and loss payable	0	356,722
Advertising	0	427
Boards, bureaus & associations	(3,644)	91,178
Taxes, licenses & fees	0	62,489
Loss & loss expenses paid	1,401,722	1,401,722
Guaranty associations	139,222	139,222
Equity—pools & associations	0	20,473
	<u>\$4,589,181</u>	<u>\$222,618,620</u>

CHANGES IN NON CASH ASSETS

Increases:

Short term investments	(\$7,057,369)	\$323,262
Reinsurance recoverable	28,037,996	66,741,885
Salvage & subrogation	173,214	173,214
Drafts paid not processed	(99,233)	0
	<u>\$21,054,598</u>	<u>\$67,238,361</u>

Decreases:

Bond investments	\$706,234	\$109,219,053
Stock investments	0	21,413,513
Funds due from affiliates	(7,163)	12,929,914
Agents balances	(22,232)	4,985,000
Recoverable on securities sale	0	71,406
Recoverable tax, license fees	0	21,818
Interest income receivable	15,635	2,113,922
Federal income tax recoverable	0	632,770
Other Assets	0	1,978
Equities—pools & associations	494,731	235,635
	<u>\$1,187,175</u>	<u>\$151,625,009</u>

Roxani M. Gillespie, Insurance Commissioner
Conservator/Liquidator
Mission National Insurance Company

Date of Conservation: 11/26/85

Date of Liquidation: 02/24/87

Assets	Taken Over by Conservator 11/26/85	In Liquidator's Control 12/31/89
Cash & Bank Balances	- \$78,114	\$2,216,534
Short Term Investments	432,986	2,801,341
Accounts Receivable	102,531,988	172,007,590
Agents Balances	5,007,282	0
Long Term Investments	133,408,554	2,638,814
Other Assets	1,978	0
Total Assets	\$241,304,674	\$179,664,279
Liabilities		
Liquidators Liability	\$241,304,674	\$179,664,279
Total Liabilities	\$241,304,674	\$179,664,279
Transactions		
Sources	01/01/89- 12/31/89	11/26/85- 12/31/89
Interest Received	\$294,814	\$8,011,175
Dividends Received	0	165,463
Other Liabilities	0	34,609
Sale of Long Term Investments	7,623	90,769,199
Collection of Accounts Receivable	2,226,056	51,397,841
Agents Balances	0	4,433,075
Sale of Short Term Investments	0	68,427,338
Funds Held for Others	0	539,400
Other Assets	0	2,798,255
Accounts Payable	0	94,179
Miscellaneous Incomes	0	141,980
Recovery & Refunds	39,520	1,292,675
Total Sources General	\$2,568,015	\$228,105,189
Applications		
Interest Paid	\$0	\$34,759
Purchase Short Term Investments	2,036,201	91,729,259
Gain/Loss on Sale	0	3,169,373
Legal & Audit	60,812	69,122
Advertising	0	427
Printing & Stationery	250	4,986
Postage & Telephone	0	366
Insurance	0	27,805
Other Liabilities	0	113,225
Miscellaneous Expenses	-16,851	1,226,409
Taxes, Licenses & Fees	-22,405	1,280,015
Guaranty Associations	794,081	923,303
Dividends Paid	0	0
Loss & Loss Expenses Paid	313,971	2,072,415
Deposits	0	14,000,000
Employee Relations & Welfare	0	0

Rent.....	0	0
Other Outside Services.....	0	0
Equip. Rental & Maint.....	0	0
Accounts Receivable.....	35,862	107,930,191
Cash Transferred to NAICC.....	0	0
Funds Held for Others.....	0	3,228,984
Commissions.....	0	2
Total Applications General.....	<u>\$3,191,921</u>	<u>\$225,810,541</u>

Non Cash Changes in Assets

Change in Agents Balances.....	-\$1,126,132	-\$574,207
Change in Short Term Investments.....	8,892	-20,933,566
Assets Discovered-Other Assets.....	0	2,796,277
Change in Accounts Receivable.....	20,756,162	12,943,252
Change in Long Term Investments.....	-129,549	-40,000,541
	<u>\$19,309,373</u>	<u>-\$45,768,785</u>

*Net assets transferred to Mission Insurance Company Trust in the amount of \$653,343,547 was completed on August 10, 1990

1990

Report of Insurance Commissioner John Garamendi
Liquidator/Trustee

Mission Insurance Company Trust

Date of Trust: 08/10/90

	Taken Over by Trustee 08/10/90	In Trustee's Control 12/31/90
Assets		
Cash & Equivalents	\$25,786,252	\$38,479,577
Short Term Investments	224,549,133	285,881,597
Bond Investments	17,080,222	16,466,722
Stock Investments	16,578,103	22,777,124
Funds Due From Affiliates	134,982,508	194,970,985
Furniture, Fixtures & Automobiles	514,953	465,330
Funds Deposited with Others	43,842	0
Reinsurance Recoverable	229,326,824	117,949,909
Prepaid Expenses	135,920	47,765
Other Assets	177,935	0
Suspense - Other	0	100
Commutation Installment Receivable	4,167,855	0
Total Assets	\$653,343,547	\$677,039,109
Liabilities		
Trustee's Liability	\$653,343,547	\$677,039,109
Total Liabilities	\$653,343,547	\$677,039,109

	Transactions	
	00/00/00 - 00/00/00	08/10/90 - 12/31/90
Sources		
Sale of Bonds	\$0	\$784,856
Due From Affiliates	0	28,850,533
Agent Balances	0	33,319
Prepaid Expenses	0	6,000
Funds Deposited by Others	0	43,842
Collection of Reinsurance	0	50,529,270
Commutation Installment Receivable	0	4,167,855
Interest Income	0	6,506,804
Salvage & Subrogation	0	623,765

Expense Reallocation	0	235,013
S & T Fund Account	0	618,921
Total Sources General	\$0	\$92,400,178

Applications

Purchase of Short Term Investments	\$0	\$61,196,952
Purchase of Furniture & Automobiles	0	4,954
Loss & Loss Expenses Paid	0	255,092
Other Liabilities	0	23,826
Salaries & Wages	0	3,247,847
Employee Relations & Welfare	0	392,065
Payroll Taxes	0	129,467
Equipment Maintenance	0	526,658
Rent	0	777,231
Printing & Stationery	0	325,193
Postage & Telephone	0	117,786
Travel & Entertainment	0	71,881
Insurance	0	176,028
Miscellaneous Expenses	0	442,253
Legal & Audit	0	3,553,706
Leaseholder Expense	0	51,753
Outside Services	0	1,626,494
Suspense - Other	0	100
Insurance Dept. Licenses & Fees	0	1,264
Guaranty Associations	0	6,786,303
Total Applications General	\$0	\$79,706,853

Changes in Non Cash Assets

Purchase of Short Term Investments	\$0	\$61,196,952
Increase in Short Term Investments Value	0	135,512
Sale of Bonds	0	-784,856
Increase in Bond Investments Value	0	171,356
Stocks Acquired from Litigation	0	7,195,889
Increase in Stock Investments Value	0	-996,868
Funds Due Affiliates Collected	0	28,850,533
Funds Due Affiliate Expense Reallocation	0	3,927,055
Funds Due Affiliates Reinsurance	0	-5,357,123
Funds Due Affiliates Developed	0	90,269,078
Purchase of Furniture & Automobiles	0	4,954
Depreciation on Furniture & Automobiles	0	-54,577
Collection of Funds Deposited	0	-43,842
Collection of Reinsurance Recoverable	0	-50,529,270
Reinsurance Recoverable - Losses Ceded	0	12,275,102
Reinsurance Recoverable - Losses Ceded	0	-73,122,747
Prepaid Expenses Collected	0	-6,000
Prepaid Expenses Written Off	0	-82,155
Other Assets Written Off	0	-177,935
Increase in Suspense - Other	0	100
Collection of Commutation Receivable	0	-4,167,855
Total Changes in Non Cash Assets	\$0	\$11,002,237

Changes in Liabilities

Trustee's Liability	\$0	\$23,695,562
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Total Changes in Trustee's Liability

\$0

\$23,695,562

**Report of Insurance Commissioner John Garamendi
Conservator/Liquidator**

Mission National Insurance Company

Date of Conservation: 11/26/85

Date of Liquidation: 02/24/87

	<i>Taken Over by Conservator 11/26/85</i>	<i>In Liquidator's Control 08/10/90</i>
Assets		
Cash & Equivalents	-\$78,114	\$0
Short Term Investments	432,986	0
Accounts Receivable	102,531,988	0
Agent Balances	5,007,282	0
Other Assets	1,978	0
Long Term Investments	133,408,554	0
Total Assets	\$241,304,674	\$0
Liabilities		
Liquidator's Liability	\$241,304,674	\$0
Total Liabilities	\$241,304,674	\$0
Transactions		
	<i>01/01/90 - 08/10/90</i>	<i>11/26/85 - 08/10/90</i>
Sources		
Interest Received	\$449,576	\$8,460,751
Dividends Received	0	165,463
Other Liabilities	0	34,609
Sale of Long Term Investments	250,402	91,019,601
Collection of Accounts Receivable	198,711	51,596,552
Agent Balances	0	4,433,075
Sale of Short Term Investments	0	68,427,338
Funds Held for Others	0	539,400
Other Assets	0	2,798,235
Accounts Payable	0	94,179
Miscellaneous Incomes	0	141,980
Recovery & Refunds	3,539,084	4,831,759
Total Sources General	\$4,437,773	\$232,542,962

1991

Liabilities

Trustee's Liability	\$5,880,923	\$6,264,758
Total Liabilities	\$5,880,923	\$6,264,758

Transactions

01/01/91 - 08/10/90 -
12/31/91 12/31/91

Sources

Agents Balances	\$44,346	\$92,952
Interest Received	398,314	579,886
Miscellaneous Income	707	37,357
Total Sources General	\$443,367	\$710,195

Applications

Purchase of Short Term Investments	\$368,330	\$399,902
Printing & Stationery	0	608
Moving Expense	0	50,000
Department of Insurance	0	229
Legal & Audit	45,515	198,191
Miscellaneous Expenses	12,047	19,632
Accrued Expenses	7,700	57,700
Total Applications General	\$433,592	\$726,262

Changes in Non-Cash Assets

Purchase of Short Term Investments	\$368,330	\$399,902
Total Changes in Non-Cash Assets	\$368,330	\$399,902

Changes in Liabilities

Trustee's Liability	\$378,105	\$383,835
Total Changes in Liabilities	\$378,105	\$383,835

Mission Insurance Company Trust

Date of Trust: 08/10/90

Assets	Taken Over by Trustee 08/10/90	In Trustee's Control 12/31/91
Cash & Equivalents	\$24,036,252	\$22,030,031
Short Term Investments	224,549,133	401,379,778
Bond Investments	17,080,222	13,981,026
Stock Investments	16,578,103	10,206,214
Funds Held in Escrow	1,750,000	60,072,234
Funds Due From Affiliates	241,911,963	192,405,797
Furniture, Fixtures & Automobiles	514,953	353,579
Reinsurance Recoverable	852,957,994	447,530,903
Other Assets	1,320,067	51,893
Total Assets	\$1,380,698,687	\$1,148,011,455

Liabilities		
Trustee's Liability	\$1,380,698,687	\$1,148,011,455
Total Liabilities	\$1,380,698,687	\$1,148,011,455

Transactions

Sources	01/01/91 - 12/31/91	08/10/90 - 12/31/91
Sale of Bonds	\$3,304,258	\$4,089,114
Due From Affiliates	6,986,047	36,071,593
Agents Balances	1,224,513	1,257,832
Prepaid Expenses	521	6,521
Funds Deposited By Others	0	43,842
Collection of Reinsurance	225,022,473	279,719,598
Dividend from Mission Ins.Co. of Texas	14,675,441	14,675,441
Interest Income	28,720,028	35,226,832
Salvage & Subrogation	307,456	931,221
S & T Fund Account	0	618,921
Total Sources General	\$280,240,737	\$372,640,915

Applications		
Purchase of Short Term Investments	\$115,498,181	\$176,695,133
Purchase of Furniture & Automobiles	17,004	21,958
Funds held in Escrow	58,257,134	58,322,233
Loss & Loss Expenses Paid	164,206	419,298
Other Liabilities	30,705	54,531
Salaries & Wages	7,342,586	10,590,433
Employee Relations & Welfare	887,655	1,279,720
Payroll Taxes	473,222	602,689

Equipment Maintenance	1,126,292	1,652,950
Rent	1,550,442	2,327,673
Printing & Stationery	650,350	975,543
Postage & Telephone	253,474	371,260
Travel & Entertainment	159,642	231,523
Insurance	150,367	326,395
Miscellaneous Expenses	4,580	446,833
Legal & Audit	4,199,710	7,753,416
Leasehold Expense	36,077	87,830
Outside Services	2,134,048	3,760,542
Suspense - Other	-100	0
Insurance Dept. Licenses & Fees	77,310	78,574
Early Access Distribution	99,900,000	99,900,000
Guaranty Associations	1,962,299	8,748,602
Total Applications General	<u>\$294,875,184</u>	<u>\$374,647,136</u>

Changes in Non-Cash Assets

Purchase of Short Term Investment	\$115,498,181	\$176,695,133
Increase in Short Term Investment Value	0	135,512
Sale of Bonds	-3,304,258	-4,089,114
Increase in Bond Investment Value	818,562	989,918
Stocks Acquired from Litigation	0	7,195,889
Dividends from Mission Ins.Co.of Texas	-14,675,441	-14,675,441
Increase in Stock Investment Value	2,104,531	1,107,663
Funds held in Escrow	58,257,134	58,322,234
Funds Due Affiliates Collected	-6,986,047	-36,071,603
Funds Due Affiliate Expense Reallocation	6,551,338	10,478,393
Funds Due Affiliates Reinsurance	1,890,889	-3,466,234
Funds Due Affiliates Developed	-4,021,358	-20,446,722
Purchase of Furniture & Automobiles	17,004	21,958
Depreciation on Furniture & Automobiles	-128,755	-183,332
Collection of Reinsurance Recoverable	-225,022,473	-279,719,598
Reinsurance Recoverable - IBNR adjustment	106,000,000	106,000,000
Reinsurance Recoverable - Commutation Lo	-86,775,000	-168,514,203
Reinsurance Recoverable - Doubtful Reser	-95,225,000	-13,485,797
Reinsurance Recoverable Offsets	-1,363,099	-49,707,493
Other Assets Collected	-303,328	-353,170
Other Assets Offsets	96,851	-915,004
Total Changes in Non-Cash Assets	<u>-\$146,570,269</u>	<u>-\$230,681,011</u>

Changes in Liabilities

Trustee's Liability	<u>-\$161,204,726</u>	<u>-\$232,687,232</u>
Total Changes in Trustee's Liability	<u>-\$161,204,726</u>	<u>-\$232,687,232</u>

Mission Insurance Company Trust

1992

Date of Trust 08-10-90
Date of Liquidation 00-00-00

	Taken Over	In Liquidator's Control
Assets	08-10-90	12-31-92
Cash & Equivalents	24,036,252	25,043,704
Short Term Investments	224,549,133	380,388,979
Bond Investments	17,080,222	11,500,038
Stock Investments	16,578,103	10,353,855
Funds Held in Escrow	1,750,000	97,037,589
Funds due From Affiliates	241,911,963	192,081,494
Furniture, Fixtures, Autos	514,953	219,555
Reinsurance Recoverable	852,957,994	395,419,667
Other Assets	1,320,067	74,300
TOTAL ASSETS	1,380,698,687	1,112,119,181
Liabilities		
Trustee's Liability	1,380,698,687	1,112,119,181
TOTAL LIABILITIES	1,380,698,687	1,112,119,181
Sources	Transactions	
	01-01-92	08-10-90
	12-31-92	12-31-92
Interest Received	25,893,212	61,120,044
Dividends Received	0	14,675,441
Salvage & Subrogation	550,821	1,482,042
Bonds Sold	2,714,032	6,803,146
Reinsurance Collected	48,939,512	328,659,110
Due From Affiliates	5,111,588	41,183,184
Agents' Balances	36,024	1,293,856
Prepaid Expenses	0	6,521
Funds Deposited by Others	0	43,842
S & T Fund Account	0	618,921
Total Sources General	83,245,189	455,886,107

Mission Insurance Company Trust

<u>Applications</u>		
Guaranty Associations	2,124,431	10,873,033
Early Access Distributions	49,385,964	149,285,964
Losses Paid	177,959	597,257
Funds Held in Escrow	36,965,355	95,287,588
Salaries & Wages	5,856,477	16,446,910
Payroll Taxes	368,316	971,005
Other Liabilities	8,407	62,938
Employee Relation & Welfare	370,794	1,650,514
Equipment Rental & Maintenance	870,453	2,523,403
Rent	1,494,349	3,822,022
Printing & Stationery	238,744	1,214,287
Postage & Telephone	178,269	549,529
Travel	72,836	304,359
Outside Services	709,539	4,470,081
Insurance	115,413	441,808
Adm. Dept. of Insurance	179,484	258,058
Miscellaneous Expenses	(10,611)	436,222
Legal & Audit	1,978,581	9,731,997
Short Term Investments Purchased	(20,990,800)	155,704,333
Furniture & Autos Purchased	3,824	25,782
Prepaid Expenses	22,407	22,407
Leasehold Expense	111,325	199,155
Total Applications General	<u>80,231,516</u>	<u>454,878,652</u>
<u>Changes in Non-Cash Assets</u>		
Stock Acquired from Litigation	0	7,195,889
Stock-Increase in Value	147,641	1,255,304
Dividends Mission Insurance Co. Texas	0	(14,675,441)
Short Term Investments Purchased	(20,990,800)	155,704,333
Short Term Investments Increase in Value	0	135,512
Bonds Sold	(2,714,032)	(6,803,146)
Bonds-Increase in Value	233,044	1,222,962
Funds Held in Escrow	36,965,355	95,287,589
Funds Due Affiliates Collected	(5,111,588)	(41,183,191)
Due Affiliates Expense Reallocation	5,005,913	15,484,306
Due Affiliates Reinsurance	(264,749)	(3,730,983)
Funds Due Affiliates Developed	46,121	(20,400,601)
Furniture & Autos Purchased	3,824	25,782
Depreciation Furniture & Autos	(137,848)	(321,180)
Reinsurance Recoverable Collected	(49,747,331)	(329,466,929)
Reinsurance Recoverable IBNR Adjustments	0	106,000,000
Reinsurance Recoverable Commutation Loss	(42,000,000)	(210,514,203)
Reinsurance Recoverable Doubtful Reserve	42,000,000	28,514,203
Reinsurance Recoverable Offset	(2,363,904)	(52,071,397)
Other Assets Collected	22,407	(330,763)
Other Assets Offset	0	(915,004)
Total Changes in Non-Cash Assets	<u>(38,905,947)</u>	<u>(269,586,958)</u>
<u>Changes in Liabilities</u>		
Trustee's Liability	<u>(35,892,274)</u>	<u>(268,579,506)</u>
Total Changes in Liabilities	<u>(35,892,274)</u>	<u>(268,579,506)</u>

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE - BALANCE SHEET INFORMATION
DECEMBER 31, 1999

ASSETS	Mission Insurance Company Trust	Holland - America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
Cash in bank	\$121,116	\$6,373	\$56,461	\$17,106	\$3,253	\$204,309		\$204,309
Restricted cash	81,101,603					81,101,603		81,101,603
Investments, at cost	440,305,080	34,543,922	120,316,976	28,668,646	39,796,802	663,632,028		663,632,028
Securities	14,876,689					14,876,689		14,876,689
Investment in subsidiary	4,158,910					4,158,910		4,158,910
Funds held by others	31,876,526	1,133,064	3,516,307	1,485,379	1,170,064	39,181,330		39,181,330
Reinsurance recoverable on paid losses	60,861,967	30,741,338	143,821,198	18,389,648		253,834,151		253,834,151
Reinsurance recoverable on loss reserves	993,516,804	7,894,473	93,560,935	(346,176)		494,626,036	(200,220,456)	294,405,580
Less: Allowance for uncollectible reinsurance recoverable	(201,326,538)	(6,938,852)	(67,419,395)	(5,281,967)		(280,966,752)	41,966,752	(239,000,000)
Due (to) from affiliates	144,185,048	(116,288,537)	(118,651,775)	50,194,089	40,861,175	0		0
Other assets	408,594					408,594		408,594
TOTAL ASSETS	\$970,106,399	(\$48,906,229)	\$175,220,109	\$93,126,725	\$81,531,294	\$1,271,056,898	(\$158,253,704)	\$1,112,803,194

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE - BALANCE SHEET INFORMATION
DECEMBER 31, 1993

	Mission Insurance Company Trust	Holland - America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
LIABILITIES								
Policyholder liabilities	\$774,991,850	\$50,727,207	\$366,800,073	\$41,427,382		\$1,233,936,512	(\$24,000,000)	\$1,209,936,512
Due to insurance guaranty assoc.	85,327,878	(23,613,996)	61,916,099	89,261,205	(9,532,035)	203,159,151		203,159,151
Reinsurance payable on loss reserves assumed	435,458,671		4,851,566		9,362,964	449,671,201		449,671,201
Reinsurance payable on loss reserves assumed	612,927,062	481,957	6,394,902	200,032	76,230,459	696,234,412	(40,637,965)	655,596,427
Other liabilities	5,623,519	931,837	2,825,370	472,390		9,253,116		9,253,116
Total Liabilities	1,914,316,980	27,727,005	442,795,010	131,361,009	76,061,388	2,592,254,392	(64,637,965)	2,527,616,407
TRUST								
Trust corpus	(675,922,513)	(102,638,793)	(259,225,890)	(44,852,944)	(13,338,077)	(1,095,978,217)	317,144,778	(778,833,439)
Reserve for uncollectible reinsurance	(201,326,536)	(6,936,852)	(67,419,385)	(5,281,967)		(280,964,732)	(114,033,248)	(395,000,000)
Unrealized gains & (losses)	9,695,714	(160,823)	37,634	31,632	175,142	9,979,199		9,979,199
Retained earnings	(76,857,244)	33,103,334	59,020,350	11,868,995	18,632,841	45,768,276	(296,727,249)	(250,958,973)
Total Trust	(944,210,581)	(76,635,234)	(267,587,301)	(38,234,284)	5,469,906	(1,321,197,494)	(93,615,719)	(1,414,813,213)
TOTAL LIABILITIES & TRUST	\$970,106,399	(\$48,908,229)	\$175,200,709	\$93,126,725	\$81,531,294	\$1,271,056,898	(\$159,253,704)	\$1,112,803,194

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE - STATEMENT OF OPERATIONS AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1993

	Mission Insurance Company Trust	Holland - America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
REVENUE								
Net investment income, including gains and losses from investments	\$19,490,440	\$2,307,771	\$8,662,537	\$787,695	\$2,141,589	\$33,390,032	(\$7,112,860)	\$26,277,172
Total revenue	19,490,440	2,307,771	8,662,537	787,695	2,141,589	33,390,032	(7,112,860)	26,277,172
OPERATING EXPENSES								
Salaries and other personnel costs	3,322,528	579,616	1,169,210	501,742	103,617	5,676,713		5,676,713
Other administrative costs	4,179,425	711,856	1,411,590	573,764	110,672	6,987,307		6,987,307
Total operating expenses	7,501,953	1,291,472	2,580,800	1,075,506	214,289	12,664,020		12,664,020
OTHER INCOME (EXPENSES)								
Losses and loss adjustment expenses	(35,532,927)	(2,117,769)	7,318,962	(1,205,691)	(5,447,282)	(36,984,707)		(36,984,707)
Increase in loss reserves	(127,337,208)	14,956,308	103,369,341	(1,354,080)	16,125,347	5,759,708	(47,582,471)	(41,822,763)
Other	(902,905)	(291,105)	164,545	485,202	1,600,388	1,056,125		1,056,125
Net loss (income)	(151,784,563)	13,563,733	116,934,585	(2,362,380)	14,205,753	(9,442,862)	(54,695,331)	(64,138,192)
RETAINED EARNINGS								
Balance, beginning of year	74,927,311	19,539,600	(57,914,235)	14,231,374	4,427,088	55,211,138	(242,031,918)	(186,820,780)
Balance, end of year	(\$76,857,242)	\$33,103,333	\$59,020,350	\$11,868,994	\$18,632,841	\$45,768,276	(\$296,727,249)	(\$250,958,973)

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE-BALANCE SHEET INFORMATION
DECEMBER 31, 1994

ASSETS	Mission Insurance Company Trust	Holland- America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Insurance Corp. Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
Cash in bank	\$292,523	\$8,499	\$19,845	\$11,693	\$3,416	\$335,976		335,976
Restricted cash	60,410,238					60,410,238		60,410,238
Investments, at cost	307,944,354	50,850,131	168,156,023	22,495,540	41,403,024	590,849,372		590,849,372
Securities	13,794,207					13,794,207		13,794,207
Investment in subsidiary	4,312,704					4,312,704		4,312,704
Funds held by others	31,925,204	1,142,905	3,381,417	1,171,976	206,348	37,827,850		37,827,850
Reinsurance recoverable on paid losses	177,566,663	7,150,267	38,359,571	3,380,865		226,457,366		226,457,366
Reinsurance recoverable on loss reserves	328,451,213	13,992,828	91,423,236	4,214,992		438,081,969	(20,417,529)	417,664,440
Less: allowance for uncollectible reinsurance recoverable	(384,100,000)	(8,500,000)	(59,400,000)	(2,800,000)		(454,800,000)		(454,800,000)
Due (to) from affiliates	116,152,106	(105,098,017)	(32,963,382)	36,161,181	(14,251,888)	0		0
Other Assets	498,973					498,973		498,973
TOTAL ASSETS	\$657,248,185	(\$40,453,687)	\$238,976,219	\$64,636,547	\$27,360,900	\$917,768,655	(\$20,417,529)	\$897,351,126

MISSION INSURANCE COMPANIES TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE-BALANCE SHEET INFORMATION
DECEMBER 31, 1994

	Mission Insurance Company Trust	Holland- America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Corp. Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
LIABILITIES								
Policyholder liabilities	\$671,944,480	\$65,558,218	\$427,553,783	\$25,531,389		\$1,190,607,870		\$1,190,607,870
Due to insurance guaranty associations	47,127,397	(23,632,654)	23,018,433	70,944,158		117,457,536		117,457,536
Reinsurance payable on paid losses assumed	446,060,691		5,175,012		10,127,509	461,363,212		461,363,212
Reinsurance payable on loss reserves assumed	610,639,348		5,612,779		11,146,246	627,418,373		627,418,373
Other liabilities	5,675,167	331,837	2,825,370	472,390		9,304,764		9,304,764
Total liabilities	1,781,447,083	42,257,401	454,225,379	96,948,137	21,273,755	2,406,151,755		2,406,151,755
TRUST								
Trust corpus	(431,643,252)	(70,528,590)	(238,051,716)	(25,271,786)	(13,338,075)	(778,833,439)		(778,833,439)
Reserve for uncollectible reins	(384,100,000)	(8,500,000)	(59,400,000)	(2,800,000)		(454,800,000)		(454,800,000)
Unrealized gains & (losses)	8,649,054	(1,143,333)	(11,251)	22,908	(1,076,859)	6,440,519		6,440,519
Retained earnings	(317,104,700)	(2,539,165)	42,214,318	(4,262,712)	20,502,079	(261,190,180)	(20,417,529)	(281,607,709)
Total Trust	(1,124,198,898)	(82,711,088)	(255,248,659)	(32,311,590)	6,087,145	(1,488,383,100)	(20,417,529)	(1,508,800,629)
TOTAL LIABILITIES & TRUST	\$657,248,185	(\$40,453,687)	\$208,976,710	\$64,636,547	\$27,360,900	\$917,268,655	(\$20,417,529)	\$897,351,126

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE-BALANCE SHEET INFORMATION
DECEMBER 31, 1994

	REVENUE				ADJUSTING		COMBINED
	Mission Insurance Company Trust	Holland- America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Reinsurance Corp. Trust	ENTRIES Increase (Decrease)	
Net investment income, including gains and losses from investment transactions	(\$10,842,835)	\$5,405,530	\$28,010,138	\$3,797,243	\$2,184,229		\$28,554,305
Total revenue	(10,842,835)	5,405,530	28,010,138	3,797,243	2,184,229		28,554,305
OPERATING EXPENSES							
Salaries and other personnel costs	5,507,139						5,507,139
Other administrative costs	4,762,973	1,057,845	2,292,320	1,026,433	281,002		9,420,573
Total operating expenses	10,270,112	1,057,845	2,292,320	1,026,433	281,002		14,927,712
OTHER INCOME (EXPENSES)							
Losses and loss adjustment expenses	(14,471,230)	(2,495,040)	(5,738,591)	(1,247,519)	(998,016)		(24,950,396)
Increase in loss reserves	36,559,622	(7,214,477)	(31,146,853)	1,764,979	998,013	(20,417,529)	(19,456,245)
Other	(15,931)	47,613	109,808	23,807	(33,985)		131,312
Net income (loss)	\$959,514	(\$5,314,219)	(\$1,057,819)	\$1,012,077	\$1,869,239	(\$20,417,529)	(\$30,648,736)
RETAINED EARNINGS							
Balance, beginning of year	(76,857,244)	33,103,334	59,020,350	11,868,995	18,632,841	45,758,276	(250,948,973)
Balance, end of year	(\$75,897,730)	\$27,789,115	\$47,962,532	\$15,881,072	\$20,502,080	\$34,337,069	(\$281,607,709)

MISSION INSURANCE COMPANIES TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE-BALANCE SHEET INFORMATION
DECEMBER 31, 1995

	ASSETS								ADJUSTING ENTRIES INCREASE (DECREASE)	TOTAL	COMBINED BALANCES
	Mission Insurance Company Trust	Holland America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Insurance Corp. Trust						
Cash in bank	\$ 188,072	\$ 10,301	\$ 28,921	\$ 11,277	\$ 2,472	\$ 241,043			\$		241,043
Restricted cash	59,694,893					59,694,893					59,694,893
Investments, at cost	328,942,748	56,180,926	198,365,348	27,426,029	44,310,031	655,225,082					655,225,082
Securities	12,397,241					12,397,241					12,397,241
Investment in subsidiary	4,565,457					4,565,457					4,565,457
Funds held by others	17,294,979	1,152,223	3,320,644	1,046,932		22,814,778					22,814,778
Reinsurance recoverable on paid losses	176,079,092	6,474,885	27,850,027	3,107,094		213,511,088					213,511,088
Reinsurance recoverable on lost reserves	291,306,036	11,310,853	52,829,977	433,583		355,880,449					355,880,449
Less: allowance for uncollectible reinsurance recoverable	(349,838,000)	(9,129,000)	(49,713,000)	(2,923,000)		(411,603,000)					(411,603,000)
Due (to) from affiliates	12,082,224	(105,097,942)	71,162,675	36,107,543	(14,254,500)						
Other Assets	374,633					374,633					374,633
TOTAL ASSETS	\$ 553,087,375	\$ (39,097,754)	\$ 303,844,592	\$ 63,209,448	\$ 30,058,003	\$ 913,101,664			\$	\$ 913,101,664	

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE-BALANCE SHEET INFORMATION
DECEMBER 31, 1995

	Mission Insurance Company Trust	Holland America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Corp Trust	TOTAL	ADJUSTING ENTRIES INCREASE (DECREASE)	COMBINED BALANCES
LIABILITIES								
Policyholder liabilities								
Due to insurance guaranty associations	\$ 531,192,432	\$ 65,122,551	\$ 512,541,778	\$ 24,086,177	\$ 1,132,942,938			\$ 1,132,942,938
Reinsurance payable on paid losses assumed	54,109,104	(23,091,158)	28,599,310	73,038,978		132,656,234		132,656,234
Reinsurance payable on loss reserves assumed	458,964,739		5,105,881		10,609,439	474,680,079		474,680,079
Other liabilities	615,437,517	500,000	5,701,229		10,664,296	632,303,042		632,303,042
	5,624,714	331,837	2,825,370	472,390		9,254,311		9,254,311
Total liabilities	1,665,328,506	42,863,230	554,773,558	97,597,545	21,273,755	2,381,836,604		2,381,836,604
TRUST								
Trust corpus	(431,643,251)	(70,528,590)	(218,051,736)	(25,271,786)	(13,338,076)	(778,833,439)		(778,833,439)
Reserve for uncollectible reins	(349,838,000)	(9,129,000)	(49,713,000)	(2,923,000)		(411,603,000)		(411,603,000)
Unrealized gains & (losses)	7,720,744	540,959	26,101	26,738	(379,348)	7,935,194		7,935,194
Retained earnings	(338,480,623)	(2,844,352)	36,809,557	(4,220,847)	22,501,670	(286,233,695)		(286,233,695)
Total Trust	(1,112,241,130)	(81,960,983)	(250,928,078)	(22,888,095)	8,784,246	(1,468,734,940)		(1,468,734,940)
TOTAL LIABILITIES & TRUST	\$ 553,087,376	\$ (39,097,753)	\$ 303,844,590	\$ 65,209,450	\$ 30,058,001	\$ 913,101,664		\$ 913,101,664

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
STATEMENT OF OPERATIONS AND CHANGES IN RETAINED EARNINGS
DECEMBER 31, 1995

	REVENUE				ADJUSTING ENTRIES				COMBINED BALANCES
	Mission Insurance Company Trust	Holland America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Corp. Trust	TOTAL	INCREASE (DECREASE)		
Net investment income, including gains and losses from investment transactions	\$ 21,748,869	\$ 3,040,674	\$ 11,144,312	\$ 1,645,648	\$ 2,208,543	\$ 39,788,046	\$	\$	39,788,046
Total revenue	21,748,869	3,040,674	11,144,312	1,645,648	2,208,543	39,788,046			39,788,046
OPERATING EXPENSES									
Salaries and other personnel costs	5,041,773					5,041,773			5,041,773
Other administrative costs	7,069,499	1,588,887	2,901,079	969,218	208,951	12,737,634			12,737,634
Total operating expenses	12,111,272	1,588,887	2,901,079	969,218	208,951	17,779,407			17,779,407
OTHER INCOME (EXPENSES)									
Losses and loss adjustment expenses	(16,543,010)	(518,265)	(1,806,834)	(1,843,469)	(481,950)	(21,193,628)			(21,193,628)
Increase in loss reserves	(11,445,599)	543,314	3,594,881	1,342,155	481,949	(5,493,290)			(5,493,290)
Other	47,370			4,923		52,293			52,293
Net income (loss)	(18,303,632)	1,476,736	10,021,280	180,039	1,999,591	(4,625,986)			(4,625,986)
RETAINED EARNINGS									
Balance, beginning of year	(320,176,991)	(4,321,088)	26,783,377	(4,400,086)	20,502,079	(281,607,709)			(281,607,709)
Balance, end of year	\$ (338,480,623)	\$ (2,844,352)	\$ 36,804,657	\$ (4,220,047)	\$ 22,501,670	\$ (286,233,695)		\$	(286,233,695)

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE BALANCE SHEET INFORMATION
DECEMBER 31, 1996

	Mission Insurance Company Trust	Holland-America Insurance Company Trust	Mission National Insurance Company Trust	Disruptive Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
ASSETS								
Cash in bank	\$ 189,851	\$ 5,017	\$ 17,753	\$ 12,266	\$ 7,692	\$ 232,604	\$	\$ 232,604
Restricted cash	43,309,435					43,309,435		43,309,435
Investments, at cost	774,889,721	75,125,112	212,114,638	38,310,611	32,962,166	723,399,229		723,399,229
Securities	9,016,175					9,016,175		9,016,175
Investment in subsidiary	4,819,380					4,819,380		4,819,380
Funds held by others	17,129,724	1,227,151	3,003,766	930,163		22,320,823		22,320,823
Reinsurance recoverable on paid losses	177,218,415	5,838,935	20,542,310	2,070,210		212,570,024		212,570,024
Reinsurance recoverable on loss reserves	301,724,193	4,527,144	76,764,971	740,360		343,442,675		343,442,675
Less: Allowance for uncollectible reinsurance recoverable	(156,837,800)	(6,707,690)	(19,377,000)	(2,001,000)		(401,822,000)		(401,822,000)
Due (to) from affiliates	12,082,678	(112,182,485)	31,242,140	76,129,627	(7,151,999)	60	(0)	(0)
Other assets	313,205					313,205		313,205
TOTAL ASSETS	\$ 583,846,788	\$ (22,170,092)	\$ 308,205,627	\$ 63,831,257	\$ 25,817,860	\$ 933,621,550		\$ 933,621,550

MISSION INSURANCE COMPANIES' TRUSTS (ON LIQUIDATION)
COMBINING SCHEDULE BALANCE SHEET INFORMATION
DECEMBER 31, 1996

	Mission Insurance Company Trust	Holland-America Insurance Company Trust	Maroon National Insurance Company Trust	Estimote Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
LIABILITIES								
Policyholder liabilities	\$ 611,927,247	\$ 64,425,267	\$ 478,598,102	\$ 22,886,219		\$ 1,177,829,378		\$ 1,177,829,378
Due to insurance guaranty assoc.	60,158,411	(22,086,241)	70,596,000	74,278,281		154,947,361		154,947,361
Reinsurance payable on paid losses assumed	470,234,906		3,012,109		\$ 11,004,597	485,162,611		485,162,611
Reinsurance payable on loss reserves assumed	583,281,712	510,110	2,601,153		10,218,508	681,733,763		681,733,763
Other liabilities	5,621,379	311,837	3,425,370	472,189		9,232,975		9,232,975
Total Liabilities	1,740,225,635	42,271,361	526,607,287	97,656,849	21,225,195	2,428,007,088		2,428,007,088
TRUST								
Trust corpus	(431,643,231)	(70,528,300)	(218,611,515)	(25,271,786)	(19,338,077)	(778,833,439)		(778,833,439)
Reserve for uncollectible reinsurance	(316,817,000)	(6,367,019)	(75,277,400)	(2,051,346)		(405,822,600)		(405,822,600)
Unrealized gains & losses	4,030,407	181,246	1,007,107	29,614	(512,056)	4,544,668		4,544,668
Retained earnings	(370,536,221)	2,410,109	59,104,218	(3,661,361)	18,406,808	(204,274,167)		(204,274,167)
Total Trust	(1,154,379,865)	(74,441,445)	(218,312,360)	(31,804,533)	4,552,665	(1,474,385,538)		(1,474,385,538)
TOTAL LIABILITIES & TRUST	\$ 585,845,770	\$ (32,170,083)	\$ 308,295,027	\$ 65,852,316	\$ 25,817,860	\$ 233,621,550		\$ 553,621,550

MISSION INSURANCE COMPANIES TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE STATEMENT OF OPERATIONS AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1996

	Mission Insurance Company Trust	Holland-America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
REVENUE								
Net investment income, including gains and losses from investments	\$ 21,109,716	\$ 10,175,861	\$ 10,214,891	\$ 1,465,259	\$ (1,935,388)	\$ 39,024,719	\$	\$ 39,024,719
Miscellaneous income	11,344,954		2,663			11,346,817		11,346,817
Total revenue	32,454,670	10,175,861	10,217,554	1,465,259	(1,935,388)	59,371,516		59,371,516
OPERATING EXPENSES								
Salaries and other personnel costs	4,890,333					4,890,333		4,890,333
Other administrative costs	1,803,013	1,239,943	3,305,503	1,048,207	167,816	6,178,200		6,178,200
Total operating expenses	6,715,346	1,239,943	3,305,503	1,048,207	167,816	11,468,533		11,468,533
OTHER INCOME (EXPENSES)								
Losses and loss adjustment expense	(13,773,746)	(862,298)	(2,137,532)	(761,214)	(405,697)	(17,561,167)		(17,561,167)
Increase in loan reserves	(44,073,088)	(2,847,168)	16,121,881	761,050	405,698	(29,429,424)		(29,429,424)
Other	54,113		(15,555)		8,558	47,316		47,316
Net income (loss)	(22,053,597)	5,234,552	22,204,940	558,688	(4,093,865)	(8,040,472)		(8,040,472)
RETAINED EARNINGS								
Balance, beginning of year	(138,486,624)	(2,804,053)	36,809,658	74,030,040	22,501,673	(786,233,695)		(786,233,695)
Balance, end of year	\$ (370,534,221)	\$ 2,410,199	\$ 59,104,498	\$ (1,661,361)	\$ 18,406,808	\$ (294,274,167)	\$	\$ (294,274,167)

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE - BALANCE SHEET INFORMATION
DECEMBER 31, 1997

ASSETS	Mission Insurance Company Trust	Holland-America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL*	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
Cash in bank	\$ 217,616.00	\$ 2,715	\$ 107,320	\$ 2,300	\$ 1,229	\$ 334,373	\$	\$ 334,373
Retained cash	16,455,223					16,455,223		16,455,223
Investments	452,741,052	10,520,047	332,110,932	20,762,472	16,283,251	821,435,754		821,435,754
Securities	13,073,454					13,073,454		13,073,454
Investment in subsidiary	5,037,417					5,037,417		5,037,417
Funds held by others	16,677,901	1,260,434	1,947,918	848,164		20,734,417		20,734,417
Reinsurance receivable on Paid Losses	26,759,429	4,382,610	21,692,061	2,758,532		105,592,632		105,592,632
Reinsurance receivable on Loss Reserves (net of present value discount)	174,190,122	1,447,557	26,476,842	429,050		204,543,572		204,543,572
Less: Allowances for doubtful reinsurance receivable	(187,191,000)	(8,482,000)	(14,457,000)	(2,888,000)		(730,990,000)		(730,990,000)
Due (to) from affiliates	91,365,656	(104,308,889)	(21,054,933)	40,108,050	(11,860)			
Other assets	256,437					256,437		256,437
TOTAL ASSETS	\$ 669,483,301	\$ (31,165,520)	\$ 224,855,360	\$ 71,077,564	\$ 16,272,617	\$ 956,473,319		\$ 956,473,319

* - Differences due to rounding

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE - BALANCE SHEET INFORMATION
DECEMBER 31, 1997

	Mission Insurance Company Trust	Holland-America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL*	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
LIABILITIES								
Policyholder liabilities	\$ 679,626,853	\$ 51,071,844	\$ 344,700,810	\$ 18,008,693		\$ 1,112,808,200	\$	\$ 1,112,808,200
Due to insurance guaranty associations	84,650,984	(30,600,883)	10,371,670	75,391,306		140,313,276	\$	140,313,276
Assumed Payable:								
Paid losses assumed	461,723,070		4,330,472		2,943,708	468,997,249	\$	468,997,249
Loss reserves assumed	357,496,113		7,112,349			364,608,462		364,608,462
Total assumed payable	1,019,221,183		11,442,821		2,943,708	1,033,607,711	\$	1,033,607,711
Other liabilities	3,040,276	158,189	2,636,187	343,282		8,178,834		8,178,834
Total Liabilities	1,808,339,396	20,629,154	369,480,416	93,743,264	2,943,708	2,295,000,030		2,295,000,030
TRUST								
Trust corpus	(431,643,332)	(70,378,590)	(231,051,736)	(73,271,716)	(13,338,077)	(778,833,439)	\$	(778,833,439)
Reserve for scheduled reinsurance recoverable, including present value discount	(187,191,000)	(6,412,000)	(34,422,000)	(2,838,000)		(230,999,000)		(230,999,000)
Unrealized gains on investments and subsidiaries	8,893,888	152,116	10,436	31,154	(346,319)	8,541,123	\$	8,541,123
Retained earnings	(529,115,731)	31,063,794	124,176,123	5,414,914	77,213,205	(37,247,397)		(37,247,397)
Total Trust	(1,129,056,092)	(43,794,680)	(144,394,127)	(70,713,713)	13,328,909	(1,318,529,713)		(1,318,529,713)
TOTAL LIABILITIES AND TRUST	\$ 669,483,304	\$ (23,165,526)	\$ 224,815,161	\$ 21,029,551	\$ 16,272,617	\$ 956,473,119	\$	\$ 956,473,119

*. Difference due to rounding.

MISSION INSURANCE COMPANIES' TRUSTS (IN LIQUIDATION)
COMBINING SCHEDULE-STATEMENT OF OPERATIONS AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1997

	Mission Insurance Company Trust	Holland-America Insurance Company Trust	Mission National Insurance Company Trust	Enterprise Insurance Company Trust	Mission Reinsurance Company Trust	TOTAL*	ADJUSTING ENTRIES Increase (Decrease)	COMBINED BALANCES
REVENUE								
Net interest income, including gains and losses from investment transactions	\$ 20,651,925	\$ 12,639,185	\$ 37,631,443	\$ 1,590,499	\$ 1,048,844	\$ 73,561,896	\$	\$ 73,561,896
Miscellaneous income	8,536,990					8,536,990		8,536,990
Total revenue	29,178,915	12,639,185	37,631,443	1,590,499	1,048,844	72,088,886		72,088,886
OPERATING EXPENSES								
Salaries and other personnel costs	4,402,769					4,402,769		4,402,769
Other administrative costs	380,314	1,531,721	2,766,893	718,663	(64,359)	5,343,225	^	5,343,225
Total operating expenses	4,790,083	1,531,721	2,766,893	718,663	(64,359)	9,746,004	^	9,746,004
OTHER EXPENSES (INCOME)								
Losses and loss-adjustment expenses	(15,799,154)	(472,339)	(1,688,721)	(828,438)	(2,563,103)	(21,347,755)		(21,347,755)
Increase in loss reserves	(253,576,851)	14,929,071	(30,242,108)	5,076,899	10,238,598	(93,970,373)		(93,970,373)
Other	86,402,663	3,819,400	(94,346,222)	3,936,700		2,041		2,041
Total other expenses	(182,967,342)	17,546,132	(34,207,185)	8,204,441	7,697,495	(115,316,109)		(115,316,109)
Net income (loss)	(158,581,510)	21,653,596	69,077,215	9,036,275	8,806,698	(42,973,227)	^	(42,973,227)
RETAINED EARNINGS								
Balance, beginning of year	(370,332,221)	2,410,199	59,704,401	(7,661,362)	19,406,809	(294,274,168)		(294,274,168)
Balance, end of year	\$ (329,115,721)	\$ 31,063,795	\$ 128,581,222	\$ 5,414,913	\$ 27,213,506	\$ (37,247,395)	^	\$ (37,247,395)

^: Difference due to rounding